

Company Registration No. 2935291 (England and Wales)

CHARLES MILNES & COMPANY LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2005



CHARLES MILNES & COMPANY LIMITED

COMPANY INFORMATION

Director	C H Milnes
Secretary	Carlton Registrars Limited
Company number	2935291
Registered office	7-9 Swallow Street London W1B 4DT
Auditors	Dover Childs Tyler Registered Auditors 7-9 Swallow Street London W1B 4DT
Business address	79-80 Margaret Street London W1N 7HB
Bankers	Lloyds TSB Bank Plc 399 - 405 Oxford Street London

CHARLES MILNES & COMPANY LIMITED

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CHARLES MILNES & COMPANY LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

The director presents his report and financial statements for the year ended 30 September 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of insurance brokers.

Results and dividends

The results for the year are set out on page 3.

An interim ordinary dividend was paid amounting to £15,000. The director does not recommend payment of a final dividend.

Director

The following director has held office since 1 October 2004:

C H Milnes

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	30 September 2005	1 October 2004
C H Milnes	10,000	10,000

Auditors

Dover Childs Tyler were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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



Carlton Registrars Limited

Secretary

CHARLES MILNES & COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLES MILNES & COMPANY LIMITED

We have audited the financial statements of Charles Milnes & Company Limited on pages 3 to 9 for the year ended 30 September 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 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 the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 director 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


David Childs Tyler

Chartered Certified Accountants

Registered Auditor

7-9 Swallow Street

London

W1B 4DT

31 October 2005

CHARLES MILNES & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 £	2004 £
Turnover	2	115,973	103,974
Administrative expenses		(83,278)	(77,752)
Operating profit	3	32,695	26,222
Other interest receivable and similar income		2,205	1,772
Interest payable and similar charges	4	-	(162)
Profit on ordinary activities before taxation		34,900	27,832
Tax on profit on ordinary activities	5	(6,490)	(5,665)
Profit on ordinary activities after taxation		28,410	22,167
Dividends	6	(15,000)	(15,000)
Retained profit for the year	12	13,410	7,167

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

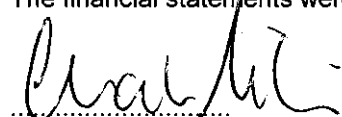
There are no recognised gains and losses other than those passing through the profit and loss account.

CHARLES MILNES & COMPANY LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	7		2,714		2,847
Current assets					
Debtors	8	54,827		47,372	
Cash at bank and in hand		109,779		127,989	
		<u>164,606</u>		<u>175,361</u>	
Creditors: amounts falling due within one year	9	<u>(115,559)</u>		<u>(139,857)</u>	
Net current assets			49,047		35,504
Total assets less current liabilities			<u>51,761</u>		<u>38,351</u>
Capital and reserves					
Called up share capital	11		10,000		10,000
Profit and loss account	12		41,761		28,351
Shareholders' funds - equity interests	13		<u>51,761</u>		<u>38,351</u>

The financial statements were approved by the Board on 31 OCTOBER 2005



C H Milnes
Director

CHARLES MILNES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 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:

Fixtures, fittings & equipment	20% on cost
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1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,447	1,548
Loss on foreign exchange transactions	53	-
Auditors' remuneration	4,113	4,113
and after crediting:		
Profit on foreign exchange transactions	-	(79)
	<hr/>	<hr/>
4 Interest payable	2005	2004
	£	£
On overdue tax	-	162
	<hr/>	<hr/>

CHARLES MILNES & COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

5	Taxation	2005	2004
		£	£
	Domestic current year tax		
	U.K. corporation tax	6,490	5,547
	Adjustment for prior years	-	118
		<u>6,490</u>	<u>5,665</u>
	Current tax charge	<u>6,490</u>	<u>5,665</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	34,900	27,832
		<u>34,900</u>	<u>27,832</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 17.93% (2004: 17.54%)	6,258	4,882
		<u>6,258</u>	<u>4,882</u>
	Effects of:		
	Non deductible expenses	149	471
	Depreciation add back	260	272
	Capital allowances	(177)	(78)
	Adjustments to previous periods	-	118
		<u>232</u>	<u>783</u>
	Current tax charge	<u>6,490</u>	<u>5,665</u>
6	Dividends	2005	2004
		£	£
	Ordinary interim paid	15,000	15,000
		<u>15,000</u>	<u>15,000</u>

CHARLES MILNES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 October 2004	10,400
Additions	1,314
	<hr/>
At 30 September 2005	11,714
	<hr/>
Depreciation	
At 1 October 2004	7,553
Charge for the year	1,447
	<hr/>
At 30 September 2005	9,000
	<hr/>
Net book value	
At 30 September 2005	2,714
	<hr/>
At 30 September 2004	2,847
	<hr/>

8 Debtors	2005 £	2004 £
Trade debtors	54,827	47,372
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year	2005 £	2004 £
Trade creditors	61,959	97,680
Corporation tax	6,490	5,547
Other taxes and social security costs	8,778	8,576
Director's current accounts	34,219	21,969
Accruals and deferred income	4,113	6,085
	<hr/>	<hr/>
	115,559	139,857
	<hr/>	<hr/>

CHARLES MILNES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

10 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	4,800	4,800

11 Share capital

	2005 £	2004 £
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2004	28,351
Retained profit for the year	13,410
Balance at 30 September 2005	41,761

13 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	28,410	22,167
Dividends	(15,000)	(15,000)
	13,410	7,167
Proceeds from issue of shares	-	8,750
Net addition to shareholders' funds	13,410	15,917
Opening shareholders' funds	38,351	22,434
Closing shareholders' funds	51,761	38,351

CHARLES MILNES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

14 Director's emoluments	2005	2004
	£	£
Emoluments for qualifying services	24,000	24,000
Company pension contributions to money purchase schemes	4,800	4,800
	<u>28,800</u>	<u>28,800</u>

15 Employees

Number of employees

There were no employees during the year apart from the director.

Employment costs	2005	2004
	£	£
Wages and salaries	24,000	24,000
Social security costs	2,445	2,611
Other pension costs	4,800	4,800
	<u>31,245</u>	<u>31,411</u>

16 Control

During the period the company was under the control of Mr C Milnes, the director and only shareholder.