

COMPANY REGISTRATION NUMBER 00934821

**LIAISON LIFE INSURANCE AND INVESTMENT
SERVICES OF NOTTINGHAM PLC
FINANCIAL STATEMENTS
FOR
31 AUGUST 2005**

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 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2005.

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 £282,304 (2004: £276,292).

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 2005	At 1 September 2004
	Class of share		
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 and of the profit or loss of the company for that year. 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 2005

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 ...22.03.06...

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 2005

We have audited the financial statements of Liaison Life Insurance and Investment Services of Nottingham PLC for the year ended 31 August 2005 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 2005 and of its profit 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

27/3/06



HAINES WATTS
Chartered Accountants
& Registered Auditors

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

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2005**

	Note	2005 £	2004 £
TURNOVER	2	50,290	50,283
Administrative expenses		<u>79,636</u>	<u>96,656</u>
OPERATING LOSS	3	(29,346)	(46,373)
Interest receivable		<u>36,660</u>	<u>36,952</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		7,314	(9,421)
Tax on profit/(loss) on ordinary activities	6	<u>1,302</u>	<u>(154)</u>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		6,012	(9,267)
Balance brought forward		<u>263,716</u>	<u>272,983</u>
Balance carried forward		<u>269,728</u>	<u>263,716</u>

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 2005

	Note	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	7		1,055		1,242
Investments	8		50,000		50,000
			<u>51,055</u>		<u>51,242</u>
CURRENT ASSETS					
Debtors	9	767,045		775,922	
Cash at bank		<u>94</u>		<u>610</u>	
		767,139		776,532	
CREDITORS: Amounts falling due within one year	10	<u>535,890</u>		<u>551,482</u>	
NET CURRENT ASSETS			<u>231,249</u>		<u>225,050</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>282,304</u>		<u>276,292</u>
CAPITAL AND RESERVES					
Called-up equity share capital	13		12,576		12,576
Profit and loss account			<u>269,728</u>		<u>263,716</u>
SHAREHOLDERS' FUNDS	14		<u>282,304</u>		<u>276,292</u>

These financial statements were approved by the directors on the 22.03.06 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 2005**

	Note	2005 £	£	2004 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	15		(37,329)		(36,666)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		36,660		36,952	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			36,660		36,952
TAXATION			153		(154)
(DECREASE)/INCREASE IN CASH	16		<u>(516)</u>		<u>132</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 2005

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:

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:

	2005	2004
	£	£
United Kingdom	<u>50,290</u>	<u>50,283</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

3. OPERATING LOSS

Operating loss is stated after charging:

	2005	2004
	£	£
Depreciation of owned fixed assets	187	219
Auditors' remuneration		
- as auditor	<u>600</u>	<u>600</u>

4. PARTICULARS OF EMPLOYEES

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

	2005	2004
	No	No
Number of management staff	<u>1</u>	<u>1</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	69,393	85,000
Social security costs	<u>8,960</u>	<u>10,369</u>
	<u>78,353</u>	<u>95,369</u>

5. DIRECTORS' EMOLUMENTS

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

	2005	2004
	£	£
Emoluments receivable	<u>69,393</u>	<u>85,000</u>

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

	2005	2004
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 17% (2004 - 19%)	<u>1,302</u>	<u>(154)</u>
Total current tax	<u>1,302</u>	<u>(154)</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 17% (2004 - 19%).

	2005 £	2004 £
Profit/(loss) on ordinary activities before taxation	<u>7,314</u>	<u>(9,421)</u>
(Loss)/profit on ordinary activities by rate of tax	1,243	(1,790)
Effect of depreciation	32	42
Effect of capital allowances	(3)	-
Carry forward of losses	-	1,150
Sundry tax adjusting items	<u>30</u>	<u>444</u>
Total current tax (note 6(a))	<u>1,302</u>	<u>(154)</u>

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1 September 2004 and 31 August 2005	<u>42,024</u>
DEPRECIATION	
At 1 September 2004	40,782
Charge for the year	187
At 31 August 2005	<u>40,969</u>
NET BOOK VALUE	
At 31 August 2005	<u>1,055</u>
At 31 August 2004	<u>1,242</u>

8. INVESTMENTS

	Loans £
COST	
At 1 September 2004 and 31 August 2005	<u>50,000</u>
NET BOOK VALUE	
At 31 August 2005	<u>50,000</u>
At 31 August 2004	<u>50,000</u>

9. DEBTORS

	2005 £	2004 £
Corporation tax repayable	-	153
Other debtors	766,895	775,544
Prepayments and accrued income	<u>150</u>	<u>225</u>
	<u>767,045</u>	<u>775,922</u>

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

10. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Other creditors including taxation:		
Corporation tax	1,302	—
Other creditors	533,960	550,880
	<u>535,262</u>	<u>550,880</u>
Accruals and deferred income	628	602
	<u>535,890</u>	<u>551,482</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 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:

	2005 £	2004 £
Consultancy and interest receivable from Expatriate Advisory Services Plc	86,519	86,931
Loan repaid by Expatriate Advisory Services Plc	96,269	90,000
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	766,895	775,544

LIAISON LIFE INSURANCE AND INVESTMENT SERVICES OF NOTTINGHAM PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

13. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
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, called up and fully paid:

	2005		2004	
	No.	£	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

	2005	2004
	£	£
Profit/(Loss) for the financial year	6,012	(9,267)
Opening shareholders' equity funds	276,292	285,559
Closing shareholders' equity funds	<u>282,304</u>	<u>276,292</u>

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

	2005	2004
	£	£
Operating loss	(29,346)	(46,373)
Depreciation	187	219
Decrease in debtors	8,724	3,721
(Decrease)/increase in creditors	(16,894)	5,767
Net cash outflow from operating activities	<u>(37,329)</u>	<u>(36,666)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

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

	2005 £	2004 £
(Decrease)/Increase in cash in the period	(516)	132
Movement in net funds in the period	(516)	132
Net funds at 1 September 2004	610	478
Net funds at 31 August 2005	94	610

17. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Sep 2004 £	Cash flows £	At 31 Aug 2005 £
Net cash:			
Cash in hand and at bank	610	(516)	94
Net funds	610	(516)	94