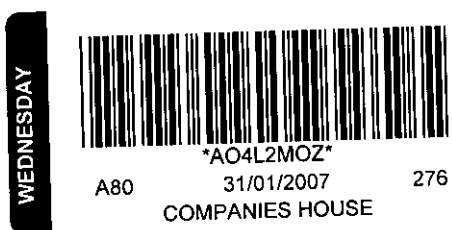


Expense Reduction Analysts (UK) Limited

Abbreviated accounts

For the year ended 31 March 2006

Grant Thornton 



Company No. 03225310

Company information

Registered office

Unit 3
Meridians Cross
Ocean Way
Southampton
Hampshire
SO14 3TJ

Directors

J C Allison
R Allison
C Aston

Secretary

S K Wiles

Bankers

Bank of Scotland
144/148 High Street
Southampton
SO14 2JF

Accountants

Grant Thornton UK LLP
Chartered Accountants
Barnes Wallis Road
Segensworth
Hampshire
PO15 5GT

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Grant Thornton 

Chartered accountants' report to the board of directors on the abbreviated accounts of Expense Reduction Analysts (UK) Limited

In accordance with the engagement letter dated 10 May 2006, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the abbreviated accounts of the company for the year ended 31 March 2006 which comprise the principal accounting policies, abbreviated balance sheet and the related notes from the statutory financial statements.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the abbreviated accounts that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

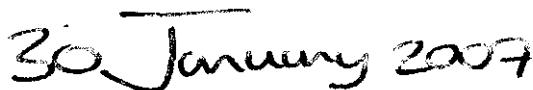
You have acknowledged on the abbreviated balance sheet your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the abbreviated accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the abbreviated accounts.



GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS

SOUTHAMPTON
.....



Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2005).

The adoption of the new FRSSE has had no impact upon the results for the current or previous accounting period.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

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	-	25% on cost
Motor Vehicles	-	25% on cost
Office Equipment	-	25% to 33% on cost

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Abbreviated balance sheet

	Note	2006 £	2005 £
Fixed assets	1		
Tangible assets		29,625	45,505
Investments		275	275
		<u>29,900</u>	<u>45,780</u>
Current assets			
Debtors		61,293	109,845
Cash at bank and in hand		75,457	77,524
		<u>136,750</u>	<u>187,369</u>
Creditors: amounts falling due within one year		<u>130,235</u>	<u>115,077</u>
Net current assets		<u>6,515</u>	<u>72,292</u>
Total assets less current liabilities		<u>36,415</u>	<u>118,072</u>
Capital and reserves			
Called-up equity share capital	2	100	100
Profit and loss account		36,315	117,972
Shareholders' funds		<u>36,415</u>	<u>118,072</u>

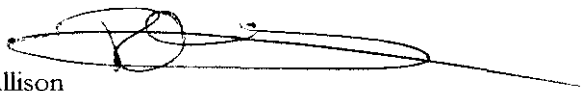
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 15/1/07 and are signed on their behalf by:


R. Allison
Director

The accompanying accounting policies and notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Fixed assets

	Tangible Assets £	Investments £	Total £
Cost			
At 1 April 2005	163,601	775	164,376
Additions	5,013	–	5,013
Disposals	(2,829)	(500)	(3,329)
At 31 March 2006	<u>165,785</u>	<u>275</u>	<u>166,060</u>
Depreciation			
At 1 April 2005	118,096	500	118,596
Charge for year	18,889	–	18,889
On disposals	(825)	–	(825)
Written off in prior years written back	–	(500)	(500)
At 31 March 2006	<u>136,160</u>	<u>–</u>	<u>136,160</u>
Net book value			
At 31 March 2006	<u>29,625</u>	<u>275</u>	<u>29,900</u>
At 31 March 2005	<u>45,505</u>	<u>275</u>	<u>45,780</u>

At 31 March 2006 the company held more than 20% of the allotted share capital of the following undertakings:

	Country of registration	Class of share capital held	Proportion held	Capital and reserves at 31 Dec 05 £	Profit for the financial year £
ERA Insurance Cost Management Limited (previously ERA Insurance Services Limited)	England and Wales	Ordinary	27.5%	51,074	48,936

Financial statements of the above company have been prepared to 31 December 2005.

2 Share capital

Authorised share capital:

	2006	2005
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2006		2005
	No	£	No
			£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

3 Ultimate controlling party

The company is a wholly owned subsidiary of Jerauk Limited, incorporated in England and Wales.

Mr J C Allison has been the ultimate controlling party throughout the current and previous periods.