

Company Number 2310921



**IMAS CORPORATE
ADVISORS LIMITED**

**Financial Statements
30 June 2004**

IMAS CORPORATE ADVISORS LIMITED

Directors' report for the year ended 30 June 2004

The directors submit their report and the audited financial statements of the company for the year ended 30 June 2004.

Review of the year

The principal activity of the company is the provision of corporate finance services, including advice on acquisitions, disposals, fund raising and corporate strategy advice relating to unquoted companies in the insurance and financial services sector.

Turnover grew by 40% in the last financial year and we anticipate further growth this year.

More importantly, we have been able to recruit quality individuals attracted by the Company's positioning, technology and partnership approach.

IMAS continues to invest heavily in its research and intelligence management platform (Maximas) with expenditure on the pure software development running at over £50,000 per annum. Maximas provides us with a unique capability to generate opportunities for our clients in the unquoted sector where the availability and quality of comprehensive data is often extremely limited.

IMAS' long-term growth objectives will only be achieved by attracting and retaining quality individuals. Accordingly, it is the intention of the Board to convert IMAS into a limited liability partnership where two-thirds of the growth in the value of the Company will accrue to the key members of staff.

Dividends

The company has paid dividends of £44,000 relating to the year (2003 : £47,274), and no final dividend is proposed.

Directors and their interests

The directors of the company who served throughout the year were as follows:

W L Henson
O E Laughton-Scott

Mr O E Laughton-Scott is the beneficial owner of 2 ordinary shares and the A redeemable preference share capital. W L Henson has no interest in the issued share capital of the company.

IMAS CORPORATE ADVISORS LIMITED

Directors' report for the year ended 30 June 2004

Statement of 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:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * 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 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.

Auditors

A resolution concerning the re-appointment of Chantrey Vellacott DFK as auditors of the company will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD


.....
J R SIMPSON

Secretary

Date: 15th September 2004

IMAS CORPORATE ADVISORS LIMITED

Independent Auditors' report to the shareholders of IMAS Corporate Advisors Limited

We have audited the financial statements of IMAS Corporate Advisors Limited for the year ended 30 June 2004 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and related notes. 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 auditor's 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 the company's directors are responsible for the preparation of 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 or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board of the Financial Reporting Council. 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.

IMAS CORPORATE ADVISORS LIMITED

Independent Auditors' report to the shareholders of IMAS Corporate Advisors Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 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.


CHANTREY VELLACOTT DFK

**Chartered Accountants
Registered Auditors**

LONDON

15 September 2004

IMAS CORPORATE ADVISORS LIMITED

Profit and loss account for the year ended 30 June 2004

	Note	2004 £	2003 £
Turnover	2	711,792	495,455
Operating charges		(577,776)	(370,085)
Operating profit		134,016	125,370
Interest receivable		7,201	5,535
Profit on ordinary activities before taxation	3	141,217	130,905
Tax on ordinary activities	4	(31,799)	(24,000)
Profit on ordinary activities after taxation		109,418	106,905
Dividends	5	(44,000)	(47,274)
Retained profit for the year		65,418	59,631
Other gains and losses recognised in the year: Redemption of B redeemable preference share		-	(1)
Transfer to profit and loss account		65,418	59,630

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the results stated above and their historical cost equivalents.

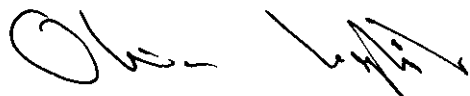
The notes on pages 8 to 11 form part of these financial statements.

IMAS CORPORATE ADVISORS LIMITED

Balance sheet as at 30 June 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	6	<u>31,302</u>	<u>8,198</u>
Current assets			
Debtors	7	22,050	28,813
Cash at bank		<u>272,342</u>	<u>185,294</u>
		294,392	214,107
Creditors: Amounts falling due within one year	8	<u>167,407</u>	<u>129,436</u>
Net current assets		<u>126,985</u>	<u>84,671</u>
Total assets less liabilities		<u>158,287</u>	<u>92,869</u>
Capital and reserves			
Called-up share capital	9	10,002	10,002
Capital redemption reserve	9	1	1
Profit and loss reserve		<u>148,284</u>	<u>82,866</u>
Shareholders' funds (including non-equity interests)	10	<u>158,287</u>	<u>92,869</u>

Approved by the Board on 15th September 2004 and signed on its behalf by:



O E LAUGHTON-SCOTT

Director

The notes on pages 8 to 11 form part of these financial statements.

IMAS CORPORATE ADVISORS LIMITED

Cash flow statement for the year ended 30 June 2004

	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	134,016	125,370
Depreciation charges	26,059	10,375
Decrease in debtors	6,763	58,042
Increase in creditors	32,039	28,382
Net cash inflow from operating activities	198,877	222,169

Cash Flow Statement

Operating activities		
Net cash inflow from operating activities	198,877	222,169
Returns on investments and servicing of finance		
Bank interest received	7,201	5,535
Dividends paid	(44,000)	(27,274)
Net cash outflow from returns on investments and servicing of finance	(36,799)	(21,739)
Taxation		
Corporation tax paid	(25,867)	(126,474)
Investing activities		
(Redemption)/issue of 'B' preference share	-	(1)
Payments to acquire tangible fixed assets	(49,163)	(9,464)
Payments received on sale of tangible fixed assets	-	-
	(49,163)	(9,465)
Increase in cash	87,048	64,491

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2004

1. Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Depreciation

Depreciation is charged on tangible fixed assets so as to write off their full cost over their expected useful lives at the following rates:

Computer equipment	50% of cost per annum
Fixtures and fittings	33 ¹ / ₃ % of cost per annum

(c) Deferred taxation

Deferred taxation is provided for all material elements of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

2. Turnover

Turnover represents amounts receivable in the period in respect of consultancy fees and is stated net of VAT.

3. Profit on ordinary activities before tax

Profit on ordinary activities is stated after charging:

	2004 £	2003 £
Depreciation	26,059	10,375
Auditors' remuneration	2,950	2,500
Directors' emoluments	110,000	66,000
Other staff costs (including national insurance)	250,930	144,337

W L Henson, a director of the company, charged the company consultancy fees of £22,098 during the year (2003: £24,009).

The average number of employees, including directors, was 5 (2003 : 5).

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2004

4. Taxation	2004	2003
	£	£
Taxation on profit for the year at 19% (2003 – 18.3%)	31,799	24,000
Factors affecting tax charge for year		
Profit on ordinary activities multiplied by the standard rate of UK corporate tax of 30%	42,365	39,271
Effects of:		
Expenses not deductible for tax purposes	1,040	1,187
Small company/marginal relief	(14,077)	(16,398)
Deferred tax not provided	672	385
Other		(445)
Adjustments in respect of earlier years	1,799	-
	31,799	24,000
5. Dividends	2004	2003
	£	£
On equity shares:		
£22,000 per ordinary share (2003 : £23,637)	44,000	47,274
	44,000	47,274

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2004

6.	Tangible assets	Computer equipment £	Fixtures and fittings £	Total £
	Cost			
	At 1 July 2003	22,883	4,788	27,671
	Additions	17,675	31,488	49,163
	At 30 June 2004	<u>40,558</u>	<u>36,276</u>	<u>76,834</u>
	Accumulated depreciation			
	At 1 July 2003	17,368	2,105	19,473
	Charge for the year	13,967	12,092	26,059
	At 30 June 2004	<u>31,335</u>	<u>14,197</u>	<u>45,532</u>
	Net book value			
	At 30 June 2004	<u>9,223</u>	<u>22,079</u>	<u>31,302</u>
	At 30 June 2003	<u>5,515</u>	<u>2,683</u>	<u>8,198</u>
7.	Debtors		2004 £	2003 £
	Trade debtors		<u>22,050</u>	<u>28,813</u>
8.	Creditors		2004 £	2003 £
	Trade creditors		9,704	9,562
	Corporation tax		30,000	24,068
	Accruals and deferred income		117,436	73,350
	Other taxes and social security		10,267	2,456
	Dividend payable		-	20,000
			<u>167,407</u>	<u>129,436</u>

IMAS CORPORATE ADVISORS LIMITED

Notes to the financial statements For the year ended 30 June 2004

9.	Share capital	2004	2003
		£	£
	Authorised		
	- Equity		
	100 Ordinary shares of £1 each	100	100
	- Non-Equity		
	10,000 'A' redeemable preference shares of £1 each	10,000	10,000
	1 'B' redeemable preference share of £1	1	1
		10,101	10,100
	Issued		
	- Equity		
	2 Ordinary shares of £1 each	2	2
	- Non-Equity		
	10,000 'A' redeemable preference shares of £1 each	10,000	10,000
		10,002	10,002

The 'A' redeemable preference shares of £1 each have no fixed redemption date and are redeemable at par at the option of the shareholders. 'A' preference shares do not have voting rights or rights to dividend payments.

10. Reconciliation of movement in Shareholders' funds

	2004	2003
	£	£
Profit for the financial period	109,418	106,905
Dividends	(44,000)	(47,274)
Net addition to shareholders' funds	65,418	59,631
Share capital (redeemed)	-	(1)
Opening shareholders' funds	92,869	33,239
Closing shareholders' funds	158,287	92,869
Shareholders' funds may be analysed as follows:		
Attributable to equity interests	148,287	82,869
Attributable to non-equity interests	10,000	10,000
	158,287	92,869