Registered number: 3125849

TEMPURA LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

TEMPURA LIMITED

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TEMPURA LIMITED

COMPANY INFORMATION

DIRECTOR
J Regazzacci

SECRETARY
D A Stampfli

AUDITORS
RSM Robson Rhodes LLP
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London
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BANKERS
Bank of Scotland
38 Threadneedle Street
London
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REGISTERED OFFICE
1 Berkeley Street
London
W1J 8DJ

REGISTERED NUMBER
3125849

DIRECTOR'S REPORT

The director presents his report and the audited accounts for the year ended 31 December 2004.

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 was authorised by the Financial Services Authority as an insurance intermediary as from 14 January 2005.

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. An interim dividend of £50,000 was paid on 31 May 2004. The director does not recommend the payment of a final dividend.

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 2004	At 31 December 2003
J Regazzacci	76	76

AUDITORS

RSM Robson Rhodes LLP have indicated their willingness to remain as auditors of the company. A resolution 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

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.

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 judgments 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.

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 2004 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.

RSM Robson Rhodes LLP

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors

London, England
17 October 2005

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2004

	Notes	2004 £	2003 £
TURNOVER	1	726,119	767,340
Administrative expenses		(533,393)	(520,119)
OPERATING PROFIT	2	192,726	247,221
Exceptional item: liquidation of subsidiary		6,705	-
Exceptional item: write off balance due from subsidiary		-	(596,552)
Interest receivable	4	20,831	9,448
Interest payable	5	(11,637)	-
Provision against fixed asset investment		-	(17,063)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		208,625	(356,946)
Taxation charge on profit/(loss) on ordinary activities	6	(50,935)	(76,276)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		157,690	(433,222)
Dividends		(50,000)	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	15	107,690	(433,222)

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.

BALANCE SHEET
at 31 December 2004

	Notes		2004		2003
			£		£
FIXED ASSETS					
Tangible assets	7		36,621		9,660
Investment property	8		155,021		155,021
Investments	9		-		56,037
			191,642		220,718
CURRENT ASSETS					
Debtors	10	392,806		352,275	
Cash at bank and in hand	11	368,287		495,828	
		761,093		848,103	
CREDITORS: amounts falling due within one year	12	(703,485)		(108,850)	
NET CURRENT ASSETS			57,608		739,253
TOTAL ASSETS LESS CURRENT LIABILITIES			249,250		959,971
CREDITORS: amounts falling due after more than one year	13		(422,689)		(1,241,100)
			(173,439)		(281,129)
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Profit and loss account			(173,539)		(281,229)
EQUITY SHAREHOLDERS' FUNDS	15		(173,439)		(281,129)

The accounts were approved by the Board on 17 October 2005, and signed on its behalf by:

J REGAZZACCI

Director

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

NOTES TO THE ACCOUNTS
At 31 December 2004

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 2004.

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.
Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. The interest element of the leasing commitment is charged to the profit and loss account in proportion to the reducing capital element outstanding.

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.

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.

NOTES TO THE ACCOUNTS
At 31 December 2004

		2004	2003
2	**OPERATING PROFIT**	£	*£*
	The operating profit is stated after charging:		
	- director's remuneration	120,000	*120,000*
	- depreciation of tangible fixed assets	8,383	*1,822*
	- auditors remuneration: audit	14,764	*8,000*
	non-audit	11,868	*6,824*
	- operating lease rentals: land and buildings	-	*47,834*

		2004	2003
3	**DIRECTOR'S EMOLUMENTS AND STAFF INFORMATION**		
	Director's aggregate emoluments	£120,000	*£120,000*
	Average number of staff (excluding directors)	1	1
4	**INTEREST RECEIVABLE AND SIMILAR INCOME**		
	Interest receivable	£20,831	*£9,448*

		2004	2003
5	**INTEREST PAYABLE**		
	On bank loans and overdrafts	92	-
	Other loans	9,948	-
	Finance leases	1,597	-
	Interest payable	£11,637	-

		2004	2003
6	**TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**	£	*£*
	The charge comprises		
	Corporation tax at 30% (2003 – 30%) on the results of the year	54,722	*76,276*
	Overprovision in relation to earlier years	(3,787)	-
		50,935	*76,276*
	Profit/(loss) on ordinary activities	208,625	(356,946)
	Theoretical tax at UK Corporation tax rate of 30%	62,588	*(107,084)*
	Effects of: -		
	- (Deficit)/excess of capital allowances over depreciation	953	*(43)*
	- Expenditure which is not tax deductible	3,040	*4,716*
	- Investment provision disallowed	-	*5,119*
	- Non-taxable liquidation income	(2,012)	
	- Non-deductible loss on sale of fixed assets	747	*888*
	- Non-deductible write-off on balance due from subsidiary		*178,966*
	- Effect of small companies rate	*(8,001)*	*(3,042)*
	- Group relief not provided	*(2,593)*	*(3,244)*
		54,722	76,276

NOTES TO THE ACCOUNTS
At 31 December 2004

The company has excess capital losses of £223,150 (2003: £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.

The company has fixed asset timing differences of £1,905 (2003: £3,760) that are available to offset future taxable revenues. A deferred asset has not been recognised in respect of these timing differences. It will be recoverable to the extent the company has sufficient future taxable revenues.

7 TANGIBLE FIXED ASSETS

	Motor Cars	Fixtures and Fittings	Office Equipment	Total
	£	£	£	£
Cost				
At 1st January 2004	-	531	29,312	29,843
Additions	34,906	-	2,927	37,833
Disposals	-	-	(7,140)	(7,140)
At 31st December 2004	34,906	531	25,099	60,536
Depreciation				
At 1st January 2004	-	392	19,791	20,183
Charge for the year	6,545	28	1,810	8,383
Disposals	-	-	(4,651)	(4,651)
At 31st December 2004	6,545	420	16,950	23,915
Net Book Value				
At 31st December 2004	28,361	111	8,149	36,621
At 31st December 2003	-	*139*	*9,521*	*9,660*

8 FIXED ASSETS – INVESTMENT PROPERTY

	2004	*2003*
	£	*£*
Freehold property		
At 1st January 2004 and 31st December 2004	155,021	*155,021*

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 (2003 - £3,100).

NOTES TO THE ACCOUNTS
At 31 December 2004

9 FIXED ASSETS – INVESTMENTS

	2004	*2003*
	£	*£*
Cost		
At 1st January	806,037	*806,037*
Disposals	(56,037)	-
At 31st December	750,000	*806,037*
Provision against Arenba Limited		
At 1st January	750,000	*732,937*
Movement in the year	-	*17,063*
At 31st December	750,000	*750,000*
Net Book Value		
At 31st December	-	*56,037*

The disposal in the period relates to the liquidation of Bancassurance Conseil SA, a company registered in Switzerland. In addition I.O.L. Services Limited, a company registered in England and Wales, was struck off during the year.

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 2004 amounted to £8,664 (2003: *£39,572). The company had negative net assets as at 31st December 2004 of £25,466 (2003: negative* £16,822). The directors have made a provision against this investment, writing down the asset to nil.

10 DEBTORS

	2004	*2003*
	£	*£*
Other debtors	7,353	*31,746*
Prepayments and accrued income	385,453	*320,529*
	392,806	*352,275*

11 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 £3,294 (2003 - £3,661) are included within the cash at bank and in hand balance.

NOTES TO THE ACCOUNTS
At 31 December 2004

12 CREDITORS: amounts falling due within one year

	2004	*2003*
	£	*£*
Trade creditors	-	*3,176*
Amount due to subsidiary undertaking	-	*2*
Corporation tax	54,722	*76,276*
Other taxes and social security	6,045	*7,467*
Other creditors	615,103	*42*
Director's loan	4,787	*4,887*
Accruals and deferred income	22,828	*17,000*
	703,485	*108,850*

13 CREDITORS: amounts falling after more than one year

	2004	*2003*
	£	*£*
Director's long term loan	82,744	*100,000*
Finance lease	21,370	-
Subordinated loan	318,575	-
Loan due to subsidiary undertaking	-	*1,141,100*
	422,689	*1,241,100*

Both the director's long term loan and the subordinated loan due to the subsidiary undertaking are unsecured and repayable on more than twelve months notice. Interest is payable on the subordinated loan (2003 - nil). Further details relating to the subordinated loan are set out in note 17.

14 CALLED UP SHARE CAPITAL

	2004	*2003*
	£	*£*
Authorised		
1,000 Ordinary shares of £1 each	1,000	*1,000*
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	*100*

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital	*Profit and loss account*	*Total share holders' funds*
	£	*£*	*£*
At 1st January 2004	100	(281,229)	(281,129)
Retained profit for the period	-	107,690	107,690
At 31st December 2004	100	(173,539)	(173,439)

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

17 RELATED PARTY TRANSACTIONS

The company had the following balances and transactions with related parties for the year ended 31st December 2004:

	Creditors	Expenses
Group company		
Actua Holdings Limited		*Nil*
subordinated loan	£318,575	
other loan	£601,767	

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 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 2004 to 17 October 2005.