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ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

**Reports and financial statements
for the year ended 30 September 2005**



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ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Reports and financial statements 2005

| Contents | Page(s) |
|---|----------------|
| Directors' report | 1 |
| Statement of directors' responsibilities | 3 |
| Independent auditors' report | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Cash flow statement | 7 |
| Notes to the financial statements | 8 |

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2005.

Principal activities

The company acts as a financial adviser and merger and acquisition broker to research, find and introduce buyers for clients selling investments in the UK and the Far East.

Results and appropriations

The results of the company for the year ended 30 September 2005 are set out in the profit and loss account on page 5. The directors recommend that no dividend be paid on the shares of the company (2004 - £nil), and the profit of £164,663 (2004 - loss £5,011) has been transferred to reserves.

Future developments

The financial year ended 30 September 2005 has been a difficult one. The directors are continuing to examine opportunities that will increase profitability of the company.

Fixed assets

Details of movements in the fixed assets of the company are set out in note 9 to the financial statements.

Directors

The directors throughout the year and up to the date of this report were:

Anglo Chinese & Associates, Limited
Anglo Chinese Holdings, Limited
Mr D G D Cassidy
Mr S E Clark
Mr C J Howe
Mr P R Johnson

None of the directors has any interests in the shares of the company at any time during the year. There being no provision to the contrary in the company's articles of association, all directors continue in office.

Directors' interests in contracts

No contracts of significance, to which the company, its holding company or its fellow subsidiaries was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' rights to acquire shares and debentures

At no time during the year was the company, its holding company or its fellow subsidiaries a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

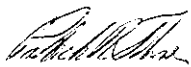
ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

DIRECTORS' REPORT (continued)

Auditors

Resolutions concerning the re-appointment of Deloitte & Touche LLP as auditors and authorising the directors to set their remuneration will be proposed at the Annual General Meeting.

By order of the Board



Patrick Johnson
Director
21st December, 2005

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF
ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED
(incorporated in United Kingdom with limited liability)**

We have audited the financial statements of Anglo & International Corporate Finance, Limited for the year ended 30 September 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.


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 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
21st December, 2005

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Profit and loss account for the year ended 30 September 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|------------------|------------------|
| Turnover | 3 | 150,000 | - |
| Other income | 4 | 97,970 | 97,165 |
| | | <u>247,970</u> | <u>97,165</u> |
| Administrative expenses | | (83,647) | (102,392) |
| Operating profit / (loss) | | 164,323 | (5,227) |
| Interest receivable and similar income | | 340 | 216 |
| Profit / (loss) on ordinary activities before taxation | 5 | 164,663 | (5,011) |
| Tax on profit / (loss) on ordinary activities | 8 | - | - |
| Profit / (loss) for the financial year | | 164,663 | (5,011) |
| Accumulated losses brought forward | | (454,482) | (449,471) |
| Accumulated losses carried forward | | <u>(289,819)</u> | <u>(454,482)</u> |

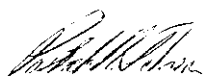
All activities derive income from operations that were continuing in the current and preceding financial years. There are no recognised gains or losses or other movements in shareholders' funds other than the result for the current and preceding financial years included in the profit and loss account above.

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Balance sheet as at 30 September 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|------------------|------------------|
| Fixed assets | 9 | - | - |
| Current assets | | | |
| Investments | | 2,199 | 2,052 |
| Amount due from intermediate holding company | | 181,804 | 31,050 |
| Value added tax recoverable | | 1,294 | 627 |
| Other debtors, deposits and prepayments | | 8,991 | 24,520 |
| Cash at bank and in hand | | 20,093 | 7,169 |
| | | <u>214,381</u> | <u>65,418</u> |
| Creditors: amounts falling due within one year | | | |
| Other creditors and accruals | | <u>4,200</u> | <u>19,900</u> |
| Total assets less current liabilities | | <u>210,181</u> | <u>45,518</u> |
| Capital and reserves | | | |
| Share capital | 10 | 500,000 | 500,000 |
| Profit and loss account | | <u>(289,819)</u> | <u>(454,482)</u> |
| Equity shareholders' funds | | <u>210,181</u> | <u>45,518</u> |

The financial statements on pages 5 to 12 were approved by the board of directors on 21st December, 2005 and signed on their behalf by:



Director



Director

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Cash flow statement for the year ended 30 September 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|---------------|----------------|
| Net cash inflow (outflow) from operating activities | 11 | 12,584 | (4,819) |
| Returns on investments and servicing of finance | | | |
| Interest income received | | 340 | 216 |
| Net cash inflow (outflow) | | <u>12,924</u> | <u>(4,603)</u> |
| Increase (decrease) in cash | 13 | <u>12,924</u> | <u>(4,603)</u> |

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Notes to the financial statements for the year ended 30 September 2005

1. General

The company is a private limited company incorporated in United Kingdom. It is a wholly owned subsidiary and its ultimate holding company is Anglo & Overseas Holdings, Limited, a limited company incorporated in the Cayman Islands.

2. Significant accounting policies

The principal accounting policies which have been adopted in preparing these financial statements and which conform with accounting principles generally accepted in the United Kingdom are as follows:

The accounts have been prepared under the historical cost convention with the exception of current asset investments which are carried at market value.

Fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight line basis at the following rates per annum:

| | |
|------------------------|--------|
| Furniture and fixtures | 20% |
| Office equipment | 20% |
| Computer equipment | 33.33% |

Investments

Listed shares held as current asset investments are recognised on a trade date basis and are initially measured at cost and are stated at market values at subsequent reporting dates with valuation movements dealt with in the profit and loss account.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessors are accounted for as operating leases. Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are translated into pounds sterling at the approximate exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the approximate exchange rates ruling at the balance sheet date. Any profit or loss arising on translation is dealt with in the profit and loss account.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based in current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included within the financial statements.

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Notes to the financial statements for the year ended 30 September 2005

2. Significant accounting policies

Deferred taxation (continued)

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they be recovered. Deferred tax assets are liabilities are not discounted.

3. Turnover

Turnover represents the amounts, excluding value added tax, derived from the provision of advisory services to clients during the year. Turnover has been recharged from Anglo Chinese Corporate Finance, Limited, a fellow group undertaking.

The geographical analysis of turnover is as follows:

| | 2005 £ | 2004 £ |
|----------------|-----------|-----------|
| United Kingdom | 150,000 | - |

4. Other Income

| | 2005 £ | 2004 £ |
|----------------------------------|---------------|---------------|
| Dividend income | 48 | 56 |
| Management fee income | 51,556 | 58,667 |
| Sundry income | 46,219 | 38,379 |
| Unrealised gain on listed shares | 147 | 63 |
| | <u>97,970</u> | <u>97,165</u> |

5. Profit / (loss) on ordinary activities before taxation

Profit / (loss) on ordinary activities before taxation is arrived at after charging:

| | 2005 £ | 2004 £ |
|-------------------------------------|-----------|-----------|
| Auditors' remuneration – Audit Fees | 3,000 | 3,000 |
| Depreciation | - | 55 |
| Operating lease charges | 62,312 | 43,040 |
| and after crediting: | | |
| Interest income | 340 | 216 |
| Dividend income | 48 | 56 |

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Notes to the financial statements for the year ended 30 September 2005

6. Remuneration of directors

The directors did not receive any remuneration during the year (2004: £nil).

7. Staff numbers and costs

The average number of persons employed by the company during the year, was nil (2004: nil).

The aggregate payroll cost of these persons were as follows:

| | 2005 £ | 2004 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | - | - |
| Social security costs | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |

8. Tax

No provision for United Kingdom profits tax has been made in the financial statements as the company has sufficient tax losses brought forward, which it can utilise.

Factors affecting tax charge for the period:

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the United Kingdom at 30 % (2004: 30%). The differences are explained below:

| | 2005 £ | 2004 £ |
|---|-----------|-----------|
| Profit / (loss) on ordinary activities before tax | 164,663 | (5,011) |
| Tax at 30% thereon | 49,399 | 1,503 |
| Effects of: | | |
| Tax effect of non- taxable income | (160) | - |
| Capital allowances in excess of depreciation | (820) | 1,077 |
| Utilisation of tax losses | (48,419) | - |
| Tax losses not utilised | - | (2,580) |
| | <u>-</u> | <u>-</u> |
| Current tax charge for the year | <u>-</u> | <u>-</u> |

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Notes to the financial statements for the year ended 30 September 2005

9. Fixed assets

| | Furniture and fixtures £ | Office equipment £ | Computer equipment £ | Total £ |
|--|---|-----------------------------------|-------------------------------------|--------------------|
| <i>Cost</i> | | | | |
| At 1 October 2004 and 30 September 2005 | 58,497 | 17,190 | 33,145 | 108,832 |
| <i>Aggregate depreciation</i> | | | | |
| At 1 October 2004 and 30 September 2005 | 58,497 | 17,190 | 33,145 | 108,832 |
| <i>Net book values</i> | | | | |
| At 30 September 2005 and At 30 September 2004 | - | - | - | - |

10. Share capital

| | 2005 £ | 2004 £ |
|--|-------------------|-------------------|
| Authorised, issued and fully paid: 500,000 ordinary shares of £1 each | 500,000 | 500,000 |

11. Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

| | 2005 £ | 2004 £ |
|---|-------------------|-------------------|
| Operating profit/(loss) | 164,323 | (5,227) |
| Depreciation | - | 55 |
| Unrealised gain on listed shares | (147) | (63) |
| Changes in intercompany debtor | (150,754) | (14,129) |
| Changes in other debtors, deposits and prepayments | 15,529 | (273) |
| Changes in other creditors and accruals excluding corporation tax | (15,700) | 15,200 |
| Changes in value added tax recoverable | (667) | (382) |
| Net cash inflow/(outflow) from operating activities | 12,584 | (4,819) |

ANGLO & INTERNATIONAL CORPORATE FINANCE, LIMITED

Notes to the financial statements for the year ended 30 September 2005

12. Reconciliation of net cash flow to movement in net funds

| | 2005 £ |
|-----------------------------------|-----------|
| Increase in cash in the year | 12,924 |
| Increase in net funds | 12,924 |
| Net funds as at 1 October 2004 | 7,169 |
| Net funds as at 30 September 2004 | 20,093 |

13. Analysis of changes in net funds

| | At 1 October 2004 £ | Cash flows £ | At 30 September 2005 £ |
|--------------------------|------------------------------|--------------------|---------------------------------|
| Cash at bank and in hand | 7,169 | 12,924 | 20,093 |
| Net funds | 7,169 | 12,924 | 20,093 |

14. Capital commitments

There were no capital commitments outstanding as at 30 September 2005 (2004: £nil).

15. Lease commitments

At 30 September 2005, there were annual commitments payable in the following year under a non-cancellable operating lease on premises expiring:

| | 2005 £ | 2004 £ |
|-----------------|-----------|-----------|
| Within one year | 4,307 | - |

16. Related Party Disclosures

The Company has taken advantage of an exemption afforded by Financial Reporting Standard 8, Related Party Disclosures, paragraph 3, not to disclose transactions with other group companies.

17. Ultimate Parent and Controlling Party

The ultimate parent and controlling party is Anglo & Overseas Holdings, Limited, a company which is incorporated in the Cayman Islands with the registered office at Caledonian Bank & Trust Limited, Caledonian House, P.O. Box 1043, George Town, Grand Cayman, Cayman Islands.