

**LIAISON LIFE INSURANCE AND INVESTMENT
SERVICES OF NOTTINGHAM PLC
FINANCIAL STATEMENTS
FOR
31 AUGUST 2004**

HAINES WATTS

Chartered Accountants & Registered Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP



**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	Haines Watts Chartered Accountants & Registered Auditors 10 Stadium Business Court Millennium Way Pride Park Derby DE24 8HP

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

THE DIRECTORS' REPORT YEAR ENDED 31 AUGUST 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2004.

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 £276,292 (2003:285,559).

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 THE 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:

		At 31 August 2004	At 1 September 2003
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 2004

AUDITORS

A resolution to re-appoint 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 18.03.05

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

YEAR ENDED 31 AUGUST 2004

We have audited the financial statements of Liaison Life Insurance and Investment Services of Nottingham PLC for the year ended 31 August 2004 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

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 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

[Signature]

Haines Watts

HAINES WATTS
Chartered Accountants
& Registered Auditors

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

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2004

	Note	2004 £	2003 £
TURNOVER	2	50,283	50,302
Administrative expenses		96,656	93,231
OPERATING LOSS	3	(46,373)	(42,929)
Interest receivable		36,952	45,846
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,421)	2,917
Tax on (loss)/profit on ordinary activities	6	(154)	142
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(9,267)	2,775
Balance brought forward		272,983	270,208
Balance carried forward		263,716	272,983

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

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

The notes on pages 8 to 13 form part of these financial statements.

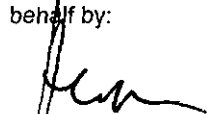
LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

BALANCE SHEET

31 AUGUST 2004

	Note	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	7		1,242		1,461
Investments	8		50,000		50,000
			<u>51,242</u>		<u>51,461</u>
CURRENT ASSETS					
Debtors	9	775,922		779,490	
Cash at bank		<u>610</u>		<u>478</u>	
		776,532		779,968	
CREDITORS: Amounts falling due within one year	10	<u>551,482</u>		<u>545,870</u>	
NET CURRENT ASSETS			<u>225,050</u>		<u>234,098</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>276,292</u>		<u>285,559</u>
CAPITAL AND RESERVES					
Called-up equity share capital	13		12,576		12,576
Profit and loss account			<u>263,716</u>		<u>272,983</u>
SHAREHOLDERS' FUNDS	14		<u>276,292</u>		<u>285,559</u>

These financial statements were approved by the directors on the 18.03.05 and are signed on their behalf by:


MR H C GREEN
Director

The notes on pages 8 to 13 form part of these financial statements.

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

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2004

	Note	2004 £	£	2003 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	15		(36,666)		(48,063)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		36,952		45,846	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			36,952		45,846
TAXATION			(154)		(338)
INCREASE/(DECREASE) IN CASH	16		<u>132</u>		<u>(2,555)</u>

The notes on pages 8 to 13 form part of these financial statements.

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

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.

Fixed assets

All fixed assets are initially recorded at cost.

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:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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 loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2004	2003
	£	£
United Kingdom	<u>50,283</u>	<u>50,302</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

3. OPERATING LOSS

Operating loss is stated after charging:

	2004	2003
	£	£
Depreciation of owned fixed assets	219	258
Auditors' remuneration		
- as auditors	<u>600</u>	<u>550</u>

4. PARTICULARS OF EMPLOYEES

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

	2004	2003
	No	No
Number of management staff	<u>1</u>	<u>1</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	85,000	80,000
Social security costs	<u>10,369</u>	<u>9,615</u>
	<u>95,369</u>	<u>89,615</u>

5. DIRECTORS' EMOLUMENTS

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

	2004	2003
	£	£
Emoluments receivable	<u>85,000</u>	<u>80,000</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2004	2003
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - 4.90%)	(154)	154
Over/under provision in prior year	<u>-</u>	<u>(12)</u>
Total current tax	<u>(154)</u>	<u>142</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2003 - 4.90%).

	2004 £	2003 £
(Loss)/profit on ordinary activities before taxation	<u>(9,421)</u>	<u>2,917</u>
(Loss)/profit on ordinary activities by rate of tax	(1,790)	143
Effect of depreciation	42	13
Effect of capital allowances	(4)	(1)
Under/(Over) provision in previous years	-	(12)
Carry forward of losses	1,150	-
Sundry tax adjusting items	448	(1)
Total current tax (note 6(a))	<u>(154)</u>	<u>142</u>

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1 September 2003 and 31 August 2004	<u>42,024</u>
DEPRECIATION	
At 1 September 2003	40,563
Charge for the year	219
At 31 August 2004	<u>40,782</u>
NET BOOK VALUE	
At 31 August 2004	<u>1,242</u>
At 31 August 2003	<u>1,461</u>

8. INVESTMENTS

	Loans £
COST	
At 1 September 2003 and 31 August 2004	<u>50,000</u>
NET BOOK VALUE	
At 31 August 2004	<u>50,000</u>
At 31 August 2003	<u>50,000</u>

9. DEBTORS

	2004 £	2003 £
Corporation tax repayable	153	-
Other debtors	775,544	779,265
Prepayments and accrued income	225	225
	<u>775,922</u>	<u>779,490</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

10. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Other creditors including taxation:		
Corporation tax	—	155
Other creditors	550,880	545,160
	550,880	545,315
Accruals and deferred income	602	555
	<u>551,482</u>	<u>545,870</u>

11. DEFERRED TAXATION

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

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:

	2004 £	2003 £
Consultancy and interest receivable from Expatriate Advisory Services Plc	86,931	95,839
Loan repaid by Expatriate Advisory Services Plc	90,000	89,895
Due to The PEP Shop Ltd: Included in other creditors	250,000	250,000
Due to Individual Savings Accounts Ltd: Included in other creditors	205,000	205,000
Due from Expatriate Advisory Services Plc: Included in fixed asset investments	50,000	50,000
Included in other debtors	775,544	779,265

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

13. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
50,000 Ordinary shares of £1 each	50,000	50,000
1 Special shares of £1 each	1	1
	<u>50,001</u>	<u>50,001</u>

Allotted and called up:

	2004		2003
	No	£	No
Ordinary shares of £1 each	100	100	100
Special shares of £1 each	1	1	1
	<u>101</u>	<u>101</u>	<u>101</u>

Allotted and called up and partly paid:

Ordinary shares of £1 each	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

	2004	2003
	£	£
(Loss)/Profit for the financial year	(9,267)	2,775
Opening shareholders' equity funds	285,559	282,784
Closing shareholders' equity funds	<u>276,292</u>	<u>285,559</u>

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

	2004	2003
	£	£
Operating loss	(46,373)	(42,929)
Depreciation	219	258
Decrease/(increase) in debtors	3,721	(5,817)
Increase in creditors	5,767	425
Net cash outflow from operating activities	<u>(36,666)</u>	<u>(48,063)</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

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

	2004 £	2003 £
Increase/(Decrease) in cash in the period	132	(2,555)
Movement in net funds in the period	<u>132</u>	<u>(2,555)</u>
Net funds at 1 September 2003	478	3,033
Net funds at 31 August 2004	<u>610</u>	<u>478</u>

17. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Sep 2003 £	Cash flows £	At 31 Aug 2004 £
Net cash:			
Cash in hand and at bank	478	132	610
Net funds	<u>478</u>	<u>132</u>	<u>610</u>