

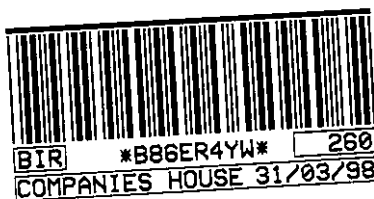
LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

COMPANY NUMBER :00934821

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1997

Haines Watts
Chartered Accountants



LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 1997

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LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCREPORT OF THE DIRECTORS

The directors present their report and audited accounts for the year ended 31 August 1997.

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:

- i. Select suitable accounting policies and apply them consistently;
- ii. Make judgements and estimates that are reasonable and prudent;
- iii. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- iv. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

RESULTS AND DIVIDENDS

The company made a profit before taxation of £51,842 (1996:£32,806). The directors do not recommend the payment of a dividend (1996:£Nil). Profits taken to reserves were £40,042 (1996:£31,577) after providing for taxation of £11,800 (1996:£1,229).

REVIEW OF THE BUSINESS

The principal activity of the company during the year was to receive trailer commissions.

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

DIRECTORS

The directors at 31 August 1997 together with their interests, including family interests, in the share capital of the company at the beginning and end of the year were as follows:

	<u>Ordinary Shares</u> <u>of £1 each</u>	
	<u>1997</u>	<u>1996</u>
H C Green	49500	49500
D Green	501	501

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

REPORT OF THE DIRECTORS (CONTINUED)

FIXED ASSETS

Changes in fixed assets during the year are set out in notes 7 & 8 to the accounts.

AUDITORS

A resolution will be proposed at the next Annual General Meeting to reappoint the auditors, Messrs. Haines Watts.

By Order of the Board



H C Green
Director

4.12.97.
.....Date

AUDITORS' REPORT TO THE SHAREHOLDERS OF

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

We have audited the financial statements set out on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 at 31 August 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Haines Watts

NOTTINGHAM

HAINES WATTS

CHARTERED ACCOUNTANTS

.....8.12.97.....DATE

REGISTERED AUDITORS

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 1997

	<u>Note</u>	<u>Continuing</u> <u>Operations</u> <u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>TURNOVER</u>	1	50,727	30,824
Administrative Expenses		3,720	3,004
<u>OPERATING PROFIT</u>	2	47,007	27,820
Interest Receivable	4	5,000	5,000
Interest Payable	5	165	14
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		51,842	32,806
Taxation	6	11,800	1,229
<u>PROFIT FOR THE FINANCIAL YEAR</u>	13	40,042	31,577

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

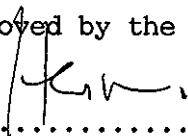
The notes on pages 7 to 11 form part of these accounts.

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCBALANCE SHEET AS AT 31 AUGUST 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
<u>FIXED ASSETS</u>			
Tangible Fixed Assets	7	3,873	4,557
Investments	8	50,000	50,000
		<u>53,873</u>	<u>54,557</u>
<u>CURRENT ASSETS</u>			
Debtors	9	88,000	34,000
Cash at Bank and in Hand		-	165
		<u>88,000</u>	<u>34,165</u>
<u>CREDITORS</u>			
Amounts Due Within One Year	10	(38,073)	(24,964)
<u>NET CURRENT ASSETS</u>		<u>49,927</u>	<u>9,201</u>
<u>NET ASSETS</u>		<u>103,800</u>	<u>63,758</u>
<u>CAPITAL AND RESERVES</u>			
Share Capital	12	12,576	12,576
Profit and Loss Account	13	91,224	51,182
<u>SHAREHOLDERS' FUNDS</u>	14	<u>103,800</u>	<u>63,758</u>

The notes on pages 7 to 11 form part of these accounts.

Approved by the Board:



.....H C Green

4.12.97

.....Date

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCCASH FLOW STATEMENTFOR THE YEAR ENDED 31 AUGUST 1996

		£	<u>1997</u> £	£	<u>1996</u> £
	<u>Note</u>				
<u>NET CASH OUTFLOW FROM</u> <u>OPERATING ACTIVITIES</u>	15		(5,886)		(4,452)
<u>RETURNS ON INVESTMENTS</u> <u>AND SERVICING OF FINANCE</u>					
Interest paid		(165)		(14)	
Interest received		<u>4,000</u>		<u>4,000</u>	
Net cash inflow from returns on investments and servicing of finance			3,835		3,986
<u>TAXATION</u>					
Corporation tax			<u>(229)</u>		<u>-</u>
Decrease in cash			<u>(2,280)</u>		<u>(466)</u>

The notes on pages 7 to 11 form part of these accounts.

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 1997

The accounts have been prepared in accordance with applicable accounting standards and take into consideration events occurring between 31 August 1997 and the date of their approval by the Board of Directors.

1. ACCOUNTING POLICIES

There have been no changes in accounting policies during the year.

- a. The accounts have been prepared under the historical cost convention.
- b. Turnover represents commission and fees received in the year.
- c. Depreciation is provided on the cost or valuation less estimated residual values of tangible assets over their estimated useful lives.

The following rate and basis applies:

Fixtures and fittings 15% Reducing balance

- d. Investments are recorded at cost.
- e. Provision is made for taxation deferred in respect of all material timing differences between the treatment of certain items for taxation and accounting purposes, only to the extent that it is probable that the liability will become payable in the foreseeable future.

2. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1997</u> £	<u>1996</u> £
Depreciation of tangible fixed assets	684	804
Auditors remuneration	940	382
	<u> </u>	<u> </u>

3. STAFF COSTS

The average number of employees, including directors, during the year was as follows:

	<u>1997</u>	<u>1996</u>
	<u>No.</u>	<u>No.</u>
Office and management	2	2
	<u> </u>	<u> </u>

4. INTEREST RECEIVED AND SIMILAR INCOME

	<u>1997</u> £	<u>1996</u> £
Loan interest	5,000	5000
	<u> </u>	<u> </u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31 AUGUST 19975. INTEREST PAYABLE

Interest payable on:

	<u>1997</u> £	<u>1996</u> £
Bank loans and overdrafts and other loans:		
Wholly repayable within five years		
On demand	165	14

6. TAXATION

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

	<u>1997</u> £	<u>1996</u> £
Corporation tax at 22.8% (1996:24.58%)	11,800	1,229

7. TANGIBLE FIXED ASSETS

	<u>Fixtures and Fittings</u>
<u>COST OR VALUATION</u>	£
Balance at 1997 and 1996	42,024
<u>DEPRECIATION</u>	
Balance at 1996	37,467
Charge for the year	684
	38,151
<u>NET BOOK VALUE</u>	
1997	3,873
1996	4,557

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31 AUGUST 19978. FIXED ASSET INVESTMENTS

	<u>1997</u> £	<u>1996</u> £
Other fixed asset investments	50,000	50,000
<u>COST AND NET BOOK VALUE</u>		
	<u>Unlisted</u> <u>Investments</u> £	
Balance at 1997 and 1996	50,000	

9. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Other debtors	88,000	34,000

All debts are receivable within one year.

10. CREDITORS

	<u>1997</u> £	<u>1996</u> £
Amounts due within one year:		
Bank overdraft, repayable on demand	2,115	-
Other creditors including		
taxation and social security	6,664	6,664
Corporation tax	10,800	229
Directors current accounts	17,654	17,654
Accruals and deferred income	840	417
	<u>38,073</u>	<u>24,964</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

The company had no liability to deferred taxation at 31 August 1996 or 31 August 1997.

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 199712. SHARE CAPITAL

	<u>1997</u> £	<u>1996</u> £
<u>Authorised</u>		
Ordinary Shares of £1 each	50,000	50,000
Special Shares of £1 each	1	1
	<u>50,001</u>	<u>50,001</u>
 <u>Issued and Fully Paid</u>		
Ordinary Shares of £1 each	100	100
Special Shares of £1 each	1	1
 <u>Issued and Partly Paid</u>		
Ordinary Shares of £1 each	12,475	12,475
	<u>12,576</u>	<u>12,576</u>

13. RESERVES

	<u>Profit & Loss</u> <u>Reserve</u> £
Balance at 31 August 1996	51,182
Profit for the financial year	40,042
	<u>91,224</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £	<u>1996</u> £
Profit for the financial year	40,042	31,577
Opening shareholders' funds	63,758	32,181
Closing shareholders' funds	<u>103,800</u>	<u>63,758</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 199715. RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1997</u> £	<u>1996</u> £
Operating profit	47,007	27,820
Depreciation	684	804
Increase in debtors	(54,000)	(33,203)
Increase in creditors	423	127
Net cash outflow from operating activities	<u>(5,886)</u>	<u>(4,452)</u>

16. ANALYSIS OF CHANGES IN NET DEBT

	<u>1996</u> £	<u>Cash Flows</u> £	<u>1997</u> £
Cash at bank and in hand	165	(165)	-
Bank overdraft	-	(2,115)	(2,115)
	<u>165</u>	<u>(2,280)</u>	<u>(2,115)</u>

17. RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET DEBT

	£
Decrease in cash in the period	<u>(2,280)</u>

18. RELATED PARTY TRANSACTIONS

Throughout the year the company was under the control of H C Green, a director and the majority shareholder of the company.

The company had the following transactions during the year with, and amounts due at the year end from, Expatriate Advisory Services Plc, another company under the control of H C Green:

	<u>1997</u> £
Commission and interest receivable	55,000
Included in fixed asset investments	50,000
Included in other debtors and creditors	81,336
	<u>131,336</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLCTRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 1997

		<u>1997</u>		<u>1996</u>
	£	£	£	£
Sales		50,727		30,824
<u>Other Income</u>				
Loan Interest		5,000		5,000
		<u>55,727</u>		<u>35,824</u>
<u>EXPENSES</u>				
Depreciation	684		804	
Insurance	-		577	
General trade expenses	15		18	
Motor expenses	64		60	
Bank charges	1,236		943	
Bank interest	165		14	
Auditors remuneration	940		382	
Professional charges	781		220	
		<u>3,885</u>		<u>3,018</u>
<u>NET PROFIT FOR THE YEAR</u>		<u>51,842</u>		<u>32,806</u>