

Mistral Consultancy Limited

Financial Statements

Year Ended 31st August 2004

| | |
|--------------------|--|
| Registered Office: | Stribro, Heol Penrhiw, Cefn Pennar Mountain Ash, Glamorgan CF45 4DS |
| Registered Number: | 4397826 |
| Secretary: | J Bowen |
| Director: | D H Bowen |
| Bankers: | HSBC |
| Auditors | Morgan Evans & Co |



Mistral Consultancy Limited

Director's Report Year Ended 31st August 2004

The director presents the report, together with the financial statements of the Company, for the first year ending 31st August 2004.

1 Principal Activities

The company's only activity is the provision of financial services and is conducted wholly within the England and Wales.

2 Results and Dividends

The net profit of the company for the period under review, after taxation, was £22,136 (2003 £6,631)

| | | |
|---|--------|---------|
| Dividends were paid in respect of the Ordinary Share Capital: | Dec-03 | £14,000 |
| | Mar-04 | £6,000 |

No further dividend is recommended in respect of this year.

3 Directors and their interests

The sole director who served during the period, and his beneficial interest in the shares of the Company, was:

| Name | Ordinary shares of £1 each | |
|-----------|----------------------------|------------|
| | 2004 | 2003 |
| D H Bowen | 950 | 950 |
| | <u>950</u> | <u>950</u> |

4 Charitable and Political contributions

The company made no charitable or political contributions during the year.

5 Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently
- (ii) make judgements and estimates that are reasonable and prudent
- (iii) prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.
- (iv) state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6 Small Company

Advantage has been taken, in the preparation of these financial statements, of the special provisions applicable to small companies under Part VII of the Companies Act 1985.

By order of the Board



Secretary

Dated: 4th October 2004

**Auditor's Report to the Members
of
Mistral Consultancy Limited**

**Financial Statements
Year Ended 31st August 2004**

We have audited the financial statements on pages 3 to 7, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of the Directors and Auditors

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

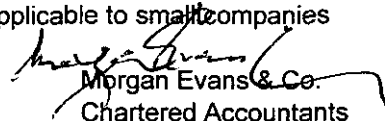
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud, or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st August 2004 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies


Morgan Evans & Co.
Chartered Accountants
and Registered Auditor
Mountain Ash,
Glamorgan CF45 3PG

Dated: 4th October 2004

Mistral Consultancy Limited

Profit and Loss Account Year Ended 31st August 2004

| | Notes | 2004 | | 2003 | |
|--|-------|------|----------------|------|---------------|
| | | £ | £ | £ | £ |
| Income | 1 | | 107,268 | | 40,829 |
| Less: | | | | | |
| Administrative Expenses | | | <u>55,531</u> | | <u>28,894</u> |
| Profit on ordinary activities before Taxation | 2 | | 51,737 | | 11,935 |
| Taxation | 3 | | <u>9,601</u> | | <u>304</u> |
| Profit on ordinary activities after Taxation | | | 42,136 | | 11,631 |
| Dividends paid and proposed | | | <u>20,000</u> | | <u>5,000</u> |
| Retained Profit for the financial year | 10 | | 22,136 | | 6,631 |
| Profit & Loss Account Brought forward | | | 6,631 | | - |
| Retained Profit carried forward | | | <u>£28,767</u> | | <u>£6,631</u> |

There were no other gains or losses recognised since since the previous accounts

Mistral Consultancy Limited

Balance Sheet as at 31st August 2004

| | Notes | 2004 | | 2003 | |
|--|-------|------|----------------|------|---------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible Assets | 4 | | 3,700 | | 3,281 |
| Intangible Assets | 5 | | <u>40,000</u> | | <u>-</u> |
| Total Fixed Assets | | | 43,700 | | 3,281 |
| Current Assets | | | | | |
| Debtors | 6 | | 5,670 | | 5,331 |
| Cash at Bank and in hand | | | <u>47,346</u> | | <u>14,569</u> |
| | | | <u>53,016</u> | | <u>19,900</u> |
| Creditors: amounts falling due within one year | 7 | | <u>22,978</u> | | <u>3,430</u> |
| Net Current Assets | | | 30,038 | | 16,470 |
| Total Assets less current liabilities | | | <u>73,737</u> | | <u>19,751</u> |
| Creditors: amounts falling due after more than one year | 8 | | 43,970 | | 12,120 |
| Total Net Assets | | | <u>£29,767</u> | | <u>£7,631</u> |
| Capital and Reserves | | | | | |
| Called up Share Capital | 9 | | 1,000 | | 1,000 |
| Profit and Loss Account | 10 | | <u>28,767</u> | | <u>6,631</u> |
| Shareholders' Funds | | | <u>£29,767</u> | | <u>£7,631</u> |

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the Board on 4th October 2004


D.H. Bowen

Mistral Consultancy Limited
Notes to the Accounts
Year Ended 31st August 2004

1. Accounting Policies

a) Basis of Accounting and Standards

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

b) Turnover

Turnover is the total amount, excluding value added tax, receivable by the company for goods sold and services provided.

c) Depreciation

Depreciation is calculated to write down the cost of assets, less their estimated residual value, by equal amounts over their expected useful term on the following bases:

| | |
|--|------------------------------------|
| General Equipment & Fixtures and Fittings | 25% on the reducing balance method |
|--|------------------------------------|

d) Stocks & Work in Progress

Stocks are valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis, and net realisable value is the price at which stocks can be sold in the normal course of business after allowing for cost of replacement. Provision is made where necessary for slow moving and defective stocks.

2. Operating Profit

| | 2004 £ | 2003 £ |
|--------------------------------|--------------|--------------|
| This is stated after charging: | | |
| Auditor's Remuneration | 500 | 500 |
| Depreciation: | | |
| Owned Tangible assets | 1,233 | 1,094 |
| Directors' emoluments | <u>6,000</u> | <u>2,579</u> |
| | <u>7,733</u> | <u>4,173</u> |

3. Taxation

| | | |
|-------------------------------|--------------|------------|
| Corporation tax charged (19%) | <u>9,601</u> | <u>304</u> |
|-------------------------------|--------------|------------|

4. Fixed Assets

Tangible Fixed Assets

| | Furniture & Fittings £ | Office Equipment £ | TOTAL £ |
|------------------------|------------------------------|--------------------------|------------------|
| Cost | | | |
| At 1st September 2003 | 875 | 3,500 | 4,375 |
| Acquired during year | | 1,652 | 1,652 |
| Disposals during year | - | - | - |
| At 31st August 2004 | <u>875</u> | <u>5,152</u> | <u>6,027</u> |
| Depreciation | | | |
| At 1st September 2003 | (219) | (875) | (1,094) |
| Charge for the year | (164) | (1,069) | (1,233) |
| Eliminated on Disposal | - | - | - |
| At 31st August 2004 | <u>(383)</u> | <u>(1,944)</u> | <u>(2,327)</u> |
| Net book value | | | |
| At 31st August 2004 | <u>492</u> | <u>3,208</u> | <u>3,700</u> |
| At 31st August 2003 | <u>656</u> | <u>2,625</u> | <u>3,281</u> |

Mistral Consultancy Limited
Notes to the Accounts
Year Ended 31st August 2004

5. Intangible Assets

Goodwill was introduced at a cost of £40,000 in respect of the business acquired from D H Bowen.

6. Debtors

| | 2004 £ | 2003 £ |
|---------------|--------------|--------------|
| Trade Debtors | 5,420 | 5,331 |
| Other Debtors | <u>250</u> | <u>-</u> |
| | <u>5,670</u> | <u>5,331</u> |

7. Creditors: amounts falling due within one year

| | | |
|---------------------------------|---------------|--------------|
| Trade creditors and Accruals | 5,570 | 2,148 |
| Taxation | 9,905 | 304 |
| Other Taxes and Social Security | 42 | 58 |
| Others | <u>7,462</u> | <u>920</u> |
| | <u>22,978</u> | <u>3,430</u> |

8. Creditors: amounts falling due after one year:

| | | |
|----------------------------|--------|--------|
| Director's Current account | 43,970 | 12,120 |
|----------------------------|--------|--------|

9. Called up Share Capital

| | £1 Ordinary Shares £ | £1 Ordinary Shares £ |
|--|----------------------------|----------------------------|
| Authorised, Allotted, called up and fully paid | 1,000 | 1,000 |

10. Reconciliation of Reserves

| | Share Capital £ | Profit & Loss A/c £ | Shareholders Funds £ |
|-----------------------|-----------------------|---------------------------|----------------------------|
| At 1st September 2003 | 1,000 | 6,631 | 7,631 |
| Share issue | - | - | - |
| Net Profit for Year | - | <u>6,631</u> | <u>6,631</u> |
| At 31st August 2004 | <u>1,000</u> | <u>13,262</u> | <u>14,262</u> |

11. Pension Scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

12. Control

The control of the company was, throughout the year, held by D H Bowen by virtue of the fact that, he held 90% of the company's issued share capital.

Mistral Consultancy Limited

Cash Flow Statement Year Ended 31st August 2004

| | £ | £ |
|---|-----------------|-----------------------|
| Cash Generated from operations | | |
| Operating profit/(loss) | 42,071 | |
| Reconciliation to cash generated from operations: | | |
| Depreciation | 1,233 | |
| Decrease in trade debtors | (339) | |
| Decrease in trade creditors | 3,423 | |
| Increase in other creditors | <u>16,126</u> | |
| | | 62,514 |
| Cash from other sources | | |
| Interest received | 65 | |
| Increase in director's loan | <u>31,850</u> | |
| | | 31,915 |
| Application of cash | | |
| Purchase of fixed assets: Goodwill | (40,000) | |
| Tangible Assets | (1,652) | |
| Dividends paid | <u>(20,000)</u> | |
| | | <u>(61,652)</u> |
| Net increase in cash | | 32,777 |
| Cash at bank and in hand at beginning of year | | 14,569 |
| Cash at bank and in hand at end of year | | <u><u>£47,346</u></u> |
| Consisting of: | | |
| Cash at bank and in hand | | <u><u>£47,346</u></u> |