

COMPANY REGISTRATION NUMBER 3082240

**KFP CONSULTING LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2004**



BLACKBORN LIMITED
Chartered Accountants & Registered Auditors
193 Fleet Street
London
EC4A 2AH

KFP CONSULTING LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditors' report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed profit and loss account	14
Notes to the detailed profit and loss account	15

KFP CONSULTING LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	P Bryant S Hitchings T Keeper K Bryant
Company secretary	K Bryant
Registered office	193 Fleet Street London EC4A 2AH
Auditors	Blackborn Limited Chartered Accountants & Registered Auditors 193 Fleet Street London EC4A 2AH
Bankers	HSBC 13-14 Sloane Square London SW1W 8AL
Solicitors	Cannings Connolly Hillgate House 26 Old Bailey London EC4M 7HQ

KFP CONSULTING LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of fire safety auditors.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 31 March 2004	At 1 April 2003
P Bryant	Ordinary Shares	47	47
	Ordinary Shares Class B	25	25
S Hitchings	Ordinary Shares	10	10
	Ordinary Shares Class B	25	25
T Keeper	Ordinary Shares	10	10
	Ordinary Shares Class B	25	25
K Bryant	Ordinary Shares	38	38
	Ordinary Shares Class B	25	25

CHANGE TO OPERATING STRUCTURE

Due to the expansion of the business, the directors have agreed to change the group structure so that the holding company will be of Plc. status.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

DONATIONS

During the year the company made the following contributions:

	2004 £	2003 £
Charitable	—	11,000

KFP CONSULTING LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MARCH 2004

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
193 Fleet Street
London
EC4A 2AH

Signed by order of the directors



K BRYANT
Company Secretary

Approved by the directors on 10/12/04.....

KFP CONSULTING LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MARCH 2004

We have audited the financial statements on pages 6 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 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 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 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.

KFP CONSULTING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 MARCH 2004

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 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



193 Fleet Street
London
EC4A 2AH

10/12/04

BLACKBORN LIMITED
Chartered Accountants
& Registered Auditors

KFP CONSULTING LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2004

	Note	2004 £	2003 £
TURNOVER		687,739	724,740
Cost of sales		<u>265,988</u>	<u>203,125</u>
GROSS PROFIT		421,751	521,615
Administrative expenses		<u>277,523</u>	<u>325,109</u>
OPERATING PROFIT	2	144,228	196,506
Interest receivable		<u>259</u>	60
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>144,487</u>	<u>196,566</u>
Tax on profit on ordinary activities		<u>28,423</u>	<u>45,358</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		116,064	151,208
Equity dividends paid		<u>172,500</u>	<u>110,000</u>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>(56,436)</u>	<u>41,208</u>
Balance brought forward		<u>74,319</u>	<u>33,111</u>
Balance carried forward		<u>17,883</u>	<u>74,319</u>

The notes on pages 8 to 12 form part of these financial statements.

KFP CONSULTING LIMITED

BALANCE SHEET

31 MARCH 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	3	424,679	7,030
Investments	4	45,000	45,000
		<u>469,679</u>	<u>52,030</u>
CURRENT ASSETS			
Stocks		18,296	16,850
Debtors	5	145,671	66,801
Cash at bank		2,128	57,263
		<u>166,095</u>	<u>140,914</u>
CREDITORS: Amounts falling due within one year	6	151,326	118,420
NET CURRENT ASSETS		<u>14,769</u>	<u>22,494</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>484,448</u>	<u>74,524</u>
CREDITORS: Amounts falling due after more than one year	7	466,227	—
		<u>18,221</u>	<u>74,524</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	9	133	—
		<u>18,088</u>	<u>74,524</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	205	205
Profit and loss account		17,883	74,319
SHAREHOLDERS' FUNDS		<u>18,088</u>	<u>74,524</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 10/12/04 and are signed on their behalf by:


P BRYANT

KFP CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	50 years straight line
Plant & Machinery	25% on cost
Fixtures & Fittings	25% on cost
Motor Vehicles	25% on cost

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

KFP CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Directors' emoluments	121,401	110,475
Directors' pension contributions	17,150	17,150
Depreciation of owned fixed assets	9,200	6,904
Loss on disposal of fixed assets	—	3,500
Auditors' fees	4,000	2,500

KFP CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

3. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Total £
COST				
At 1 April 2003	—	27,017	8,683	35,700
Additions	416,939	6,305	3,605	426,849
At 31 March 2004	<u>416,939</u>	<u>33,322</u>	<u>12,288</u>	<u>462,549</u>
DEPRECIATION				
At 1 April 2003	—	20,413	8,257	28,670
Charge for the year	4,320	3,796	1,084	9,200
At 31 March 2004	<u>4,320</u>	<u>24,209</u>	<u>9,341</u>	<u>37,870</u>
NET BOOK VALUE				
At 31 March 2004	<u>412,619</u>	<u>9,113</u>	<u>2,947</u>	<u>424,679</u>
At 31 March 2003	<u>—</u>	<u>6,604</u>	<u>426</u>	<u>7,030</u>

4. INVESTMENTS

Investment in Kingfell Fire Engineering Limited

	£
COST	
At 1 April 2003 and 31 March 2004	<u>45,000</u>
NET BOOK VALUE	
At 31 March 2004	<u>45,000</u>
At 31 March 2003	<u>45,000</u>

The company owns 100% of the issued share capital of the company listed below,

Aggregate capital and reserves

Kingfell Fire Engineering Limited	—	525,144
Profit and (loss) for the year		
Kingfell Fire Engineering Limited	—	154,000

5. DEBTORS

	2004 £	2003 £
Trade debtors	142,221	66,002
Other debtors	3,450	799
	<u>145,671</u>	<u>66,801</u>

KFP CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

6. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	33,805	—
Trade creditors	24,851	13,272
Amounts owed to group undertakings	15,533	6,024
Corporation tax	28,320	45,358
Other taxation and social security	41,622	27,802
Other creditors	7,195	25,964
	<u>151,326</u>	<u>118,420</u>

7. CREDITORS: Amounts falling due after more than one year

	2004	2003
	£	£
Bank loans and overdrafts	251,227	—
Amounts owed to group undertakings	215,000	—
	<u>466,227</u>	<u>—</u>

8. PENSIONS

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £17,150 (2003 : £17,150)

9. DEFERRED TAXATION

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004		2003	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	133	—	—	(2,789)
	<u>133</u>	<u>—</u>	<u>—</u>	<u>(2,789)</u>

10. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2004 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2004	2003
	£	£
Operating leases which expire:		
Within 1 year	<u>5,379</u>	<u>5,379</u>

KFP CONSULTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

11. RELATED PARTY TRANSACTIONS

During the year, KFP Consulting Limited provided management services to the value of £278,487 (2003: £297,500) to Kingfell Fire Engineering Limited a wholly owned subsidiary. At the year end KFP Consulting owed £230,533 to Kingfell Fire Engineering Limited (2003: £6,023.70 owed by Kingfell Fire Engineering Limited).

The company was under the control of Mr Bryant, a director and majority shareholder throughout the current and previous year.

12. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
5,000 Ordinary shares of £1 each	5,000	5,000
5,000 Ordinary Class B shares of £1 each	5,000	5,000
	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	105	105	105	105
Ordinary Class B shares of £1 each	100	100	100	100
	<u>205</u>	<u>205</u>	<u>205</u>	<u>205</u>

13. SECURITIES HELD

The company has a Debenture which is held by HSBC and is dated 4th December 1998