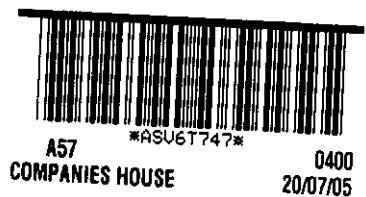


Company Registration No. 950644 (England and Wales)

PETER ADAMS (INSURANCE BROKERS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2005



PETER ADAMS (INSURANCE BROKERS) LIMITED

COMPANY INFORMATION

Directors	Mrs N. Adams N. A. Adams
Secretary	Mrs N. Adams
Company number	950644
Registered office	11 Drake Walk Waterfront 2000 Atlantic Wharf Cardiff Bay CF10 4AN
Auditors	Davies Williams 21 St Andrews Crescent Cardiff CF10 3DB
Bankers	HSBC Bank plc 97 Bute Street Cardiff CF10 5NA

PETER ADAMS (INSURANCE BROKERS) LIMITED

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PETER ADAMS (INSURANCE BROKERS) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2005

The directors present their report and financial statements for the period ended 31 March 2005.

Principal activities and review of the business

The principal activity of the company has continued to be insurance broking.

The results for the period are shown in the profit and loss account on page 4. The directors are disappointed to note that the company has made a loss during the period.

Dividends

No dividends have been paid during the period.

Future developments

The directors are optimistic that the company will return to profitability in future years.

Directors

The following directors have held office since 1 December 2003:

Mrs N. Adams
N. A. Adams

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2005	1 December 2003
Mrs N. Adams	-	-
N. A. Adams	560	560

Creditor payment policy

It is the company's policy to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the company's normal practice that payment is made accordingly.

The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors at the period end as a proportion of the amounts invoiced by suppliers during the period, was nil. The company did not have any trade creditors at 31st March 2005.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Davies Williams be reappointed as auditors of the company will be put to the Annual General Meeting.

PETER ADAMS (INSURANCE BROKERS) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2005

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

By order of the board



Mrs N. Adams

Director

30 June 2005

PETER ADAMS (INSURANCE BROKERS) LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF PETER ADAMS (INSURANCE BROKERS) LIMITED

We have audited the financial statements of Peter Adams (Insurance Brokers) Limited on pages 4 to 13 for the period ended 31 March 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 made 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 misstatement, 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.

Going concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1.1 relating to the company's continuing insolvent position. In view of the significance of the disclosures we consider that they should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Davies Williams

Chartered Accountants
Registered Auditor

13 July 2005

21 St Andrews Crescent
Cardiff CF10 3DB

PETER ADAMS (INSURANCE BROKERS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2005

	Notes	Period ended 31 March 2005 £	30 November 2003 £
Turnover	2	191,240	148,641
Administrative expenses		(196,143)	(155,306)
Operating loss	3	(4,903)	(6,665)
Other interest receivable and similar income		9	96
Interest payable and similar charges	4	(6,426)	(4,792)
Loss on ordinary activities before taxation		(11,320)	(11,361)
Tax on loss on ordinary activities		-	-
Loss on ordinary activities after taxation	12	(11,320)	(11,361)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

PETER ADAMS (INSURANCE BROKERS) LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

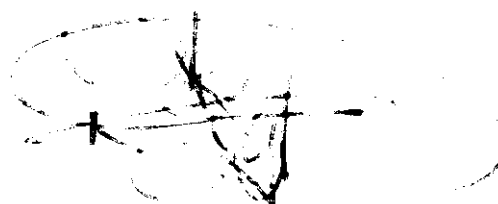
	Notes	2005 £	£	2003 £	£
Fixed assets					
Tangible assets	5		11,538		14,023
Current assets					
Stocks	6	250		250	
Debtors	7	20,558		25,589	
Cash in hand		49		20	
		<u>20,857</u>		<u>25,859</u>	
Creditors: amounts falling due within one year	8	<u>(26,096)</u>		<u>(18,515)</u>	
Net current (liabilities)/assets			<u>(5,239)</u>		<u>7,344</u>
Total assets less current liabilities			6,299		21,367
Creditors: amounts falling due after more than one year	9		<u>(44,697)</u>		<u>(48,445)</u>
			<u>(38,398)</u>		<u>(27,078)</u>
Capital and reserves					
Called up share capital	11	1,000		1,000	
Profit and loss account	12	(39,398)		(28,078)	
Shareholders' funds - equity interests	13	<u>(38,398)</u>		<u>(27,078)</u>	

The financial statements were approved by the Board on 30 June 2005

Mrs N. Adams
Director

Nadine A. Adams

N. A. Adams
Director



PETER ADAMS (INSURANCE BROKERS) LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2005

	£	Period ended 31 March 2005 £	30 November 2003 £
Net cash inflow from operating activities		22,158	70,437
Returns on investments and servicing of finance			
Interest received	9	96	
Interest paid	(6,426)	(4,792)	
Net cash outflow for returns on investments and servicing of finance		(6,417)	(4,696)
Capital expenditure			
Payments to acquire tangible assets	(1,748)	(3,963)	
Net cash outflow for capital expenditure		(1,748)	(3,963)
Net cash inflow before management of liquid resources and financing		13,993	61,778
Financing			
New long term bank loan	13,200	800	
Other new long term loans	-	4,755	
Repayment of long term bank loan	(6,824)	(4,500)	
Repayment of other long term loans	(1,190)	(5,500)	
Capital element of hire purchase contracts	(4,578)	(3,433)	
Net cash inflow/(outflow) from financing		608	(7,878)
Increase in cash in the period		14,601	53,900
CASH FLOW OUT OF BALANCE BY:		(4,217)	2,642

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2005

1	Reconciliation of operating loss to net cash inflow from operating activities	2005	2003
		£	£
	Operating loss	(4,903)	(6,665)
	Depreciation of tangible assets	4,233	4,229
	Loss on disposal of tangible assets	-	156
	Decrease in debtors	5,031	12,326
	Increase in creditors within one year	6,009	1,661
	Net effect of foreign exchange differences	11,788	58,730
	Net cash inflow from operating activities	22,158	70,437

2	Analysis of net debt	1 December 2003	Cash flow	Other non- 31 March 2005 cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	20	(2,077)	2,106
	Bank overdrafts	(4,978)	12,461	(13,894)
		<u>(4,958)</u>	<u>10,384</u>	<u>(11,788)</u>
	Debt:			
	Finance leases	(8,866)	2,795	-
	Debts falling due within one year	(3,490)	500	-
	Debts falling due after one year	(41,595)	314	-
		<u>(53,951)</u>	<u>3,609</u>	<u>-</u>
	Net debt	(58,909)	13,993	(56,704)

3	Reconciliation of net cash flow to movement in net debt	2005	2003
		£	£
	Increase in cash in the period	10,384	56,542
	Cash outflow from decrease in debt and lease financing	3,609	5,236
	Net effect of foreign exchange differences	(11,788)	(58,730)
	Movement in net debt in the period	2,205	3,048
	Opening net debt	(58,909)	(61,957)
	Closing net debt	(56,704)	(58,909)

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and on the going concern basis in view of continuing financial support from one of the directors.

1.2 Commission

Commission is treated as earned in full as soon as the client has indicated their acceptance of the insurance policy or renewal notice.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office furniture & equipment	20% p. a. on reducing balance
Motor vehicle	25% p. a. on reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated as described in the preceding paragraph. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account.

1.5 Deferred taxation

Only such deferred taxation as will become payable in the near future is accounted for by the company. On this basis, in the opinion of the directors, there is no material liability and therefore no provision for deferred taxation is at present required.

2 Turnover

The total turnover of the company for the period, which comprises commission income, has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating loss	2005 £	2003 £
	Operating loss is stated after charging:		
	Depreciation of tangible assets	4,233	4,229
	Auditors' remuneration	3,290	3,055
	Directors' emoluments	54,900	43,926
		<u>62,423</u>	<u>51,210</u>
4	Interest payable	2005 £	2003 £
	Bank interest	909	59
	Loan interest	3,706	2,789
	Hire purchase interest	1,811	1,944
		<u>6,426</u>	<u>4,792</u>

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2005

5 Tangible fixed assets

	Office furniture & equipment £	Motor vehicle £	Total £
Cost			
At 1 December 2003	15,636	14,358	29,994
Additions	1,748	-	1,748
At 31 March 2005	17,384	14,358	31,742
Depreciation			
At 1 December 2003	9,819	6,152	15,971
Charge for the period	1,668	2,565	4,233
At 31 March 2005	11,487	8,717	20,204
Net book value			
At 31 March 2005	5,897	5,641	11,538
At 30 November 2003	5,817	8,206	14,023

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicle £
Net book values	
At 31 March 2005	5,641
At 30 November 2003	8,206
Depreciation charge for the period	
31 March 2005	2,565
30 November 2003	2,736

6 Stocks	2005 £	2003 £
Stock of stationery	250	250

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2005

7	Debtors	2005 £	2003 £
	Trade debtors	14,021	17,809
	Prepayments and sundry debtors	6,537	7,780
		<u>20,558</u>	<u>25,589</u>

Included in prepayments and sundry debtors is an overdrawn director's loan account of £4,768. Further information is given in note 15.

8	Creditors: amounts falling due within one year	2005 £	2003 £
	Bank loans and overdraft (see below)	9,401	8,468
	Net obligations under finance lease and hire purchase contracts	2,655	2,016
	Taxation and social security	2,030	2,385
	Other creditors	12,010	5,646
		<u>26,096</u>	<u>18,515</u>

At the year end the company had 2 bank loans which have been split into amounts repayable within one year of the balance sheet date and amounts repayable in more than one year.

The amount outstanding on the first loan was £10,339 and it, together with the overdraft, is secured by a fixed charge over the company's book debts and a floating charge over all other assets, plus a personal guarantee by the directors.

The second loan of £4,433 is unsecured.

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2005

9 Creditors: amounts falling due after more than one year	2005 £	2003 £
Bank loans (secured as per note 8)	11,781	5,405
Net obligations under finance leases and hire purchase agreements	3,416	6,850
Director's loan account	29,500	36,190
	<u>44,697</u>	<u>48,445</u>
Loan maturity analysis		
Between one and two years	8,490	3,490
Between two and five years	21,443	6,787
In five years or more	<u>19,838</u>	<u>34,808</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	3,433	3,433
Repayable between one and five years	<u>3,720</u>	<u>8,297</u>
	7,153	11,730
Finance charges and interest allocated to future accounting periods	<u>(1,082)</u>	<u>(2,864)</u>
	6,071	8,866
Included in liabilities falling due within one year	<u>(2,655)</u>	<u>(2,016)</u>
	<u>3,416</u>	<u>6,850</u>

The director's loan has been made to the company by Mrs N Adams. During the period the company paid £2,501 interest in respect of the loan.

10 Pension costs

Until payments were stopped during the period, the company operated a defined contribution pension scheme on behalf of both directors and one member of staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £850 (2003- £1200).

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2005

11 Share capital	2005	2003
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1000	1000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
12 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 December 2003		(28,078)
Retained loss for the period		(11,320)
		<u> </u>
Balance at 31 March 2005		(39,398)
		<u> </u>
13 Reconciliation of movements in shareholders' funds	2005	2003
	£	£
Loss for the financial period	(11,320)	(11,361)
Opening shareholders' funds	(27,078)	(15,717)
	<u> </u>	<u> </u>
Closing shareholders' funds	(38,398)	(27,078)
	<u> </u>	<u> </u>

14 Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2005	2003	2005	2003
	£	£	£	£
Expiry date:				
Within one year	10,575	7,637	5,939	-
Between two and five years	42,300	-	13,824	-
In over five years	52,875	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	105,750	7,637	19,763	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2005

15 Directors' emoluments	2005	2003
	£	£
Emoluments for qualifying services	54,900	43,926

16 Transactions with directors

The following director had an interest free loan during the period. The movement on the loan was as follows:

	Amount outstanding		Maximum in period
	2005	2003	
	£	£	£
N.A. Adams	4,768	2,985	4,768