

**LIAISON LIFE INSURANCE AND INVESTMENT
SERVICES OF NOTTINGHAM PLC**

FINANCIAL STATEMENTS

31ST AUGUST 2000

Registered number: 00934821

BKR HAINES WATTS

CHARTERED ACCOUNTANTS

Nottingham



LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

FINANCIAL STATEMENTS

for the year ended 31st August 2000

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LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

COMPANY INFORMATION

31st August 2000

NUMBER	00934821
DIRECTORS	H C Green D Green
SECRETARY	Willoughby Corporate Secretarial
REGISTERED OFFICE	14 Gordon Road West Bridgford Nottingham
BANKERS	National Westminster Bank Plc 16 South Parade Nottingham
AUDITORS	BKR Haines Watts Chartered Accountants 1 Loughborough Road West Bridgford Nottingham

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

DIRECTORS' REPORT

31st August 2000

The directors present their report and the audited financial statements for the year ended 31st August 2000.

Principal activity

The principal activity of the company is the underwriting of activities and arranging finance.

Business review

The directors are pleased with the performance for the year as set out in the profit and loss account on page 5, and believe that the company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £232,411.

Results and dividends

The results for the year are shown in the profit and loss account on page 5, and it is expected that these results will continue in the future. The directors do not propose payment of an ordinary dividend.

Directors

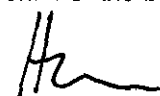
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st August 2000 Ordinary shares	1st September 1999 Ordinary shares
H C Green	49,500	49,500
D Green	501	501

Auditors

BKR Haines Watts have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



H. C. Green
Director

14 Gordon Road
West Bridgford
Nottingham

14/2/01

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

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 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.

On behalf of the board



H C Green
Director

14/3/01

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

AUDITORS' REPORT

Auditors' report to the members of

LIAISON Life Insurance and Investment Services of Nottingham Plc

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of 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 error or other irregularity. 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 31st August 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nottingham

19/3/01



BKR Haines Watts
Registered Auditors
Chartered Accountants

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

PROFIT AND LOSS ACCOUNT

for the year ended 31st August 2000

	Note	2000 £	1999 £
Turnover	2	622,162	29,219
Net operating expenses			
Administrative expenses		(593,103)	(1,835)
Operating profit	3	29,059	27,384
Other income	5	25,739	11,615
Profit on ordinary activities before taxation		54,798	38,999
Taxation	6	(11,031)	(8,111)
Profit on ordinary activities after taxation		43,767	30,888
retained for the year	14		

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 2000 or 1999 other than the profit for the year.

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

BALANCE SHEET

at 31st August 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	7		2,378		2,798
Investments	8		50,000		50,000
			<u>52,378</u>		<u>52,798</u>
Current assets					
Debtors	9	432,052		140,478	
Cash at bank and in hand		2,423		1,688	
		<u>434,475</u>		<u>142,166</u>	
Creditors: amounts falling due within one year	10	(254,442)		(6,320)	
Net current assets			<u>180,033</u>		<u>135,846</u>
Total assets less current liabilities			<u>232,411</u>		<u>188,644</u>
Capital and reserves					
Called up share capital	13		12,576		12,576
Profit and loss account	14		219,835		176,068
Total shareholders' funds	12		<u>232,411</u>		<u>188,644</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 14.3.01.
and signed on its behalf by:

H C Green
Director



LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

CASH FLOW STATEMENT

for the year ended 31st August 2000

	Note	2000 £	1999 £
Net cash (outflow)/inflow from operating activities	15	(14,072)	5,118
Returns on investments and servicing of finance			
Interest received		25,739	11,615
Taxation			
Corporation tax paid		(10,932)	(15,677)
Increase in cash		<u>735</u>	<u>1,056</u>

NOTES ON FINANCIAL STATEMENTS

31st August 2000

1 Accounting policies

Basis of accounting

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

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Fixtures and fittings	15% Reducing balance
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Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3 Operating profit

	2000 £	1999 £
Operating profit is stated after charging:		
Staff costs (note 4)	589,835	-
Auditors' remuneration	550	500
Depreciation of tangible fixed assets (note 7):		
Owned assets	420	494

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES ON FINANCIAL STATEMENTS

31st August 2000

4 Directors and employees

	2000 £	1999 £
Staff costs including directors' emoluments		
Wages and salaries	94,835	-
Pension costs	495,000	-
	<u>589,835</u>	<u>-</u>
	Number	Number
Average monthly number employed including executive directors:	<u>1</u>	<u>-</u>
Directors	£	£
Emoluments	94,835	-
Company contributions to money purchase pension schemes	495,000	-
	<u>589,835</u>	<u>-</u>
	Number	Number
During the year the following number of directors:		
Accrued retirement benefits under:		
Money purchase pension schemes	<u>1</u>	<u>-</u>
Included in the above are the emoluments of:		
Highest paid director	<u>94,835</u>	<u>-</u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £495,000 (1999 £0).

5 Other income

	2000 £	1999 £
Interest receivable	<u>25,739</u>	<u>11,615</u>

6 Taxation

	2000 £	1999 £
Corporation tax on profit on ordinary activities at 20% (1999 21%)	<u>11,031</u>	<u>8,111</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES ON FINANCIAL STATEMENTS

31st August 2000

7 Tangible fixed assets

	Fixtures and Fittings £
Cost	
1st September 1999 and 31st August 2000	42,024
Depreciation	
1st September 1999	39,226
Charge for the year	420
31st August 2000	39,646
Net book amount	
31st August 2000	2,378
1st September 1999	2,798

8 Fixed asset investments

	Loans £
Cost and net book value	
1st September 1999 and at 31st August 2000	50,000

9 Debtors

Amounts falling due within one year

	2000 £	1999 £
Other debtors	432,052	140,148

NOTES ON FINANCIAL STATEMENTS

31st August 2000

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	1,751	-
Corporation tax	5,887	5,788
Other taxation and social security	46,222	-
Other creditors	200,000	-
Accruals and deferred income	582	532
	<u>254,442</u>	<u>6,320</u>

11 Deferred taxation

Deferred taxation is based on a corporation tax rate of 20% (1999 21%).

The company had no liability to deferred taxation at 31st August 2000 or 31st August 1999.

12 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year representing a Net addition to shareholders' funds	43,767	30,888
Opening shareholders' funds	188,644	157,756
Closing shareholders' funds	<u>232,411</u>	<u>188,644</u>

NOTES ON FINANCIAL STATEMENTS

31st August 2000

13 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
Special shares of £1 each	1	1	1	1
	<u>50,001</u>	<u>50,001</u>	<u>50,001</u>	<u>50,001</u>
Allotted, called up and partly paid				
Ordinary shares of £1 each	100	12,576	100	12,576
Special shares of £1 each	1	-	1	-
	<u>101</u>	<u>12,576</u>	<u>101</u>	<u>12,576</u>

14 Profit and loss account

	2000 £
1st September 1999	176,068
Retained profit for the year	43,767
31st August 2000	<u>219,835</u>

15 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	2000 £	1999 £
Operating profit	29,059	27,384
Depreciation charges	420	494
Increase in debtors	(291,574)	(22,142)
Increase/(decrease) in creditors	248,023	(618)
Net cash (outflow)/inflow from operating activities	<u>(14,072)</u>	<u>5,118</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES ON FINANCIAL STATEMENTS

31st August 2000

15 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	1,688	735	2,423
		<u>735</u>	
Total	<u>1,688</u>	<u>735</u>	<u>2,423</u>

Reconciliation of net cash flow to movement in net debt

	2000 £	1999 £
Increase in cash in the year	735	1,056
Change in net debt resulting from cash flows	<u>735</u>	<u>1,056</u>
Net debt at 1st September 1999	1,688	632
Net debt at 31st August 2000	<u>2,423</u>	<u>1,688</u>

16 Related parties

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, and balances at the year end, with other companies under the control of H C Green:

	2000 £	1999 £
Commission and interest receivable from Expatriate Advisory Services Plc	642,074	38,292
Loan from The PEP Shop Limited	<u>200,000</u>	<u>-</u>
Due from The PEP Shop Limited: Included in other creditors	<u>200,000</u>	<u>-</u>
Due from Expatriate Advisory Services Plc: Included in fixed asset investments	50,000	50,000
Included in other debtors	<u>432,052</u>	<u>140,478</u>