

**LIAISON LIFE INSURANCE AND INVESTMENT  
SERVICES OF NOTTINGHAM PLC  
FINANCIAL STATEMENTS  
FOR  
31 AUGUST 2002**

**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 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2002.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continues to be 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 £282,784.

### 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 share | At<br>31 August 2002 | At<br>1 September 2001 |
|--------------|----------------|----------------------|------------------------|
| 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 2002

### 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 21.3.03.

# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 AUGUST 2002

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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is 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. Our responsibilities do not extend to any other information.

### 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 2002 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

BKR HAINES WATTS  
Chartered Accountants  
& Registered Auditors

25/3/03

# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2002

|                                                          | Note | 2002<br>£ | 2001<br>£ |
|----------------------------------------------------------|------|-----------|-----------|
| <b>TURNOVER</b>                                          | 2    | 50,212    | 723,309   |
| Administrative expenses                                  |      | 92,672    | 713,055   |
| <b>OPERATING (LOSS)/PROFIT</b>                           | 3    | (42,460)  | 10,254    |
| Interest receivable                                      |      | 45,531    | 49,419    |
| Interest payable                                         | 6    | —         | (31)      |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE<br/>TAXATION</b> |      | 3,071     | 59,642    |
| Tax on profit on ordinary activities                     | 7    | 350       | 11,990    |
| <b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>            |      | 2,721     | 47,652    |
| Balance brought forward                                  |      | 267,487   | 219,835   |
| Balance carried forward                                  |      | 270,208   | 267,487   |

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.

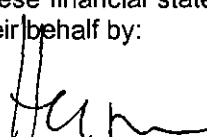
# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## BALANCE SHEET

31 AUGUST 2002

|                                                       | Note | 2002<br>£      | £              | 2001<br>£      | £              |
|-------------------------------------------------------|------|----------------|----------------|----------------|----------------|
| <b>FIXED ASSETS</b>                                   |      |                |                |                |                |
| Tangible assets                                       | 8    |                | 1,719          |                | 2,022          |
| Investments                                           | 9    |                | 50,000         |                | 50,000         |
|                                                       |      |                | <u>51,719</u>  |                | <u>52,022</u>  |
| <b>CURRENT ASSETS</b>                                 |      |                |                |                |                |
| Debtors                                               | 10   | 773,673        |                | 839,803        |                |
| Cash at bank                                          |      | 3,033          |                | 2,422          |                |
|                                                       |      | <u>776,706</u> |                | <u>842,225</u> |                |
| <b>CREDITORS: Amounts falling due within one year</b> | 11   | <u>545,641</u> |                | <u>614,184</u> |                |
| <b>NET CURRENT ASSETS</b>                             |      |                | <u>231,065</u> |                | <u>228,041</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      |                | <u>282,784</u> |                | <u>280,063</u> |
| <b>CAPITAL AND RESERVES</b>                           |      |                |                |                |                |
| Called-up equity share capital                        | 14   |                | 12,576         |                | 12,576         |
| Profit and Loss Account                               |      |                | 270,208        |                | 267,487        |
| <b>SHAREHOLDERS' FUNDS</b>                            | 15   |                | <u>282,784</u> |                | <u>280,063</u> |

These financial statements were approved by the directors on the 21.3.03 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 2002

|                                                                            | Note | 2002<br>£ | £          | 2001<br>£   | £          |
|----------------------------------------------------------------------------|------|-----------|------------|-------------|------------|
| NET CASH OUTFLOW FROM<br>OPERATING ACTIVITIES                              | 16   |           | (32,930)   |             | (43,503)   |
| RETURNS ON INVESTMENTS AND<br>SERVICING OF FINANCE                         |      |           |            |             |            |
| Interest received                                                          |      | 45,531    |            | 49,419      |            |
| Interest paid                                                              |      | <u>-</u>  |            | <u>(31)</u> |            |
| NET CASH INFLOW FROM RETURNS ON<br>INVESTMENTS AND SERVICING OF<br>FINANCE |      |           | 45,531     |             | 49,388     |
| TAXATION                                                                   |      |           | (11,990)   |             | (5,886)    |
| INCREASE/(DECREASE) IN CASH                                                | 17   |           | <u>611</u> |             | <u>(1)</u> |

# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

### 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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

\* deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 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:

|                | 2002<br>£     | 2001<br>£      |
|----------------|---------------|----------------|
| United Kingdom | <u>50,212</u> | <u>723,309</u> |

# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

### 3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

|                        | 2002       | 2001       |
|------------------------|------------|------------|
|                        | £          | £          |
| Depreciation           | 303        | 356        |
| Auditors' remuneration |            |            |
| - as auditors          | <u>850</u> | <u>550</u> |

### 4. PARTICULARS OF EMPLOYEES

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

|                            | 2002     | 2001     |
|----------------------------|----------|----------|
|                            | No.      | No.      |
| Number of management staff | <u>1</u> | <u>1</u> |

The aggregate payroll costs of the above were:

|                       | 2002          | 2001           |
|-----------------------|---------------|----------------|
|                       | £             | £              |
| Wages and salaries    | 80,000        | 185,150        |
| Social security costs | 9,440         | 21,493         |
| Other pension costs   | -             | 500,000        |
|                       | <u>89,440</u> | <u>706,643</u> |

### 5. DIRECTORS' EMOLUMENTS

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

|                                                 | 2002          | 2001           |
|-------------------------------------------------|---------------|----------------|
|                                                 | £             | £              |
| Emoluments receivable                           | 80,000        | 185,150        |
| Value of company pension contributions to money |               |                |
| purchase schemes                                | -             | 500,000        |
|                                                 | <u>80,000</u> | <u>685,150</u> |

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

|                        | 2002     | 2001     |
|------------------------|----------|----------|
|                        | No.      | No.      |
| Money purchase schemes | <u>1</u> | <u>1</u> |

### 6. INTEREST PAYABLE

|                                    | 2002     | 2001      |
|------------------------------------|----------|-----------|
|                                    | £        | £         |
| Interest payable on bank borrowing | <u>-</u> | <u>31</u> |

# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

#### (a) Taxation

|                                                                          | 2002<br>£  | 2001<br>£     |
|--------------------------------------------------------------------------|------------|---------------|
| Current tax:                                                             |            |               |
| UK Corporation tax based on the results for the year at 11% (2001 - 20%) | <u>350</u> | <u>11,990</u> |

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 11% (2001 - 20%).

|                                                     | 2002<br>£    | 2001<br>£     |
|-----------------------------------------------------|--------------|---------------|
| Profit on ordinary activities before taxation       | <u>3,071</u> | <u>59,642</u> |
| Profit/(loss) on ordinary activities by rate of tax | 338          | 11,928        |
| Effect of depreciation                              | 33           | 71            |
| Effect of capital allowances                        | (4)          | (9)           |
| Sundry tax adjusting items                          | <u>(17)</u>  | <u>-</u>      |
| Total current tax (note 7(a))                       | <u>350</u>   | <u>11,990</u> |

### 8. TANGIBLE FIXED ASSETS

|                                        | Fixtures & Fittings<br>£ |
|----------------------------------------|--------------------------|
| <b>COST</b>                            |                          |
| At 1 September 2001 and 31 August 2002 | <u>42,024</u>            |
| <b>DEPRECIATION</b>                    |                          |
| At 1 September 2001                    | 40,002                   |
| Charge for the year                    | 303                      |
| At 31 August 2002                      | <u>40,305</u>            |
| <b>NET BOOK VALUE</b>                  |                          |
| At 31 August 2002                      | <u>1,719</u>             |
| At 31 August 2001                      | <u>2,022</u>             |

### 9. INVESTMENTS

|                                        | Loans<br>£    |
|----------------------------------------|---------------|
| <b>COST:</b>                           |               |
| At 1 September 2001 and 31 August 2002 | <u>50,000</u> |
| <b>NET BOOK VALUE:</b>                 |               |
| At 31 August 2002                      | <u>50,000</u> |
| At 31 August 2001                      | <u>50,000</u> |

# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

### 10. DEBTORS

|               | 2002<br>£      | 2001<br>£      |
|---------------|----------------|----------------|
| Other debtors | <u>773,673</u> | <u>839,803</u> |

### 11. CREDITORS: Amounts falling due within one year

|                              | 2002<br>£      | 2001<br>£      |
|------------------------------|----------------|----------------|
| Corporation tax              | 351            | 11,991         |
| PAYE and social security     | -              | 51,360         |
| Other creditors              | 544,440        | 550,283        |
| Accruals and deferred income | 850            | 550            |
|                              | <u>545,641</u> | <u>614,184</u> |

### 12. DEFERRED TAXATION

The company had no liability to deferred taxation in either year.

### 13. 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:

|                                                                                   | 2002<br>£      | 2001<br>£      |
|-----------------------------------------------------------------------------------|----------------|----------------|
| Consultancy and interest receivable from Expatriate Advisory Services Plc         | 95,510         | 772,300        |
| Loan repaid by Expatriate Advisory Services Plc                                   | 110,000        | 364,000        |
| Loan from The PEP Shop Ltd                                                        | -              | 50,000         |
| Loan from Individual Savings Accounts Ltd                                         | -              | 205,000        |
| Due to The PEP Shop Ltd:<br>Included in other creditors                           | 250,000        | 250,000        |
| Due to Individual Savings Accounts Ltd:<br>Included in other creditors            | 205,000        | 205,000        |
| Due from Expatriate Advisory Services Plc:<br>Included in fixed asset investments | 50,000         | 50,000         |
| Included in other debtors                                                         | <u>773,673</u> | <u>839,802</u> |

# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

### 14. SHARE CAPITAL

#### Authorised share capital:

|                                   | 2002<br>£     | 2001<br>£     |
|-----------------------------------|---------------|---------------|
| 50,000 Ordinary shares of £1 each | 50,000        | 50,000        |
| 1 Special share of £1 each        | 1             | 1             |
|                                   | <u>50,001</u> | <u>50,001</u> |

#### Allotted, called up and fully paid:

|                 | 2002<br>No. | £   | 2001<br>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> |

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                                    | 2002<br>£      | 2001<br>£      |
|------------------------------------|----------------|----------------|
| Profit for the financial year      | 2,721          | 47,652         |
| Opening shareholders' equity funds | 280,063        | 232,411        |
| Closing shareholders' equity funds | <u>282,784</u> | <u>280,063</u> |

### 16. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

|                                            | 2002<br>£       | 2001<br>£       |
|--------------------------------------------|-----------------|-----------------|
| Operating (loss)/profit                    | (42,460)        | 10,254          |
| Depreciation                               | 303             | 356             |
| Decrease/(Increase) in debtors             | 66,130          | (407,751)       |
| (Decrease)/Increase in creditors           | (56,903)        | 353,638         |
| Net cash outflow from operating activities | <u>(32,930)</u> | <u>(43,503)</u> |

# LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

### 17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

|                                           | 2002<br>£    | 2001<br>£    |
|-------------------------------------------|--------------|--------------|
| Increase/(Decrease) in cash in the period | 611          | (1)          |
| Movement in net funds in the period       | <u>611</u>   | <u>(1)</u>   |
| Net funds at 1 September 2001             | 2,422        | 2,423        |
| Net funds at 31 August 2002               | <u>3,033</u> | <u>2,422</u> |

### 18. ANALYSIS OF CHANGES IN NET FUNDS

|                          | At<br>1 Sep 2001<br>£ | Cash flows<br>£ | At<br>31 Aug 2002<br>£ |
|--------------------------|-----------------------|-----------------|------------------------|
| Net cash:                |                       |                 |                        |
| Cash in hand and at bank | 2,422                 | 611             | 3,033                  |
| Net funds                | <u>2,422</u>          | <u>611</u>      | <u>3,033</u>           |