

Abbreviated Accounts
for the Year Ended 31 July 2005
for
Fresh Insurance Services Group Limited

THURSDAY



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Fresh Insurance Services Group Limited

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for the Year Ended 31 July 2005**

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Fresh Insurance Services Group Limited

**Company Information
for the Year Ended 31 July 2005**

DIRECTORS:

L J T McPherson
M S Powis

SECRETARY:

M S Powis

REGISTERED OFFICE:

2 Linden Road
Bognor Regis
West Sussex
PO21 2AN

REGISTERED NUMBER:

4515272 (England and Wales)

AUDITORS:

Hughes Spencer
Latchmore House
99/101 London Road, Cowplain
Waterlooville
Hampshire
PO8 8XJ

Fresh Insurance Services Group Limited

Report of the Directors for the Year Ended 31 July 2005

The directors present their report with the accounts of the company for the year ended 31 July 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a personal lines insurance intermediary.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

DIVIDENDS

An interim dividend of £10.8878 per share was paid on 31 May 2005. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 July 2005 will be £10,888.

FIXED ASSETS

The leasehold property purchased during the year is not being depreciated as the directors are of the opinion that the current market value is at least the cost shown in the accounts.

DIRECTORS

The directors during the year under review were:

L J T McPherson

M S Powis

The beneficial interests of the directors holding office on 31 July 2005 in the issued share capital of the company were as follows:

	31.7.05	1.8.04
Ordinary £1 shares		
L J T McPherson	552	57
M S Powis	368	38

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 to 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

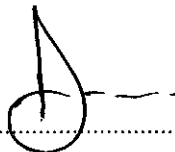
Fresh Insurance Services Group Limited

**Report of the Directors
for the Year Ended 31 July 2005**

AUDITORS

The auditors, Hughes Spencer, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
- Director M.S. Powis

Date: 7-6-06

**Report of the Independent Auditors to
Fresh Insurance Services Group Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages five to fifteen, together with the full financial statements of the company for the year ended 31 July 2005 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 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 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 246A 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 Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

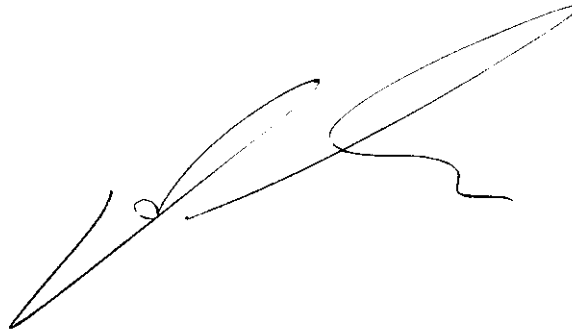
Basis of opinion

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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to fifteen are properly prepared in accordance with that provision.

Hughes Spencer
Latchmore House
99/101 London Road, Cowplain
Waterlooville
Hampshire
PO8 8XJ



Date: 15-6-06

Fresh Insurance Services Group Limited

**Abbreviated Profit and Loss Account
for the Year Ended 31 July 2005**

		2005	2004
	Notes	£	£
GROSS PROFIT		1,523,085	1,011,805
Administrative expenses		1,404,130	1,006,095
OPERATING PROFIT	3	118,955	5,710
Interest receivable and similar income		21,749	11,088
		140,704	16,798
Interest payable and similar charges	4	10,624	5,945
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		130,080	10,853
Tax on profit on ordinary activities	5	15,354	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		114,726	10,853
Dividends	6	10,888	-
		103,838	10,853
Deficit brought forward		(83,145)	(93,998)
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD		£20,693	£(83,145)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these abbreviated accounts

Fresh Insurance Services Group Limited

Abbreviated Balance Sheet 31 July 2005

		2005		2004	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	7		18,440		36,880
Tangible assets	8		209,478		110,201
Investments	9		2		2
			<u>227,920</u>		<u>147,083</u>
CURRENT ASSETS:					
Debtors	10	344,204		362,783	
Cash at bank and in hand		<u>490,243</u>		<u>367,435</u>	
		834,447		730,218	
CREDITORS: Amounts falling due within one year	11	<u>839,291</u>		<u>777,770</u>	
NET CURRENT LIABILITIES:			<u>(4,844)</u>		<u>(47,552)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			223,076		99,531
CREDITORS: Amounts falling due after more than one year	12		(190,084)		(182,576)
PROVISIONS FOR LIABILITIES AND CHARGES:	16		<u>(11,299)</u>		-
			<u>£21,693</u>		<u>£(83,045)</u>
CAPITAL AND RESERVES:					
Called up share capital	17		1,000		100
Profit and loss account			<u>20,693</u>		<u>(83,145)</u>
SHAREHOLDERS' FUNDS:	18		<u>£21,693</u>		<u>£(83,045)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



- Director L. J. T. McPherson

Approved by the Board on 7-6-06

The notes form part of these abbreviated accounts

Fresh Insurance Services Group Limited

**Cash Flow Statement
for the Year Ended 31 July 2005**

		2005	2004
	Notes	£	£
Net cash inflow from operating activities	1	223,100	188,583
Returns on investments and servicing of finance	2	11,125	5,143
Capital expenditure	2	(146,553)	(111,048)
Equity dividends paid		(10,888)	-
		76,784	82,678
Financing	2	63,527	(4,120)
Increase in cash in the period		£140,311	£78,558
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		140,311	78,558
Change in net funds resulting from cash flows		140,311	78,558
Movement in net funds in the period		140,311	78,558
Net funds at 1 August		349,932	271,374
Net funds at 31 July		£490,243	£349,932

The notes form part of these abbreviated accounts

Fresh Insurance Services Group Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 July 2005**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	118,955	5,710
Depreciation charges	62,251	43,537
Loss on sale of fixed assets	3,465	-
Decrease/(Increase) in debtors	18,579	(205,241)
Increase in creditors	19,850	344,577
	<u>223,100</u>	<u>188,583</u>
Net cash inflow from operating activities	<u>223,100</u>	<u>188,583</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2005 £	2004 £
Returns on investments and servicing of finance		
Interest received	21,749	11,088
Interest paid	(10,624)	(5,945)
	<u>11,125</u>	<u>5,143</u>
Net cash inflow for returns on investments and servicing of finance	<u>11,125</u>	<u>5,143</u>
Capital expenditure		
Purchase of intangible fixed assets	-	(28,960)
Purchase of tangible fixed assets	(146,554)	(82,088)
Sale of tangible fixed assets	1	-
	<u>(146,553)</u>	<u>(111,048)</u>
Net cash outflow for capital expenditure	<u>(146,553)</u>	<u>(111,048)</u>
Financing		
New loan taken out in year	94,000	-
Loan repayments in year	(301)	-
Amount withdrawn by directors	(31,072)	(4,120)
Cash receipt re share issue	900	-
	<u>63,527</u>	<u>(4,120)</u>
Net cash inflow/(outflow) from financing	<u>63,527</u>	<u>(4,120)</u>

The notes form part of these abbreviated accounts

Fresh Insurance Services Group Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 July 2005**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.04 £	Cash flow £	At 31.7.05 £
Net cash:			
Cash at bank and in hand	367,435	122,808	490,243
Bank overdraft	(17,503)	17,503	-
	<u>349,932</u>	<u>140,311</u>	<u>490,243</u>
 Total	 <u>349,932</u>	 <u>140,311</u>	 <u>490,243</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	367,435		490,243
Bank overdraft	(17,503)		-
	<u>349,932</u>		<u>490,243</u>

The notes form part of these abbreviated accounts

Fresh Insurance Services Group Limited

Notes to the Abbreviated Accounts for the Year Ended 31 July 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisitions of businesses in 2002 and 2003, is being written off over the directors estimation of its useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- not provided
Plant & machinery	- 25% on cost
Fixtures & fittings	- 25% on cost
Computer equipment	- 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. STAFF COSTS

	2005	2004
	£	£
Wages and salaries	624,695	433,184
Social security costs	4,384	831
	<u>629,079</u>	<u>434,015</u>

The average monthly number of employees during the year was as follows:

	2005	2004
Employees	<u>43</u>	<u>31</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	43,811	28,617
Loss on disposal of fixed assets	3,465	-
Goodwill written off	18,440	14,920
Auditors' remuneration	<u>6,580</u>	<u>-</u>
Directors' emoluments	<u>44,045</u>	<u>15,955</u>

Fresh Insurance Services Group Limited

**Notes to the Abbreviated Accounts
for the Year Ended 31 July 2005**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Bank interest	11	2,678
Bank loan interest	529	-
Directors loan interest	10,084	3,267
	<u>10,624</u>	<u>5,945</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	4,055	-
Deferred taxation	11,299	-
Tax on profit on ordinary activities	<u>15,354</u>	<u>-</u>

6. DIVIDENDS

	2005	2004
	£	£
Equity shares:		
Interim dividends paid	<u>10,888</u>	<u>-</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1 August 2004 and 31 July 2005	<u>56,368</u>
AMORTISATION:	
At 1 August 2004	19,488
Charge for year	<u>18,440</u>
At 31 July 2005	<u>37,928</u>
NET BOOK VALUE:	
At 31 July 2005	<u>18,440</u>
At 31 July 2004	<u>36,880</u>

Fresh Insurance Services Group Limited

**Notes to the Abbreviated Accounts
for the Year Ended 31 July 2005**

8. TANGIBLE FIXED ASSETS

	Leasehold property	Plant & machinery	Fixtures & fittings	Computer equipment	Totals
	£	£	£	£	£
COST:					
At 1 August 2004	-	49,373	-	103,801	153,174
Additions	104,984	11,261	3,497	26,812	146,554
Disposals	-	(8,545)	-	-	(8,545)
At 31 July 2005	104,984	52,089	3,497	130,613	291,183
DEPRECIATION:					
At 1 August 2004	-	16,852	-	26,121	42,973
Charge for year	-	13,877	73	29,861	43,811
Eliminated on disposals	-	(5,079)	-	-	(5,079)
At 31 July 2005	-	25,650	73	55,982	81,705
NET BOOK VALUE:					
At 31 July 2005	104,984	26,439	3,424	74,631	209,478
At 31 July 2004	-	32,521	-	77,680	110,201

9. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 August 2004 and 31 July 2005	2
NET BOOK VALUE:	
At 31 July 2005	2
At 31 July 2004	2
	2005
	£
Unlisted investments	2
	2004
	£
	2

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Ladybird Insurance Brokers Limited
Nature of business: Insurance Brokers

Class of shares:	%
Ordinary	holding 100.00

Fresh Insurance Services Group Limited

**Notes to the Abbreviated Accounts
for the Year Ended 31 July 2005**

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Trade debtors	341,070	343,437
Prepayments	3,134	19,346
	<u>344,204</u>	<u>362,783</u>

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Bank loans and overdrafts (see note 13)	3,615	17,503
Trade creditors	739,696	687,811
Directors' current accounts	51,504	-
Other creditors	4,238	27,884
Social security & other taxes	20,062	16,030
Taxation	4,055	-
Accruals	16,121	28,542
	<u>839,291</u>	<u>777,770</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2005 £	2004 £
Bank loans (see note 13)	90,084	-
Directors' loans	-	32,576
Directors' subordinated loan	100,000	150,000
	<u>190,084</u>	<u>182,576</u>

Fresh Insurance Services Group Limited

Notes to the Abbreviated Accounts for the Year Ended 31 July 2005

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2005 £	2004 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	17,503
Bank loans	3,615	-
	<u>3,615</u>	<u>17,503</u>
Amounts falling due between one and two years:		
Bank loans	<u>5,400</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>19,800</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>64,884</u>	<u>-</u>

14. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2005 £	Operating leases 2004 £
Expiring:		
Between one and five years	<u>35,250</u>	<u>35,250</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2005 £	2004 £
Bank loans	<u>93,699</u>	<u>-</u>

The bank holds a first legal mortgage dated 9 June 2005 over the leasehold property.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2005 £	2004 £
Deferred tax	<u>11,299</u>	<u>-</u>

Fresh Insurance Services Group Limited

**Notes to the Abbreviated Accounts
for the Year Ended 31 July 2005**

16. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £	
Accelerated capital allowances	11,299	
Balance at 31 July 2005	<u>11,299</u>	
Deferred tax provision		
	2005	2004
	£	£
Charge for the year	11,299	-
	<u>11,299</u>	<u>-</u>

17. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005	2004
		£1	£	£
10,000	Ordinary		<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004
		£1	£	£
1,000	Ordinary		1,000	100
(2004 - 100)			<u> </u>	<u> </u>

The following shares were allotted and fully paid for cash at par during the year:

900 Ordinary shares of £1 each

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Profit for the financial year	114,726	10,853
Dividends	(10,888)	-
	<u>103,838</u>	<u>10,853</u>
Shares issued	900	-
	<u>104,738</u>	<u>10,853</u>
Net addition to shareholders' funds	104,738	10,853
Opening shareholders' funds	(83,045)	(93,898)
	<u>21,693</u>	<u>(83,045)</u>
Closing shareholders' funds	21,693	(83,045)
Equity interests	<u>21,693</u>	<u>(83,045)</u>