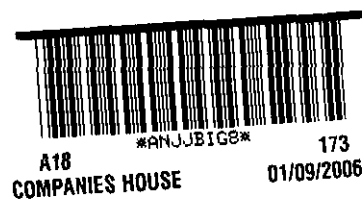


Hemscott Investment Analysis Limited

Directors' report and financial statements

Year ended 31 December 2005

Registered number: 3563522



Hemscott Investment Analysis Limited

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Hemscott Investment Analysis Limited

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 2005.

The director report is prepared in accordance with the special provisions relating to small companies under s246 Companies Act 1985.

Principal activity

The company was regulated under the Financial Services and Markets Act 2000 to provide investment advice and related services. In this capacity, it produced the Hemscott Analyst services.

Hemscott Group Limited has a beneficial interest in all of the issued share capital of the company.

Review of business

Full details of the results for the year are set out in the profit and loss account on page 6.

Hemscott Analyst, the email share recommendations service, experienced falling subscriber numbers during 2005 due to difficult market conditions continuing from the previous year. The factors creating this decline led the directors to decide that the company would cease trading on 28 April 2006. Therefore these financial statements have not been prepared on the basis of going concern and the entity's assets and liabilities have been written down to their recoverable amounts, however no material adjustments arise from the discontinuance of trade.

Analyst products were sold through Hemscott.com, a website owned and operated by Hemscott Group Limited, the company's parent.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend (2004: £nil). The retained loss transferred to reserves is £123,000 (2004: loss £39,000).

Directors and directors' interests

The directors who held office throughout the year, except as noted, were as follows:

R S Wilton	
N A Sarker	
S T Ashdown	(resigned 11 January 2005)

None of the directors had any interest in the shares of the company at any time during the year. R S Wilton is a director of the ultimate holding company (see note 6) and her interests in the shares of that company are set out in its Remuneration Report.

Hemscott Group Limited, the immediate parent company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

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 a 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 enable them to ensure that the accounts 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.

Hemscott Investment Analysis Limited

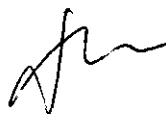
Directors' Report (continued)

Auditors

The company has in place elective resolutions to dispense with the holding of annual general meetings, the laying of accounts before the shareholders in general meetings and the annual appointment of auditors.

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

By order of the board



N Sarker
Director
29 August 2006

Registered Office:
Finsbury Tower, 103-105 Bunhill Row
London, EC1Y 8TY

Hemscott Investment Analysis Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEMSCOTT INVESTMENT ANALYSIS LIMITED

We have audited the financial statements of Hemscott Investment Analysis Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 6. 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 what 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements International Standards on Auditing (UK and Ireland).

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 International Standards on Auditing (UK and Ireland) 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 in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company as at 31 December 2005 and of the loss of the company for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Emphasis of matter - Financial statements prepared other than on a going concern basis

Without qualifying our opinion, we draw attention to Note 1 of the financial statements concerning the company's inability to continue as a going concern and the basis on which the financial statements are prepared. The company incurred a net loss of £123,000 during the year ended 31 December 2005 and, as of that date the company's net assets were £65,000. These conditions, along with other matters as set forth in Note 1, are the reasons why the entity is not regarded as a going concern. Management has taken into account all available information about the period at least 12 months from the balance sheet date. The directors have not prepared the financial statements on a going concern basis.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
Dated: 29 August 2006

Hemscott Investment Analysis Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Turnover	1	128	265
Administrative expenses		<u>(251)</u>	<u>(304)</u>
Loss on ordinary activities before taxation	3	(123)	(39)
Taxation	4	-	-
Loss on ordinary activities after taxation and loss for the financial year	5	<u>(123)</u>	<u>(39)</u>

All activities derive from discontinued operations.

There are no gains or losses in either the current or previous year other than those that have been included in the profit and loss account above, accordingly, no statement of recognised gains and losses has been prepared.

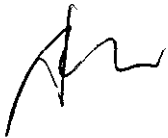
Hemscott Investment Analysis Limited

BALANCE SHEET

At 31 December 2005

	Notes	2005 £'000	2004 £'000
Current assets			
Debtors: amounts owed by immediate parent undertaking		-	28
Cash at bank and in hand		221	20
Creditors: Amounts falling due within one year			
Amounts owed to parent undertaking		(156)	(50)
Net current assets / (liabilities)		<u>65</u>	<u>(2)</u>
Capital and reserves			
Called up share capital	2, 5	220	30
Profit and loss account	5	(155)	(32)
Equity shareholders' funds / (deficit)	5	<u>65</u>	<u>(2)</u>

Approved by the board on 29 August 2006 and signed on its behalf by:



N Sarker
Director

Hemscott Investment Analysis Limited

NOTES TO THE ACCOUNTS

1 Accounting policies

The financial statements have been prepared in accordance with applicable law and Accounting Standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year is set out below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards. The company ceased trading on 28 April 2006 therefore the financial statements have not been prepared on the basis of going concern. The entity's assets and liabilities have been written down to their recoverable amounts, however no material adjustments arise from the discontinuance of trade.

Under Financial Reporting Standard 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement as the cash flows are included in the ultimate parent undertaking's consolidated cash flow statement.

Turnover

Turnover, the portion of invoicing that relates to the financial reporting period, represents amounts receivable from customers for goods and services provided in the normal course of business, net of VAT and other sales-related taxes. Sales under contracts covering future periods, which are invoiced quarterly or annually in advance, are deferred and credited to the profit and loss account over the period to which they relate.

Taxation

UK Corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred the balance sheet date. Timing differences are those between the company's taxable profits and its result as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred asset is regarded as recoverable and is therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Deferred taxation is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

2 Called up share capital

	2005 £'000	2004 £'000
Authorised		
Ordinary shares of £1 each	500	100
Allotted, called up and fully paid		
Ordinary shares of £1 each	220	30

During the year the company issued 190,000 ordinary £1 shares to its immediate holding company, Hemscott Group Limited, for cash consideration of £190,000.

3 Loss on ordinary activities before taxation

The company's audit fee was borne by its parent company, Hemscott Group Limited, for both the current and preceding year.

None of the directors received remuneration for their services during the year (2004: £nil). The company does not directly employ any staff (2004: none).

Hemscott Investment Analysis Limited

NOTES TO THE ACCOUNTS (CONTINUED)

4 Taxation

a) The company has no liability to UK taxation (2004: £nil). No deferred tax asset has been recognised in relation to tax losses as insufficient evidence exists that the tax losses will be recovered. The amount of the asset not recognised is £37,000 (2004: £nil).

b) Factors affecting the tax charge for the period

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(123)	(39)
Tax at standard rate of UK corporation tax @ 30% (2004: 30%)	(37)	(12)
Effects of:		
Expenses not deductible for tax purposes	-	15
Group relief surrendered for no consideration	37	(2)
Tax rate differences	-	(1)
Current tax charge for period	-	-

5 Reconciliation of movements in equity shareholders' funds

	Called up share capital £'000	Profit and loss account £'000	Total equity shareholders' funds £'000
At 1 January 2005	30	(32)	(2)
Share Issue	190	-	190
Loss for the year	-	(123)	(123)
At 31 December 2005	220	(155)	65

Hemscott Investment Analysis Limited is an FSA regulated entity, under this body's rules it is required to maintain a minimum own funds capital position. Trading losses within the entity reduced this own funds capital position hence the entity was recapitalised.

6 Ultimate parent company and parent undertaking of largest group of which the company is a member

The company's ultimate parent undertaking is Hemscott plc, a company incorporated in Great Britain. Hemscott plc is the only company to prepare consolidated accounts containing the results of Hemscott Investment Analysis Limited. The consolidated accounts of this company are available to the public and may be obtained from 2nd Floor Finsbury Tower, 103-105 Bunhill Row, London EC1Y 8TY. It therefore utilises the exemption contained in paragraph 3(c) of FRS 8 Related Party Disclosures not to disclose any transactions with any entities that are part of the group.

The company's immediate parent undertaking is Hemscott Group Limited, a company incorporated in Great Britain. Hemscott Group Limited is a wholly owned subsidiary of Hemscott plc.



Deloitte & Touche LLP
Hill House
1 Little New Street
London EC4A 3TR

Finsbury Tower
103-105 Bunhill Row
London EC1Y 8TY

Tel : +44 (0)20 7496 0055

Fax : +44 (0)20 7847 1719

29 August 2006

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Hemscott Investment Analysis Limited (the "Company") and its financial statements for the year ended 31 December 2005 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of Hemscott Investment Analysis Limited as of 31 December 2005 and of the results of its operations, other recognised gains and losses and its cash flows for the year then ended in accordance with applicable accounting framework and Companies Act 1985. We are aware that under Section 389A of the Companies Act 1985, it is an offence to mislead the auditor.

We acknowledge as directors our responsibilities under the Companies Act 1985 for preparing financial statements for the company and its financial statements that give a true and fair view and for making accurate representations to you.

We confirm, to the best of our knowledge and belief, the following representations.

1. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders meetings, have been made available to you.
2. We acknowledge our responsibilities for the design and implementation of internal control to prevent and detect fraud and error.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We are not aware of any significant facts relating to any frauds or suspected frauds affecting the company or company involving:
 - (i). Management;
 - (ii). Employees who have significant roles in internal control; or
 - (iii). Others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
6. We are not aware of any actual or possible instances of non-compliance with laws and regulations, the effects of which should be considered when preparing financial statements
7. Where required, the value at which assets and liabilities are recorded in the balance sheet is, in the opinion of the directors, the fair value. We are responsible for the reasonableness of any significant assumptions underlying the valuation, including consideration of whether they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the company. Any significant changes in those values since the balance sheet date have been disclosed to you.



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8. We confirm that we are of the opinion that the company is not a going concern, that we have disclosed to you all relevant information of which we are aware and which relates to our opinion, and that all relevant facts are disclosed in the financial statements.

9. There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.

10. The profit and loss account, balance sheet, and the related notes are free from material misstatements, including omissions.

11. The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

12. The following have been properly recorded and when appropriate, adequately disclosed in the financial statements and related notes:

- (i). The identity of, and balances with, related parties;
- (ii). Losses arising from sale and purchase commitments;
- (iii). Agreements and options to buy back assets previously sold; and
- (iv). Assets pledged as collateral.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements

13. The company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets

14. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the Notes to the financial statements all guarantees that we have given to third parties.

15. Other than those described in the Notes to the financial statements, there have been no events subsequent to balance sheet date which require adjustment of or disclosure in the financial statements or notes thereto.

16. No other claims in connection with litigation have been or are expected to be received other than those accrued and disclosed in the financial statements or notes thereto.

17. There are no formal or informal compensation balance arrangements with any of our cash and investment accounts and we have no other line of credit arrangements.

18. We confirm that the Board is of the opinion that no provision is required in respect of non compliance with FSA regulations during the year ended 31 December 2005.

19. We confirm that there is no money held by Hemscott Investment Analysis Limited on behalf of clients.

20. We confirm that an appropriate accrual has been made for staff and management bonus payments and these payments have been approved by the Board.

21. We confirm that no provision is required in the financial statements for actual or threatened litigation against the company from customers or suppliers to the company.

22. We confirm that the company ceased trading from 28 April 2006.

8. We confirm that we are of the opinion that the company is not a going concern, that we have disclosed to you all relevant information of which we are aware and which relates to our opinion, and that all relevant facts are disclosed in the financial statements.

9. There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.

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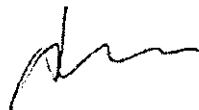
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We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

A handwritten signature in dark ink, appearing to be 'Nick Sarker', written in a cursive style.

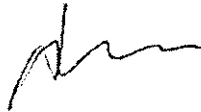
Nick Sarker

Company Secretary

Signed on behalf of the Board of Directors

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Nick Sarker', written in a cursive style.

Nick Sarker
Company Secretary

Signed on behalf of the Board of Directors