

Abbreviated Financial Statements
for the year ended 31st March 2004
for
TSM Agencies Limited

(Registered Company No. 3937013)



TSM AGENCIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2004

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TSM AGENCIES LIMITED
COMPANY INFORMATION
AS AT 31st MARCH 2004

REGISTERED NUMBER	3937013
DIRECTORS	N Fitzgerald R Gadsden T Marlow HSB Engineering Insurance Ltd, represented by H Schols
SECRETARY	R Gadsden
REGISTERED OFFICE	4 TH Floor Vantage House 78 Leadenhall Street London EC3A 3DH
PRINCIPAL BANKERS	Lloyds TSB Bank plc 3 rd Floor PO Box 18436 39 Threadneedle Street London EC2R 8PT
AUDITORS	Mazars LLP 24 Bevis Marks London EC3A 7NR
SOLICITORS	LeBoeuf, Lamb, Greene & Macrae No 1 Minster Court Mincing Lane London EC3R 7YL

TSM AGENCIES LIMITED

Independent auditors' report to TSM Agencies Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts for the year ended 31 March 2004 which comprise the Balance Sheet and related notes, together with the financial statements of the company prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

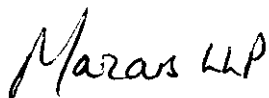
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies, and whether the accounts to be delivered are properly prepared in accordance with those provisions, and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts, and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts which comprise the Balance Sheet, and related notes, are properly prepared in accordance with those provisions.



Mazars LLP
Chartered Accountants
and Registered Auditors
24 Bevis Marks
London
EC3A 7NR

5th May 2005

TSM AGENCIES LIMITED

BALANCE SHEET

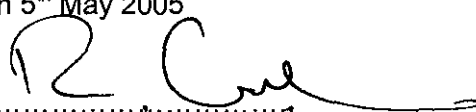
AS AT 31st MARCH 2004

	Notes	Year ended 31st March 2004		Year ended 31st March 2003 (Restated)	
		£	£	£	£
Fixed assets					
Tangible assets	3		12,395		15,047
Current assets					
Debtors	4	672,272		1,214,315	
Deferred tax asset	5	13,057		-	
Cash at bank and in hand		<u>179,917</u>		<u>28,558</u>	
			865,246		1,242,873
Creditors: amounts falling due within one year					
Deferred income	6	(575,000)		(450,000)	
Other creditors	6	<u>(244,084)</u>		<u>(193,141)</u>	
			(819,084)		(643,141)
Net current assets			<u>46,162</u>		<u>599,732</u>
Provision for liabilities & charges					
Deferred tax	5		-		(57,949)
Net assets			<u>58,557</u>		<u>556,830</u>
Capital and Reserves					
Called up share capital	7		1,120		1,120
Profit and loss account			57,437		555,710
Total equity shareholders' funds	8		<u>58,557</u>		<u>556,830</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies act 1985 relating to small/medium companies.

Approved by the board on 5th May 2005

R Gadsden
Finance Director



The notes on pages 6 to 11 form an integral part of these accounts

TSM AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31st MARCH 2004**

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents fee income earned on the basis of underlying policy inception dates, and profit commission, recognised when a receipt is regarded as definite in terms of amount and timing. Contractual obligations exist that will be incurred beyond the period credited with associated revenue. A relevant proportion of this revenue has been deferred and will be recognised over the period those costs are expensed.

Depreciation

Tangible fixed assets are stated net of depreciation. Depreciation of fixed assets is calculated to write off their costs or valuation over their estimated useful lives on a straight line basis as follows:

Office equipment	5 Years
Computer Equipment	2 Years

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in period different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension Scheme

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contribution 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.

TSM AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31st MARCH 2004**

2 **Restatement of comparatives**

Following the publication of Financial Reporting Standard 5 Application Note G the company has changed its revenue recognition policy. The impact of this change is to recognise a profit commission payment when the amount and timing is definite. This compares to the earlier policy of recognising payments only when they have been actually received in cash.

The revised turnover policy is as stated in accounting policies note 1.

The effects of restating comparative information are summarised below:

Year ended 31st March 2004	Without adopting Application Note G	Effect of Application Note G	As reported
	£	£	£
Turnover	507,919	77,153	585,072
Profit on ordinary activities before taxation	(706,374)	77,153	(629,221)
Taxation on profit on ordinary activities	154,094	(23,146)	130,948
Profit attributable to shareholders	(552,280)	54,007	(498,273)
Debtors	363,717	308,555	672,272
Creditors	(756,026)	(63,058)	(819,084)
Shareholders' funds	4,550	54,007	58,557

Year ended 31st March 2003	As previously reported	Effect of Application Note G	As restated
	£	£	£
Turnover	951,495	231,402	1,182,897
Profit on ordinary activities before taxation	361,177	231,402	592,579
Taxation on profit on ordinary activities	(82,390)	(69,421)	(151,811)
Profit attributable to shareholders	278,787	161,981	440,768
Debtors	982,913	231,402	1,214,315
Creditors	(193,141)	(450,000)	(643,141)
Shareholders' funds	394,849	161,981	556,830

TSM AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31st MARCH 2004**

3 Fixed assets

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
At 1st April 2003	2,448	25,280	27,728
Additions	4,301	12,022	16,323
Disposals	(1,114)	(6,592)	(7,706)
At 31st March 2004	<u>5,635</u>	<u>30,710</u>	<u>36,345</u>
 Depreciation			
At 1st April 2003	(384)	(12,297)	(12,681)
Charge	(812)	(12,749)	(13,561)
Disposals	163	2,129	2,292
At 31st March 2004	<u>(1,033)</u>	<u>(22,917)</u>	<u>(23,950)</u>
 Net Book Value			
At 1st April 2003	2,064	12,983	15,047
At 31st March 2004	<u><u>4,602</u></u>	<u><u>7,793</u></u>	<u><u>12,395</u></u>

TSM AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31st MARCH 2004**

4 Debtors

Amounts falling due within one year:	2004	2003 Restated
	£	£
Trade debtors	608,770	1,163,213
Prepayments	43,328	44,402
Other debtors	20,174	6,700
	<u>672,272</u>	<u>1,214,315</u>

5 Deferred Taxation

	2004	2003 Restated
	£	£
Opening deferred tax liability	57,949	-
Other timing differences	(1,585)	(11,472)
Deferred tax: Prior year adjustment	(69,421)	69,421
Closing deferred tax asset/ (liability)	<u>(13,057)</u>	<u>57,949</u>

6 Creditors

Amounts falling due within one year:	2004	2003 Restated
	£	£
Corporation Tax	19,923	81,865
Other Tax and Social Security	15,380	9,317
Other creditors	208,781	101,959
Deferred income	575,000	450,000
	<u>819,084</u>	<u>643,141</u>

TSM AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st MARCH 2004

7 Called up Share Capital

	Authorised				Allotted issued & fully paid			
	2004 No.	2003 No.	2004 £	2003 £	2004 No.	2003 No.	2004 £	2003 £
A class Ordinary shares of 5p each	24,000	24,000	1,200	1,200	13,000	13,000	650	650
B class Ordinary shares of 5p each	12,000	12,000	600	600	7,000	7,000	350	350
C class Ordinary shares of 5p each	4,000	4,000	200	200	2,400	2,400	120	120
	40,000	40,000	2,000	2,000	22,400	22,400	1,120	1,120

A class shares possess full voting rights. There are certain resolutions that can only be passed if approved by both the A and B shareholders including appointing a chairman. There are pre-emptive rights over the transfer of A shares and they cannot be offered to C shareholders.

B class shares possess full voting rights. There are certain resolutions that can only be passed if approved by both the A and B shareholders and they cannot be offered to C shareholders.

C class shares possess the same rights as those for A and B and in addition, C shareholders are not entitled to vote at general meetings of the company or to appoint a director. Transfer of shares must be offered to the A or B shareholders.

TSM AGENCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st MARCH 2004

8 Reconciliation of movements in shareholders' funds

	2004	2003 Restated
	£	£
(Loss)/Profit for the financial year	<u>(498,273)</u>	<u>440,768</u>
Net addition to shareholders' funds	(498,273)	440,768
Opening Shareholders' funds (originally £394,849 before adding prior year adjustment of £161,981)	556,830	116,062
Closing Shareholders' funds	<u><u>58,557</u></u>	<u><u>556,830</u></u>

9 Pensions

The company operated a defined contribution scheme during the year. The assets of the scheme are held separately from those of the company. The pension cost for the period was £45,168 (2003: £33,675). The outstanding liability at 31st March 2004 was £43,523 (2003: £35,029).

10 Related party transactions

During the year, the company received consultancy services in the ordinary course of business from Axis Financial Services Limited, a company subject to common control from the same source, at a cost of £220,693 (2003: £109,942). The balance due to Axis Financial Services Limited at 31st March 2004 amounted to £38,127. (2003: £8,965)

During the year, the company received IT consultancy services in the ordinary course of business from Axis Technical Services Limited, a company subject to common control from the same source, at a cost of £95,035 (2003: £50,242). The balance due to Axis Technical Services Limited at 31st March 2004 amounted to £52,462. (2003: £6,942)