

**LIAISON LIFE INSURANCE AND INVESTMENT
SERVICES OF NOTTINGHAM PLC
FINANCIAL STATEMENTS
FOR
31 AUGUST 2001**

Company Registration Number 00934821



BKR HAINES WATTS
Chartered Accountants & Registered Auditors
Sterling House
6, Interchange 25 Business Park
Bostocks Lane, Sandiacre
Nottingham, NG10 5QG

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr H C Green
Mr D Green

Company secretary

Willoughby Corporate Secretarial

Registered office

16 High Street
Kegworth
Derby
DE74 2DA

Auditors

BKR Haines Watts
Chartered Accountants
& Registered Auditors
Sterling House
6, Interchange 25 Business Park
Bostocks Lane, Sandiacre
Nottingham, NG10 5QG

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

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 £280,063.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of £1 shares	At 31 August 2001	At 1 September 2000
Mr H C Green	Ordinary	49,500	49,500
Mr D Green	Ordinary	500	500
	Special	1	1

POLICY ON THE PAYMENT OF CREDITORS

The Companies Act 1985 (Miscellaneous Accounting Amendments) Regulations 1996 requires the company to make a statement of its policy on the payment of creditors. The company seeks the best possible terms from the suppliers appropriate to its business and in placing orders, gives consideration to quality, delivery, price and the terms of payment which will be agreed with the suppliers when the details of each transaction are settled. The company will continue to honour its contractual and other legal obligations and to pay creditors on the dates agreed in contracts and purchase orders.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, 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; and

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. The directors 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.

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2001

AUDITORS

A resolution to re-appoint BKR Haines Watts as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
16 High Street
Kegworth
Derby
DE74 2DA

Signed on behalf of the directors



Mr H C Green
Director

Approved by the directors on 19.3.02 .

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 AUGUST 2001

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 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.

We read the directors' 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 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 August 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Sterling House
6, Interchange 25 Business Park
Bostocks Lane, Sandiacre
Nottingham, NG10 5QG

19/3/02

BKR HAINES WATTS
Chartered Accountants
& Registered Auditors

Bkr Davis Valt

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 AUGUST 2001

	Note	2001 £	2000 £
TURNOVER	2	723,309	622,162
Administrative expenses		713,055	593,103
OPERATING PROFIT	3	10,254	29,059
Interest receivable		49,419	25,739
Interest payable	6	(31)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		59,642	54,798
Tax on profit on ordinary activities	7	(11,990)	(11,031)
RETAINED PROFIT FOR THE FINANCIAL YEAR		47,652	43,767
Balance brought forward		219,835	176,068
Balance carried forward		267,487	219,835

The company has no recognised gains or losses other than the results for the
year as set out above.

All of the activities of the company are classed as continuing.

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

BALANCE SHEET

31 AUGUST 2001

	Note	2001 £	£	2000 £	£
FIXED ASSETS					
Tangible assets	8		2,022		2,378
Investments	9		50,000		50,000
			<u>52,022</u>		<u>52,378</u>
CURRENT ASSETS					
Debtors	10	839,803		432,052	
Cash at bank		2,422		2,423	
		<u>842,225</u>		<u>434,475</u>	
CREDITORS: Amounts falling due within one year	11	(614,184)		(254,442)	
NET CURRENT ASSETS			<u>228,041</u>		<u>180,033</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>280,063</u>		<u>232,411</u>
CAPITAL AND RESERVES					
Called-up equity share capital	13		12,576		12,576
Profit and Loss Account			267,487		219,835
SHAREHOLDERS' FUNDS	14		<u>280,063</u>		<u>232,411</u>

These financial statements were approved by the directors on the 19.3.02, and are signed on their behalf by:



MR H C GREEN
Director

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

CASH FLOW STATEMENT YEAR ENDED 31 AUGUST 2001

	Note	2001 £	£	2000 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	15		(43,503)		(14,072)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		49,419		25,739	
Interest paid		(31)		-	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			49,388		25,739
TAXATION			(5,886)		(10,932)
(DECREASE)/INCREASE IN CASH	16		(1)		735

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

1. ACCOUNTING POLICIES

Basis of accounting

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

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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 15% Reducing balance

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2001 £	2000 £
United Kingdom	<u>723,309</u>	<u>622,162</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2001 £	2000 £
Depreciation	356	420
Auditors' remuneration - as auditors	<u>550</u>	<u>550</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2001 No.	2000 No.
Number of management staff	<u>1</u>	<u>1</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	2001 £	2000 £
Wages and salaries	185,150	85,000
Social security costs	21,493	9,835
Other pension costs	500,000	495,000
	<u>706,643</u>	<u>589,835</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2001 £	2000 £
Emoluments receivable	185,150	85,000
Value of company pension contributions to money purchase schemes	500,000	495,000
	<u>685,150</u>	<u>580,000</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001 No.	2000 No.
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE

	2001 £	2000 £
Interest payable on bank borrowing	<u>31</u>	<u>-</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation Tax based on the results for the year at 20% (2000 - 20%)	<u>11,990</u>	<u>11,031</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

8. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1 September 2000 and 31 August 2001	<u>42,024</u>
DEPRECIATION	
At 1 September 2000	39,646
Charge for the year	356
At 31 August 2001	<u>40,002</u>
NET BOOK VALUE	
At 31 August 2001	<u>2,022</u>
At 31 August 2000	<u>2,378</u>

9. INVESTMENTS

	Loans £
COST	
At 1 September 2000 and 31 August 2001	<u>50,000</u>
NET BOOK VALUE	
At 31 August 2001	<u>50,000</u>
At 31 August 2000	<u>50,000</u>

10. DEBTORS

	2001 £	2000 £
Other debtors	<u>839,803</u>	<u>432,052</u>

11. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	-	1,751
Corporation tax	11,990	5,887
Other taxation and social security	51,360	46,222
Other creditors	550,284	200,000
Accruals and deferred income	550	582
	<u>614,184</u>	<u>254,442</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

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

	2001 £	2000 £
Commission and interest receivable from Expatriate Advisory Services Plc	772,300	642,074
Loan repaid by Expatriate Advisory Services Plc	364,000	350,000
Loan from The PEP Shop Ltd	50,000	200,000
Loan from Individual Savings Accounts Ltd	<u>205,000</u>	<u>-</u>
Due to The PEP Shop Ltd: Included in other creditors	<u>250,000</u>	<u>200,000</u>
Due to Individual Savings Accounts Ltd: Included in other creditors	<u>205,000</u>	<u>-</u>
Due from Expatriate Advisory Services Plc: Included in fixed asset investments	50,000	50,000
Included in other debtors	<u>839,802</u>	<u>432,052</u>

13. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
50,000 Ordinary shares of £1.00 each	50,000	50,000
1 Special share of £1.00 each	1	1
	<u>50,001</u>	<u>50,001</u>

Allotted, called up and fully paid:

	2001 No.	£	2000 No.	£
Ordinary shares	100	100	100	100
Special shares	1	1	1	1

Allotted, called up and partly paid:

Ordinary shares	49,900	12,475	49,900	12,475
	<u>50,001</u>	<u>12,576</u>	<u>50,001</u>	<u>12,576</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	47,652	43,767
Opening shareholders' equity funds	232,411	188,644
Closing shareholders' equity funds	<u>280,063</u>	<u>232,411</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	10,254	29,059
Depreciation	356	420
Increase in debtors	(407,751)	(291,574)
Increase in creditors	353,638	248,023
Net cash outflow from operating activities	<u>(43,503)</u>	<u>(14,072)</u>

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2001 £	2000 £
(Decrease)/Increase in cash in the period	(1)	735
Movement in net funds in the period	(1)	735
Net funds at 1 September 2000	2,423	1,688
Net funds at 31 August 2001	<u>2,422</u>	<u>2,423</u>

17. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Sep 2000 £	Cash flows £	At 31 Aug 2001 £
Net cash:			
Cash in hand and at bank	2,423	(1)	2,422
Net funds	<u>2,423</u>	<u>(1)</u>	<u>2,422</u>