

Company Registration No. 4075895 (England and Wales)

FP CONSULTING LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004



FP CONSULTING LIMITED

COMPANY INFORMATION

Director	C R Hindle
Secretary	L Hindle
Company number	4075895
Registered office	2nd Floor, 9 Broad Street Worcester WR1 3LH
Auditors	Rabjohns LLP 1-4 College Yard Worcester WR1 2LB
Business address	2nd Floor, 9 Broad Street Worcester WR1 3LH
Bankers	HSBC Bank plc 6 Broad Street Worcester WR1 2EJ
Solicitors	Harrison Clark 5 Deansway Worcester WR1 2JG

FP CONSULTING LIMITED

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FP CONSULTING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The director presents his report and financial statements for the year ended 31 December 2004.

Principal activities and review of the business

The principal activity of the company continued to be the provision of general insurance, financial planning and advice.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £31,550. The director does not recommend payment of a final dividend.

Purchase of own shares

On 22 April 2004 the company purchased 5,000 ordinary shares with a nominal value of £5,000, for a purchase consideration of £12,439. The reason for this purchase was to reduce the issued share capital after the resignation of a former director from the company.

Directors

The following directors have held office since 1 January 2004:

C R Hindle

D J Hunt

(Resigned 31 March 2004)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 December 2004	1 January 2004
C R Hindle	5,000	5,000

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

Rabjohns LLP 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.

FP CONSULTING LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

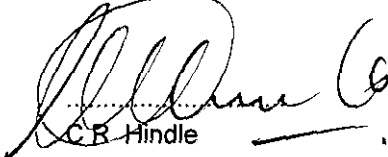
Director's responsibilities

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 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.

On behalf of the board



C.B. Hindle

Director

17/3/05

FP CONSULTING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FP CONSULTING LIMITED

We have audited the financial statements of FP Consulting Limited on pages 4 to 14 for the year ended 31 December 2004. 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 2 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 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rabjohns LLP

Registered Auditor

17 March 2005

1-4 College Yard
Worcester
WR1 2LB

FP CONSULTING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover	2	211,020	193,230
Administrative expenses		(156,272)	(150,976)
Operating profit	3	54,748	42,254
Other interest receivable and similar income		501	247
Profit on ordinary activities before taxation		55,249	42,501
Tax on profit on ordinary activities	4	(10,622)	(9,110)
Profit on ordinary activities after taxation		44,627	33,391
Dividends	5	(31,550)	(27,000)
Retained profit for the year	11	13,077	6,391

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

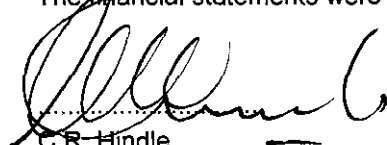
There are no recognised gains and losses other than those passing through the profit and loss account.

FP CONSULTING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	6		9,397		16,194
Current assets					
Debtors	7	9,091		9,894	
Cash at bank and in hand		27,936		30,607	
		<u>37,027</u>		<u>40,501</u>	
Creditors: amounts falling due within one year	8	<u>(18,797)</u>		<u>(28,944)</u>	
Net current assets			18,230		11,557
Total assets less current liabilities			27,627		27,751
Provisions for liabilities and charges	9		(2,111)		(2,873)
			<u>25,516</u>		<u>24,878</u>
Capital and reserves					
Called up share capital	10		5,000		10,000
Other reserves	11		5,000		-
Profit and loss account	11		15,516		14,878
Shareholders' funds - equity interests	12		<u>25,516</u>		<u>24,878</u>

The financial statements were approved by the Board on 17/3/05


C R Hindle
Director

FP CONSULTING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	£	2004 £	£	2003 £
Net cash inflow from operating activities		50,510		58,144
Returns on investments and servicing of finance				
Interest received	501		247	
	<u>501</u>		<u>247</u>	
Net cash inflow for returns on investments and servicing of finance		501		247
Taxation		(9,693)		(3,670)
Capital expenditure				
Payments to acquire tangible assets	-		(860)	
	<u>-</u>		<u>(860)</u>	
Net cash outflow for capital expenditure		-		(860)
Equity dividends paid		(31,550)		(27,000)
		<u>(31,550)</u>		<u>(27,000)</u>
Net cash inflow before management of liquid resources and financing		9,768		26,861
Financing				
Purchase of own shares	(12,439)		-	
Repayment of other long term loans	-		(20,000)	
	<u>(12,439)</u>		<u>(20,000)</u>	
Net cash outflow from financing		(12,439)		(20,000)
		<u>(12,439)</u>		<u>(20,000)</u>
(Decrease)/increase in cash in the year		<u>(2,671)</u>		<u>6,861</u>

FP CONSULTING LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	54,748	42,254
	Depreciation of tangible assets	6,797	10,689
	Decrease/(increase) in debtors	803	(3,326)
	(Decrease)/Increase in creditors within one year	(11,907)	9,872
	Increase/(decrease) in pension provision	69	(1,345)
	Net cash inflow from operating activities	50,510	58,144

2	Analysis of net funds	1 January 2004	Cash flow	Other non-cash changes	31 December 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	30,607	(2,671)	-	27,936
	Net funds	30,607	(2,671)	-	27,936

3	Reconciliation of net cash flow to movement in net funds	2004	2003
		£	£
	(Decrease)/increase in cash in the year	(2,671)	6,861
	Cash outflow from decrease in debt	-	20,000
	Movement in net funds in the year	(2,671)	26,861
	Opening net funds	30,607	3,746
	Closing net funds	27,936	30,607

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover comprises commissions and fees earned during the period, gross of VAT.

1.3 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:

Land and buildings Leasehold	Over the lease term
Fixtures, fittings & equipment	33% Straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

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	2004 £	2003 £
Operating profit is stated after charging:		
Depreciation of tangible assets	6,797	10,689
Operating lease rentals	17,270	11,600
Auditors' remuneration	4,994	3,408
	<u> </u>	<u> </u>

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

4	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	11,453	9,693
	Current tax charge	11,453	9,693
	Deferred tax		
	Deferred tax credit	(831)	(583)
		10,622	9,110
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	55,249	42,501
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	10,497	8,075
	Effects of:		
	Non deductible expenses	126	365
	Depreciation add back	1,291	2,031
	Capital allowances	(461)	(778)
		956	1,618
	Current tax charge	11,453	9,693
5	Dividends	2004 £	2003 £
	Ordinary interim paid	31,550	27,000
		31,550	27,000

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

6 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2004 & at 31 December 2004	11,807	28,449	40,256
Depreciation			
At 1 January 2004	3,157	20,905	24,062
Charge for the year	1,372	5,425	6,797
At 31 December 2004	4,529	26,330	30,859
Net book value			
At 31 December 2004	7,278	2,119	9,397
At 31 December 2003	8,650	7,544	16,194

7 Debtors

	2004 £	2003 £
Trade debtors	-	3,537
Prepayments and accrued income	9,091	6,357
	9,091	9,894

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	1,889	6,837
Corporation tax	11,453	9,693
Other taxes and social security costs	1,763	2,948
Director's current accounts	164	4,233
Other creditors	1,031	1,626
Accruals and deferred income	2,497	3,607
	18,797	28,944

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

9 Provisions for liabilities and charges

	Commission on indemnity terms £	Deferred taxation £	Total £
Balance at 1 January 2004	1,640	1,233	2,873
Profit and loss account	69	(831)	(762)
Balance at 31 December 2004	<u>1,709</u>	<u>402</u>	<u>2,111</u>

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	<u>402</u>	<u>1,233</u>

10 Share capital

	2004 £	2003 £
Authorised		
25,000 Ordinary of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid		
5,000 Ordinary of £1 each	<u>5,000</u>	<u>10,000</u>

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

11 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2004	-	14,878
Retained profit for the year	-	13,077
Purchase of own shares	-	(12,439)
Movement during the year	5,000	-
Balance at 31 December 2004	<u>5,000</u>	<u>15,516</u>

Other reserves

Capital redemption reserve

Capital redemption reserve movement

Balance at 31 December 2004

5,000

5,000

12 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	44,627	33,391
Dividends	(31,550)	(27,000)
	<u>13,077</u>	<u>6,391</u>
Purchase of own shares	(12,439)	-
Net addition to shareholders' funds	638	6,391
Opening shareholders' funds	24,878	18,487
Closing shareholders' funds	<u>25,516</u>	<u>24,878</u>

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

13 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2004 £	2003 £
Expiry date:		
Within one year	4,747	-
Between two and five years	13,272	-
In over five years	-	11,600
	<u>18,019</u>	<u>11,600</u>

14 Directors' emoluments

	2004 £	2003 £
Emoluments for qualifying services	<u>6,962</u>	<u>10,790</u>

15 Transactions with director

The director provided an interest free loan to the company during the year. The movement on this loan is as follows:

	Amount outstanding 2004 £	2003 £	Maximum in year £
Director's loan account - C R Hindle	<u>(164)</u>	<u>(2,262)</u>	<u>(10,000)</u>

FP CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

16 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Administration	<u>7</u>	<u>9</u>
Employment costs		
	£	£
Wages and salaries	64,235	68,059
Social security costs	<u>3,738</u>	<u>2,963</u>
	<u>67,973</u>	<u>71,022</u>

17 Control

The ultimate control of the company is held by C R Hindle, by virtue of his shareholding as set out on page 1 of these financial statements.

18 Related party transactions

On the 22nd April 2004 the company purchased the ordinary shares of FP Consulting Limited that were held by D J Hunt for £12,439.