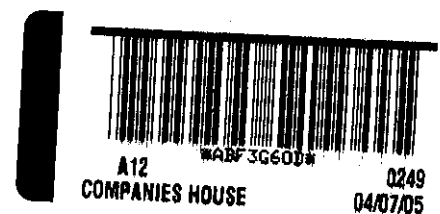


Registration Number: 1916098

INVESTMENT DISCOUNTS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2004**



INVESTMENT DISCOUNTS LIMITED

COMPANY INFORMATION

DIRECTORS : E.J. Hudson
Mrs. B.L. Selby

SECRETARY : Mrs. B.L. Selby

COMPANY NUMBER : 1916098

REGISTERED OFFICE : Royal Oak Chambers
22, Village Road
Bebington
Wirral
Merseyside
CH63 8PT

REPORTING ACCOUNTANTS : Simon Hall & Associates
Cartrefle
Y Waen
Flint
Flintshire
CH6 5QR

BANKERS : HSBC Bank plc
58, Bromborough Road
Bromborough
Wirral
Merseyside
CH62 7ET

INVESTMENT DISCOUNTS LIMITED

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INVESTMENT DISCOUNTS LIMITED

ACCOUNTANTS REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF INVESTMENT DISCOUNTS LIMITED

We report on the accounts for the year ended 30th September 2004 set out on pages 3 to 8.

Respective Responsibilities of Directors and Reporting Accountants

As described on page 2 the Company's Directors are responsible for the preparation of financial statements, and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

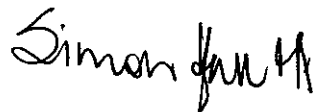
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion

- (a) the accounts are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985, as amended.
- (b) having regard only to, and on the basis of, the information contained in those accounting records:-
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year specified in sections 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to exemption specified in section 249B(1).

Simon Hall & Associates
Reporting Accountants
Cartrefle
Y Waen
Flint
Flintshire
CH6 5QR



Date 29 June 2005

INVESTMENT DISCOUNTS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2004

The Directors present their report and the financial statements for the year ended 30th September 2004.

Principal Activity

The Company's principal activity is that of insurance consultants.

Dividend

A dividend of £20 per share is proposed for the year.

Directors and their Interests

The Directors who served during the year and their interests in the Company are as stated below:-

	Number of Shares			
	Ordinary		Preference	
	2004	2003	2004	2003
E.J. Hudson	800	400	20,000	20,000
Mrs. B.L. Selby	200	200	-	-


Directors Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that year. In preparing these the Directors are required to:-

- select suitable accounting policies and apply them consistently ;
- make judgements and estimates that are reasonable and prudent ;
- prepare the financial statements based on the going concern basis on the understanding 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Board and signed on its behalf by:


E.J. Hudson
Director

29 June 2005
Date

INVESTMENT DISCOUNTS LIMITED
Balance Sheet as at 30th September 2004

		2004		2003	
	NOTE	£	£	£	£
Fixed Assets					
Tangible Assets	7		288,214		264,527
Current Assets					
Stock			750		750
Debtors	8		58,342		61,716
Cash at Bank and in Hand			<u>95,171</u>		<u>113,392</u>
			154,263		175,858
Current Liabilities					
Creditors: Amounts falling due within one year	9		(125,229)		(173,598)
Proposed Dividend			(<u>20,000</u>)		<u>-</u>
Net Current Assets			<u>9,034</u>		<u>2,260</u>
Total Assets					
(less Current Liabilities)			297,248		266,787
Creditors: Amounts falling due after more than one year	10		(<u>140,184</u>)		(<u>144,840</u>)
Net Assets			157,064		121,947
			=====		=====
Capital and Reserves					
Called up Share Capital	11		21,000		21,000
Profit and Loss Account	12		<u>136,064</u>		<u>100,947</u>
Shareholders' Funds			157,064		121,947
			=====		=====

The Director's Statements required by the Companies Acts are shown on the following page which forms part of this Balance Sheet.

The notes on page 5 to 8 form an integral part of these financial statements.


INVESTMENT DISCOUNTS LIMITED

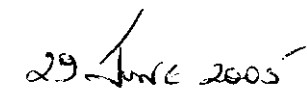
**DIRECTORS' STATEMENTS REQUIRED BY THE COMPANIES ACT 1985
FOR THE YEAR ENDED 30TH SEPTEMBER 2004**

In approving the financial statements as Directors of the Company we hereby confirm:-

- (a) that for the year stated above the Company was entitled to the exemption conferred by Section 249A(2) of the Companies Act 1985 ;
- (b) that no notice has been deposited at the registered office of the Company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30th September 2003 and
- (c) that we acknowledge our responsibilities for :
 - (1) ensuring that the Company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the year then ended and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the Company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board and signed on its behalf.


.....
E.J. Hudson
Director


.....
Date

The notes on page 5 to 8 form an integral part of these financial statements.

INVESTMENT DISCOUNTS LIMITED

Profit and Loss Account for the year ended 30th September 2004

	NOTE	2003 £	2002 £
Turnover	2	423,773	402,575
Administrative expenses		(354,494)	(329,031)
Operating Profit	3	69,279	73,544
Interest Receivable and similar income		2,488	1,648
Interest Payable and similar charges	4	(4,500)	(2,625)
Profit on ordinary activities before taxation		67,267	72,567
Tax on ordinary activities	6	(12,150)	(9,742)
Profit on Ordinary Activities after Taxation		55,117	62,825
Dividend proposed for year		(20,000)	(-)
Retained Profit for the year		35,117	62,825
Retained Profit brought forward		<u>100,947</u>	<u>38,122</u>
Retained Profit carried forward		136,064	100,947
		=====	=====

The notes on page 5 to 8 form an integral part of these financial statements.

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2004

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of services supplied by the Company and includes income accrued in respect of commissions receivable on business transacted.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:-

Computer equipment and software	-	25% Reducing balance
Fixtures, fittings and equipment	-	10% Reducing balance

1.4 Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

2 **TURNOVER**

The total turnover of the Company for the year has been derived from its activities wholly undertaken in the UK.

3	OPERATING PROFIT	2004 £	2003 £
	Operating profit is stated after charging		
	Depreciation of tangible fixed assets		
	- owned by the Company	8,537	9,479
	- loss on part disposal	1,261	5,000
	Operating lease rentals		
	- hire of plant and machinery	-	-
	- other	370	1,497
	Auditors' remuneration	-	-
		=====	=====
4	INTEREST PAYABLE AND SIMILAR CHARGES	2004 £	2003 £
	Medium-term Loan Interest	4,500	2,625
		=====	=====
5	DIRECTORS' EMOLUMENTS	2004 £	2003 £
	Directors' Remuneration	59,750	52,250
	Directors' Benefits	675	727
	Pension Scheme Contributions	<u>1,440</u>	<u>1,440</u>
		61,865	54,417
		=====	=====
6	TAXATION	2004 £	2003 £
	UK Corporation Tax at 19%	12,202	13,935
	Taxation from earlier years	(52)	(5)
	Transfer to deferred taxation	<u>-</u>	<u>(4,188)</u>
		12,150	9,742
		=====	=====

7 TANGIBLE ASSETS

	Freehold Property £	Office Equipment £	Computers & Software £	Motor Value £	Total
Cost					
At 1st October 2003	219,171	43,721	71,607	4,347	338,846
Additions	20,000	13,678	1,807	-	35,485
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,347)</u>	<u>(4,347)</u>
At 30th September 2004	239,171	57,399	73,414	-	369,984
	=====	=====	=====	=====	=====
Depreciation					
At 1st October 2003	-	18,343	54,890	1,086	74,319
Charge for the year	-	3,906	4,631	-	8,537
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,086)</u>	<u>(1,086)</u>
At 30th September 2004	-	22,249	59,521	-	81,770
	=====	=====	=====	=====	=====
Net Book Values					
At 30th September 2004	239,171	35,150	13,893	-	288,214
	=====	=====	=====	=====	=====
At 30th September 2003	239,171	25,378	16,717	3,261	264,527
	=====	=====	=====	=====	=====

8	DEBTORS	2004 £	2003 £
	Trade Debtors	38,774	41,303
	Other Debtors	3,857	5,881
	Prepayments and Accrued Income	<u>15,711</u>	<u>14,532</u>
		58,342	61,716
		=====	=====

9	CREDITORS: Amounts falling due within one year	2004 £	2003 £
	Trade Creditors	98,716	139,339
	Other Creditors	12,202	18,440
	Accruals and Deferred Income	2,109	1,884
	Corporation Tax	<u>12,202</u>	<u>13,935</u>
		125,229	173,598
		=====	=====

Included in other creditors is an amount of £11,219 (2003 / £5,263) relating to other taxes and Social Security.

10	CREDITORS:	2004	2003
	Amounts falling due after more than one year	£	£
	Medium term Loan	86,625	100,000
	Directors' Loan	<u>53,559</u>	<u>44,840</u>
		140,184	144,840
		=====	=====

11	SHARE CAPITAL	2004	2003
		£	£
	Authorised Capital		
	1,000 Ordinary Shares of £1 each	1,000	1,000
	20,000 8% Redeemable Preference Shares of £1 each	20,000	20,000
		=====	=====
	Allotted, Called up and fully paid		
	1,000 Ordinary Shares of £1 each	1,000	1,000
	20,000 8% Redeemable Preference Shares of £1 each	20,000	20,000
		=====	=====

12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2004	2003
		£	£
	Profit for the year	35,117	62,825
	Opening Shareholders' Funds	<u>101,947</u>	<u>39,122</u>
		137,064	101,947
		=====	=====

13 OTHER COMMITMENTS

At 30th September 2004 the Company had annual commitments under enforceable operating leases as follows:-

	Land and Buildings		
	2004	2003	
	£	£	
Expiry date:			
Within one year	6,897	9,400	
	=====	=====	