

Registered number: 3125849

TEMPURA LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003



TEMPURA LIMITED

CONTENTS

	Page
Company Information	1
Director's Report	2
Statement of Director's Responsibilities	3
Independent Auditor's Report to the Shareholders	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Accounts	8

TEMPURA LIMITED

COMPANY INFORMATION

DIRECTOR

J Regazzacci

SECRETARY

D A Stampfli

AUDITORS

RSM Robson Rhodes LLP
186 City Road
London
EC1V 2NU

BANKERS

Bank of Scotland
38 Threadneedle Street
London
EC2P 2EH

REGISTERED OFFICE

1 Berkeley Street
London
W1J 8DJ

REGISTERED NUMBER

3125849

TEMPURA LIMITED

DIRECTOR'S REPORT

The director presents his report and the accounts for the year ended 31 December 2003.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the year was providing insurance related services. The director considers the results for the year and current state of affairs of the company to be satisfactory and in line with expectations.

The company is in the process of applying for authorisation by the Financial Services Authority as an insurance intermediary.

The director expects that the company's level of business will continue at the current level in the foreseeable future.

RESULTS AND DIVIDENDS

The results of the company are set out on page 6. The director does not recommend the payment of a dividend.

POST BALANCE SHEET EVENT

In June 2004 the company's subsidiary, Bancassurance Conseil SA, was formally liquidated in Switzerland and its assets and liabilities outside of Switzerland were distributed to the company.

DIRECTOR AND HIS INTERESTS

The director during the period and his interest in the share capital of the company at the beginning and at the end of the year were as follows:

	At 31 December 2003	At 31 December 2002
J Regazzacci	76	76

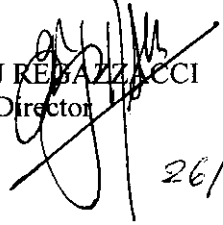
AUDITORS

During the year the director appointed RSM Robson Rhodes LLP as auditors of the company. A resolution confirming this appointment and to reappoint them as auditors for the forthcoming year will be put to the members at the Annual General Meeting.

PREPARATION OF THIS REPORT

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


J REGAZZACCI
Director

26/10/2004

TEMPURA LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law in the United Kingdom requires the director 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 these financial statements, the director has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enables him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safe-guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for ensuring that the Director's Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

TEMPURA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TEMPURA LIMITED

We have audited the financial statements on pages 6 to 13.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and the auditors

The director's 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.

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 have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's 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 Director's 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 director 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.

TEMPURA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TEMPURA LIMITED (CONTINUED)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

RJM RLR Rhide LRP

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors

London, England
26 October 2004

TEMPURA LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

	Notes	2003 £	2002 £
TURNOVER	1	767,340	699,523
Other income		-	26,283
Administrative expenses		(520,119)	(596,868)
OPERATING PROFIT	2	247,221	128,938
Exceptional item: write off balance due from subsidiary		(596,552)	-
Interest receivable	4	9,448	5,755
Provision against fixed asset investment	8	(17,063)	(90,392)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(356,946)	44,301
Taxation (charge)/credit on (loss)/profit on ordinary activities	5	(76,276)	33,642
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL PERIOD	14	(433,222)	77,943

All of the company's operations are continuing.

There are no recognised gains or losses other than the loss for the year.

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

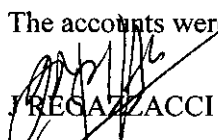
TEMPURA LIMITED

BALANCE SHEET

at 31 December 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	6	9,660	14,442
Investment property	7	155,021	155,021
Investments	8	56,037	73,100
		<u>220,718</u>	<u>242,563</u>
CURRENT ASSETS			
Debtors	9	352,275	993,379
Cash at bank and in hand	10	495,828	109,243
		<u>848,103</u>	<u>1,102,622</u>
CREDITORS: amounts falling due within one year	11	(108,850)	(37,154)
NET CURRENT ASSETS		<u>739,253</u>	<u>1,065,468</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>959,971</u>	<u>1,308,031</u>
CREDITORS: amounts falling due after more than one year	12	(1,241,100)	(1,155,938)
		<u>(281,129)</u>	<u>152,093</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account		<u>(281,229)</u>	<u>151,993</u>
EQUITY SHAREHOLDERS' FUNDS	14	<u>(281,129)</u>	<u>152,093</u>

The accounts were approved by the Board on 26 October 2004, and signed on its behalf by:


P. REGAZZACCI

Director

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

TEMPURA LIMITED

NOTES TO THE ACCOUNTS

At 31 December 2003

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards.

The particular accounting policies adopted are described below.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover comprises fees received and receivable.

Depreciation:

Provision for depreciation is made on the straight line basis at rates calculated to write off the cost of the assets, less their estimated residual value, over their expected working lives, which are considered to be:

Fixtures and fittings	-	5 years
Office equipment	-	5 years

Investment Property:

In accordance with Standard Accounting Practice 19, the valuation of the investment property is considered annually. The property is stated at cost which, in the opinion of the director, fairly reflects the property value at 31st December 2003.

The above treatment of freehold investment property may be considered a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, the property is held as an investment and the director considers that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the foreign currency transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

Leases:

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

Comparative Figures

The accounts for 2002 were not audited and therefore the comparative figures included within these accounts are unaudited.

Small Company Accounts

The company qualifies as a small company, and the group as a small group, for the purposes of the Companies Act 1985 and therefore these accounts do not include a statement of cashflows or the consolidation of subsidiary companies.

TEMPURA LIMITED

NOTES TO THE ACCOUNTS

At 31 December 2003

2	OPERATING PROFIT	2003	2002
		£	£
	The operating profit is stated after charging:		
	- director's remuneration	120,000	120,000
	- depreciation of tangible fixed assets	1,822	3,140
	- auditors remuneration: audit	8,000	-
	non-audit	6,824	-
	- operating lease rentals of land and buildings	<u>47,834</u>	<u>36,706</u>
	The operating lease was terminated with effect from 31 December 2003 and therefore the company has no commitments to make any payments in the year ending 31 December 2004.		
3	DIRECTOR'S EMOLUMENTS AND STAFF INFORMATION		
	Director's aggregate emoluments	<u>£120,000</u>	<u>£118,4113</u>
	Average number of staff (excluding directors)	1	1
4	INTEREST RECEIVABLE AND SIMILAR INCOME		
	Interest receivable	<u>£9,448</u>	<u>£5,755</u>
5	TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES		
		£	£
	The charge comprises		
	Corporation tax at 30% (2002 – 30%) on the results of the year	76,276	-
	Overprovision in relation to earlier years	-	(33,642)
		<u>76,276</u>	<u>(33,642)</u>
	(Loss)/profit on ordinary activities	<u>(356,946)</u>	<u>44,301</u>
	Theoretical tax at UK Corporation tax rate of 30%	(107,084)	13,290
	Effects of: -		
	- (Deficit)/excess of capital allowances over depreciation	(43)	261
	- Expenditure which is not tax deductible	4,716	13,942
	- Investment provision disallowed	5,119	27,118
	- Non-deductible loss on sale of fixed assets	888	-
	- Non-deductible write-off on balance due from subsidiary	178,966	-
	- Deferred tax asset on loss not provided	-	(47,623)
	- Effect of small companies rate	(3,042)	-
	- Group relief not provided	(3,244)	(6,988)
		<u>76,276</u>	<u>-</u>

The company has excess capital losses of £223,150 (2002: £223,150) that are available to offset future taxable capital gains. A deferred tax asset has not been recognised in respect of those losses and will be recoverable only to the extent that the company has sufficient future taxable capital gains

TEMPURA LIMITED

NOTES TO THE ACCOUNTS

At 31 December 2003

6 TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Office Equipment £	Total £
Cost			
At 1 st January 2003	6,981	32,852	39,833
Disposals	(6,450)	(3,540)	(9,990)
At 31 st December 2003	<u>531</u>	<u>29,312</u>	<u>29,843</u>
Depreciation			
At 1 st January 2003	5,055	20,336	25,391
Charge for the year	35	1,787	1,822
Disposals	(4,698)	(2,332)	(7,030)
At 31 st December 2003	<u>392</u>	<u>19,791</u>	<u>20,183</u>
Net Book Value			
At 31 st December 2003	<u>139</u>	<u>9,521</u>	<u>9,660</u>
At 31 st December 2002	<u>1,926</u>	<u>12,516</u>	<u>14,442</u>

7 FIXED ASSETS – INVESTMENT PROPERTY

	2003 £	2002 £
Freehold property		
At 1 st January 2003 and 31 st December 2003	<u>155,021</u>	<u>155,021</u>

As stated in the accounting policy, properties have been valued in accordance with Statement of Standard Accounting Practice 19. Had this policy not been adopted additional depreciation at 2% per annum would have been charged in relation to this property amounting to £3,100 (2002 - £3,100).

TEMPURA LIMITED

NOTES TO THE ACCOUNTS

At 31 December 2003

8	FIXED ASSETS – INVESTMENTS	2003	2002
		£	£
	Cost		
	At 1 st January and 31st December	806,037	806,037
	Provision against Arenba Limited		
	At 1st January	732,937	642,545
	Movement in the year	17,063	90,392
	At 31 st December	<u>750,000</u>	<u>732,937</u>
	Net Book Value		
	At 31 st December	<u>56,037</u>	<u>73,100</u>

The unlisted investments above represent a 100% interest in the issued ordinary share capital of Bancassurance Conseil SA, a company registered in Switzerland. The company's profit for the year to 31 December 2003 amounted to £4,541, (2002 – £23,185) and shareholders' funds, which are entirely attributable to Tempura Limited, were £125,078, (2002 £111,538). The company was liquidated in Switzerland with effect from 8 June 2004. Details of related party transactions with this company are set out in note 16.

The company also owns the entire issued share capital of I.O.L. Services Limited, a company registered in England and Wales. The company is dormant and did not trade in the period from incorporation to 31st December 2003. An application to strike off the company was made in May 2004.

In addition the company owns 75% of the issued share capital of Arenba Limited, a company registered in England and Wales. The company's loss for the period to 31st December 2003 amounted to £39,572 (2002: £120,524). The company had negative net assets as at 31st December 2003 of £16,822 (2002: positive £22,750). The directors have made a provision against this investment, writing down the asset to nil.

9	DEBTORS	2003	2002
		£	£
	Trade debtors	-	79,283
	Amount due from subsidiary undertaking	-	590,873
	Other debtors	31,746	28,411
	Prepayments and accrued income	320,529	294,812
		<u>352,275</u>	<u>993,379</u>

10 CASH AT BANK AND IN HAND

The company's sole director is a registered insurance broker and acts as agent for the company in respect of certain broking income. Bank accounts operated by the sole director as agent for the company totalling £3,661 (2002 - £70,596) are included within the cash at bank and in hand balance.

TEMPURA LIMITED

NOTES TO THE ACCOUNTS

At 31 December 2003

11 CREDITORS: amounts falling due within one year	2003	2002
	£	£
Trade creditors	3,176	4,807
Amount due to subsidiary undertaking	2	2
Corporation tax	76,276	-
Other taxes and social security	7,467	17,213
Other creditors	42	-
Director's loan	4,887	5,382
Accruals and deferred income	17,000	9,750
	<u>108,850</u>	<u>37,154</u>

12 CREDITORS: amounts falling after more than one year	2003	2002
	£	£
Director's long term loan	100,000	100,000
Loan due to subsidiary undertaking	1,141,100	1,055,938
	<u>1,241,100</u>	<u>1,155,938</u>

Both the director's long term loan and the loan due to the subsidiary undertaking are unsecured and repayable on more than twelve months notice. No interest is payable on either loan (2002 - nil).

13 CALLED UP SHARE CAPITAL	2003	2002
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	Share capital	Profit and loss account	Total share holders' funds
	£	£	£
At 1st January 2003	100	151,993	152,093
(Loss) for the period	-	(433,222)	(433,222)
At 31 st December 2003	<u>100</u>	<u>(281,229)</u>	<u>(281,129)</u>

15 CONTROLLING PARTY
The ultimate controlling party is Mr J Regazzacci.

TEMPURA LIMITED

NOTES TO THE ACCOUNTS

At 31 December 2003

16 RELATED PARTY TRANSACTIONS

The company had the following balances and transactions with related parties for the year ended 31st December 2003:

	<u>Creditors</u>	<u>Expenses</u>
Group company		
Bancassurance Conseil S.A. (see note 12)	£1,141,100	Nil
Arenba Limited	£596,552	£5,680

With effect from 31 December 2003 the debt due by Arenba Limited to the company of £596,552 was forgiven.

On 8 June 2004 Bancassurance Conseil SA was liquidated and the assets and liabilities at that time of this subsidiary company were assumed by Tempura Limited. Included in the assets and liabilities assumed by the company were the amount owed to the subsidiary of £1,141,100 (see note 12) which was therefore eliminated and a loan amounting to €1,620,020 (equivalent to £1,082,829 at that date) from Actua Holdings Limited.

On 8 October 2004 a part of the loan from Actua Holdings Limited totalling €450,000 (equivalent to £311,376 at that date) was transferred into a subordinated loan. The subordinated loan amount and the balance of the unsubordinated loan were formalised on 8 October 2004. Interest on the loans is payable quarterly in arrears at the rate of 2% above three month Euribor as at the start of each calendar quarter as issued by the Bank of England. The loan is repayable on three months' notice and the subordinated loan is repayable on two years' notice. The subordinated loan has been taken out to the benefit of the company's other creditors so as to provide the company with additional capital.

Actua Holdings Limited is a related party. Its principal shareholder is Vincent Stephanopoli, the brother of Didier Regazzacci. Apart from the loan relationship between the two companies, which is described above, there have been no other transactions between the two companies in the period from 1 January 2003 to 26 October 2004.

TEMPURA LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
TURNOVER		767,340		699,523
Other income		-		26,283
Less expenses				
Directors remuneration	120,000		118,413	
Directors employers national insurance	14,160		13,369	
Wages and salaries	37,518		56,084	
Rent and rates:current year	55,253		51,413	
Rent and rates: prior year	-		96,892	
Telephone	19,684		10,968	
IT costs	11,953		904	
General office costs	3,554		1,346	
Insurance	2,285		637	
Travel and entertainment	46,958		57,070	
Loss on disposal of fixed assets	2,961		-	
Secretarial services	-		51,831	
Legal and professional services	71,534		34,645	
Accountancy	19,614		22,600	
Audit	14,824		-	
Depreciation - office equipment	1,821		3,142	
Bank charges	345		1,522	
Bad debt	-		6,000	
Irrecoverable VAT	16,095		16,214	
General expenses	10,747		7,684	
Loss/(Gain) on translation of foreign currencies	70,813		70,938	
Write off Alfoch sale creditor	-		(24,804)	
		520,119		596,868
		<u>247,221</u>		<u>128,938</u>
Bank deposit interest		9,448		5,755
Interest payable		-		-
Write off balance due from subsidiary		(596,552)		
Provision against fixed investment		(17,063)		(90,392)
NET (LOSS)/PROFIT FOR THE YEAR		<u>(356,946)</u>		<u>44,301</u>