

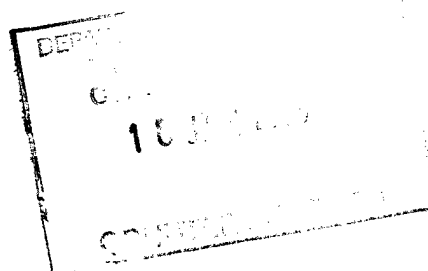


W G O'Kane Life and Pensions Limited

Financial statements

Year ended 31 March 2004

Company registration number: NI 32646



W G O’Kane Life and Pensions Limited

Directors’ report and financial statements

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W G O’Kane Life and Pensions Limited

Directors and other information

Director	Gareth Brady
Secretary	Geoffrey Farmer
Auditors	KPMG Chartered Accountants Stokes House 17/25 College Square East Belfast BT1 6HD
Bankers	Bank of Scotland 55 Temple Row Birmingham B2 5LS
Solicitors	Tughans Marlborough House 30 Victoria Street Belfast BT1 3GS
Registered office	Royston House 34 Upper Queen Street Belfast BT1 6FD
Company registration number	NI 32646

W G O'Kane Life and Pensions Limited

Directors' report

The directors herewith submit their annual report together with the audited financial statements for the year ended 31 March 2004.

Principal activity

The principal activity of the company was that of an independent financial advisor.

Results and dividends

The loss for the year, after taxation amounted to £316 (2003: loss of £65,791). The directors do not recommend the payment of a dividend.

Political and charitable contributions

The company made no political or charitable contributions during the year (2003: £Nil).

Directors' interests

None of the directors had any interest in the shares of the company.

The directors of the company during the year were as follows:

Joseph Doyle (resigned 8 May 2003)
Thomas Leonard (resigned 1 June 2004)
Gareth Brady

The directors' disclosable interests in the share capital of the ultimate parent undertaking, Open and Direct Group Limited, were as follows:

	<i>Ordinary shares</i>
<i>As at 31 March 2003</i>	
Gareth Brady	20,000
<i>As at 31 March 2004</i>	
Gareth Brady	20,000

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

W G O'Kane Life and Pensions Limited

Directors' report (*continued*)

Auditors

KPMG have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



Geoffrey Farmer
Secretary

10 January 2005

W G O'Kane Life and Pensions Limited

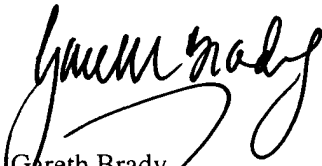
Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give, in accordance with applicable Northern Ireland law and accounting standards, a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. 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;
- state whether applicable accounting standards have been followed; subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 (Northern Ireland) Order 1986. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board



Gareth Brady
Director

10 January 2005



Chartered Accountants

Stokes House
College Square East
Belfast BT1 6DH
Northern Ireland

Independent auditors' report to the members of W G O'Kane Life and Pensions Limited

We have audited the financial statements on pages 6 to 15.

This report is made solely to the company's members as a body in accordance with article 243 of the Companies (Northern Ireland) Order 1986. 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 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 members as a body 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 directors' report and, as described on page 4, the financial statements in accordance with applicable Northern Ireland law and accounting standards. Our responsibilities, as independent auditors, are established in Northern Ireland by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 (Northern Ireland) Order 1986. 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.

Basis of audit opinion

We conducted our audit in accordance with 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.

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 loss for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.


KPMG

Chartered Accountants
Registered Auditors

10 January 2005



KPMG, a partnership is a member firm
of KPMG International, a Swiss Cooperative

W G O'Kane Life and Pensions Limited

Profit and loss account

Year ended 31 March 2004

	<i>Note</i>	2004 £	2003 £
Turnover	2	-	279,384
Administrative expenses		(2,237)	(365,372)
		<hr/>	<hr/>
Operating loss	3	(2,237)	(85,988)
Interest receivable	6	60	79
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(2,177)	(85,909)
Tax on loss on ordinary activities	7	1,861	20,118
		<hr/>	<hr/>
Loss for the financial year	14	(316)	(65,791)
		<hr/>	<hr/>

The company had no recognised gains or losses in the financial period or the preceding financial period other than those dealt with in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been prepared.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historic cost equivalents. Accordingly, no note of historical cost profits and losses has been prepared. All reported profits arise from continuing operations.

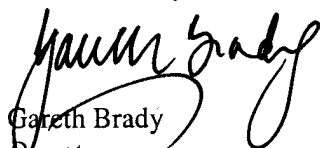
The notes on pages 8 to 15 form part of these financial statements.

W G O'Kane Life and Pensions Limited

Balance sheet At 31 March 2004

	Note	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	8		432		2,469
Current assets					
Debtors	9	283,591		281,180	
Cash at bank and in hand		80,709		81,111	
		<u>364,300</u>		<u>362,291</u>	
Creditors: amounts falling due within one year	11	<u>(268,687)</u>		<u>(268,529)</u>	
Net current assets			<u>95,613</u>		<u>93,762</u>
Total assets less current liabilities			<u>96,045</u>		<u>96,231</u>
Provisions for liabilities and charges	12		<u>(130)</u>		<u>-</u>
Net assets			<u><u>95,915</u></u>		<u><u>96,231</u></u>
Capital and reserves					
Called-up share capital	13	10,000		10,000	
Profit and loss account	14	85,915		86,231	
		<u>95,915</u>		<u>96,231</u>	
Equity shareholders' funds			<u><u>95,915</u></u>		<u><u>96,231</u></u>

These financial statements were approved by the board of directors on 10 January 2005 and were signed on its behalf by:


Gareth Brady
Director

The notes on pages 8 to 15 form part of these financial statements.

W G O'Kane Life and Pensions Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The ultimate parent undertaking of W G O'Kane Life and Pensions Limited at 31 March 2004 is Open and Direct Group Limited. As Open and Direct Group Limited prepares consolidated financial statements, which include the cash flows of the company, W G O'Kane Life and Pensions Ltd is exempt from the requirement to prepare a cash flow statement.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, or at valuation, less accumulated depreciation.

Tangible fixed assets are depreciated at rates designed to write off the cost of these assets over their expected useful lives. The annual rates in use are

Office plant and equipment	-	over 10 years
Computer equipment	-	over 3 years

Depreciation rates have been amended to bring them into line with group policy.

Retained brokerage

The company takes credit for non-investment business brokerage income at the date when the insured is debited or at the inception date of the policy, whichever is the later. Brokerage on return and additional premiums and adjustments is brought into account as and when these occur. For investment business brokerage income, credit is taken on a cash basis.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19 "Deferred Tax".

W G O'Kane Life and Pensions Limited

Notes (continued)

1 Principal accounting policies (continued)

Pension costs

On 30 April 2002 the company was acquired by Open and Direct Group Limited. All employees of the company remained members of the Viridian Group Pension Scheme to 30 April 2003. The scheme comprised of two separate sections – 'Focus' a defined benefit scheme and 'Options' a defined contribution scheme. All employees of the company were members of the 'Options' scheme.

On 1 May 2003 Open and Direct Group Limited established a new defined contribution scheme to replace the 'Options' scheme. All employees were transferred to the new scheme.

The assets of both the old and new schemes are held separately from those of the company. Pension costs are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover consists of commissions and fees receivable from the provision of financial advice. Commission income is credited to the profit and loss account when business is placed with an insurance or investment company. Turnover is entirely attributable to the UK and ROI markets.

3 Operating loss

This is stated after charging:

	2004 £	2003 £
Operating lease rentals – land and buildings	-	(608)
Depreciation	2,037	2,037
Auditors remuneration - audit	-	500
	<u> </u>	<u> </u>

W G O’Kane Life and Pensions Limited

Notes (continued)

4 Staff costs

	2004 £	2003 £
Wages and salaries	-	319,202
Social security costs	-	34,843
Other pension costs	-	1,532
	<u>-</u>	<u>355,577</u>

The average weekly number of employees during the period was as follows:

2004 No.	2003 No.
-	13
<u>-</u>	<u>13</u>

5 Directors emoluments

	2004 £	2003 £
Members of money purchase pension schemes	-	-
	<u>-</u>	<u>-</u>

None of the directors holding office at the year end are remunerated through the company, and an apportionment of their emoluments based on hours worked in the company has not been carried out as the amounts are not considered to be material. The emoluments of the company’s directors are disclosed in the financial statements of the company through which they are paid.

6 Interest receivable

	2004 £	2003 £
Bank interest	60	79
	<u>60</u>	<u>79</u>

W G O'Kane Life and Pensions Limited

Notes (continued)

7 Tax on loss on ordinary activities

a) Analysis of tax credit in the year

	2004 £	2003 £
Current tax		
UK Corporation tax at 30% (2003: 30%)	(900)	-
Adjustment in respect of prior years	(37,628)	5,419
	<hr/>	<hr/>
Total current tax	(38,528)	5,419
Deferred tax		
Origination and reversal of timing differences	378	(24,179)
Deferred tax discount	-	(1,000)
Adjustment in respect of previous years	36,289	(358)
	<hr/>	<hr/>
Total deferred tax	36,667	(25,537)
	<hr/>	<hr/>
Total tax on loss on ordinary activities	(1,861)	(20,118)
	<hr/>	<hr/>

b) Factors affecting tax credit for period

The current tax credit of £38,528 (2003: charge of £5,419) is lower (2003: higher) than the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are explained below.

Loss on ordinary activities before tax	(2,177)	(85,909)
	<hr/>	<hr/>
(Loss) on ordinary activities multiplied by the standard rate of UK corporation tax of 30%	(653)	(25,773)
Effects of:		
Expenses not deductible for tax purposes	131	1,594
Other timing differences	-	(12,391)
Depreciation for period in excess of capital allowances	(378)	611
Tax losses carried forward	-	35,959
Adjustments in respect of prior years	(37,628)	5,419
	<hr/>	<hr/>
Current tax (credit)/charge for the year	(38,528)	5,419
	<hr/>	<hr/>

c) Factors that may affect future tax charges

There are no factors likely to materially affect future tax charges of which the directors are aware.

W G O'Kane Life and Pensions Limited

Notes (*continued*)

8 Tangible fixed assets

	<i>Fixtures and fittings £</i>	<i>Total £</i>
<i>Cost</i>		
At 1 April 2003	6,390	6,390
	<hr/>	<hr/>
At 31 March 2004	6,390	6,390
	<hr/>	<hr/>
<i>Depreciation</i>		
At 1 April 2003	3,921	3,921
Charge for the year	2,037	2,037
	<hr/>	<hr/>
At 31 March 2004	5,958	5,958
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 March 2004	432	432
	<hr/>	<hr/>
At 31 March 2003	2,469	2,469
	<hr/>	<hr/>

9 Debtors

	<i>2004 £</i>	<i>2003 £</i>
Amounts owed by other group undertakings	283,591	150,266
Other debtors	-	94,377
Deferred tax asset (see note 10)	-	36,537
Corporation tax recoverable	-	-
	<hr/>	<hr/>
	283,591	281,180
	<hr/>	<hr/>

W G O'Kane Life and Pensions Limited

Notes (continued)

10 Deferred tax

	2004 £	2003 £
Deferred taxation included in the accounts comprises:		
Accelerated capital allowances	(130)	578
Tax losses	-	35,959
	<hr/>	<hr/>
Deferred tax (liability)/asset	(130)	36,537
	<hr/>	<hr/>
Provision at 1 April	36,537	11,000
Deferred tax (credit)/charge for the period	(36,667)	25,537
	<hr/>	<hr/>
(Liability)/asset at 31 March	(130)	36,537
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	268,530	268,529
Other creditors	157	-
	<hr/>	<hr/>
	268,687	268,529
	<hr/>	<hr/>

12 Provision for liabilities and charges

	2004 £	2003 £
At beginning of period	-	-
Charge to the profit and loss account	130	-
	<hr/>	<hr/>
At end of period	130	-
	<hr/>	<hr/>

W G O'Kane Life and Pensions Limited

Notes (continued)

13 Called up share capital

	2004 £	2003 £
<i>Authorised:</i>		
100,000 ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
<i>Allotted and fully paid:</i>		
10,000 ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>

14 Reconciliation of movement on equity shareholders' funds

	Share capital £	Profit and loss account £	Total £
At 31 March 2003	10,000	86,231	96,231
Loss for the financial year	-	(316)	(316)
	<hr/>	<hr/>	<hr/>
At 31 March 2004	10,000	85,915	95,915
	<hr/>	<hr/>	<hr/>

15 Financial commitments

On 30 April 2002, a debenture was created by the company for securing all monies due, or to become due, to Viridian Group PLC, under the terms of the £8 million Loan Notes issued by Open and Direct Holdings on 30 April 2002.

16 Pension commitments

On 30 April 2002 the company was acquired by Open and Direct Group Limited. All employees of the company remained members of the Viridian Group Pension Scheme to 30 April 2003. The scheme comprised of two separate sections – 'Focus' a defined benefit scheme and 'Options' a defined contribution scheme. All employees of the company were members of the 'Options' scheme.

On 1 May 2003 Open and Direct Group Limited established a new defined contribution scheme to replace the 'Options' scheme. All employees were transferred to the new scheme.

The assets of both the old and new schemes are held separately from those of the company. Pension costs are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

During the year no contributions were payable by W G O'Kane Life and Pensions Limited and there are no outstanding amounts at 31 March 2004 (2003: £Nil).

W G O’Kane Life and Pensions Limited

Notes *(continued)*

17 Related party transactions

The company has taken advantage of the exemption in FRS8 from disclosing transactions with its ultimate parent undertaking, Open and Direct Group Limited, and its group companies. Consolidated financial statements of Open and Direct Group Limited, which include the company, can be obtained as described in note 18.

18 Parent undertaking and controlling party

The entire issued share capital of this company is indirectly owned by Open and Direct Group Limited, a company incorporated in Great Britain and registered in England and Wales. The Group accounts of Open and Direct Group Limited can be obtained from 10 Norwich Street, London, EC4V 1BD. 83.4% of the issued share capital of Open and Direct Group Limited is held by Alchemy Partners Nominees Limited on behalf of investors in the Alchemy Investment Plan. The Alchemy Investment Plan is managed by Alchemy Partners (Guernsey) Limited.