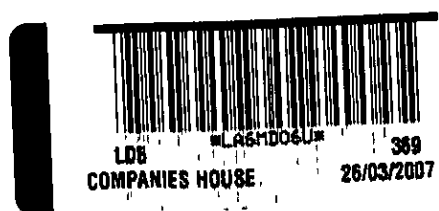


Company Registration No. 3800893 (England and Wales)

BELMONT ADVISORS (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006



BELMONT ADVISORS (UK) LIMITED

COMPANY INFORMATION

Directors

T J Wacker
K W Kennedy
J F Eulich

Secretary

CSCS Nominees Limited

Company number

3800893

Registered office

82 St John Street
London
EC1M 4JN

Auditors

HLB Vantis Audit Plc
82 St John Street
London
EC1M 4JN

BELMONT ADVISORS (UK) LIMITED

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BELMONT ADVISORS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities and review of the business

The principal activity of the company continued to be that of financial consultants

Belmont Advisors (UK) Limited's financial performance in 2006 has been extremely successful. With increased turnover of 19% compared to turnover in 2005, with indications that turnover is set to increase further in 2007. This has resulted in increased profit on ordinary activities before tax increasing by 10%.

The main risks and uncertainties facing the company are the success of the parent company because all turnover relates to consultancy services provided to them. The company's principal financial instruments comprise a loan to the parent company, prepayments, bank balances, a trading balance due to the parent company and accruals. Due to the nature of the financial instruments used by the company there is no exposure to price risk.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a dividend.

Directors

The following directors have held office since 1 January 2006:

T J Wacker
K W Kennedy
J F Eulich

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 2006	1 January 2006
T J Wacker	-	-
K W Kennedy	-	-
J F Eulich	100,000	100,000

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB Vantis Audit Plc be reappointed as auditors of the company will be put to the Annual General Meeting.

BELMONT ADVISORS (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Practice

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 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,
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



T J Wacker
Director

21 March 2007

BELMONT ADVISORS (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BELMONT ADVISORS (UK) LIMITED

We have audited the financial statements of Belmont Advisors (UK) Limited on pages 5 to 14 for the year ended 31 December 2006. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and 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 to you 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 of 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 an 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.

BELMONT ADVISORS (UK) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BELMONT ADVISORS (UK) LIMITED

Opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

HLB Vantis Audit plc

HLB Vantis Audit Plc

23 March 2007

Chartered Accountants

Registered Auditors



82 St John Street
London
EC1M 4JN

BELMONT ADVISORS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	273,448	229,969
Administrative expenses		(258,167)	(216,071)
Operating profit	3	15,281	13,898
Other interest receivable and similar income	4	3,988	3,659
Profit on ordinary activities before taxation		19,269	17,557
Tax on profit on ordinary activities	5	(6,254)	(4,963)
Profit for the year	11	13,015	12,594

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

BELMONT ADVISORS (UK) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	6		8,809		9,138
Investments	7		79,546		79,546
			<u>88,355</u>		<u>88,684</u>
Current assets					
Debtors	8	60,649		61,745	
Cash at bank and in hand		113,622		55,930	
		<u>174,271</u>		<u>117,675</u>	
Creditors' amounts falling due within one year	9	(57,846)		(14,594)	
Net current assets			<u>116,425</u>		<u>103,081</u>
Total assets less current liabilities			<u>204,780</u>		<u>191,765</u>
Capital and reserves					
Called up share capital	10		100,000		100,000
Profit and loss account	11		104,780		91,765
Shareholders' funds	12		<u>204,780</u>		<u>191,765</u>

The financial statements were approved by the Board on *21 March 2007*


T J Wacker
Director

BELMONT ADVISORS (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	£	2006 £	£	2005 £
Net cash inflow/(outflow) from operating activities		61,388		(61,507)
Returns on investments and servicing of finance				
Interest received	3,988		3,659	
Net cash inflow for returns on investments and servicing of finance		3,988		3,659
Taxation		(4,963)		(6,337)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(2,721)		(5,200)	
Payments to acquire investments	-		(79,546)	
Net cash outflow for capital expenditure		(2,721)		(84,746)
Net cash inflow/(outflow) before management of liquid resources and financing		57,692		(148,931)
Increase/(decrease) in cash in the year		57,692		(148,931)

BELMONT ADVISORS (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2006		2005	
		£		£	
	Operating profit	15,281		13,898	
	Depreciation of tangible assets	3,050		2,767	
	Decrease/(increase) in debtors	1,096		(3,050)	
	Increase/(decrease) in creditors within one year	41,961		(75,122)	
	Net cash inflow/(outflow) from operating activities	61,388		(61,507)	
2	Analysis of net funds	1 January 2006	Cash flow	Other non-cash changes	31 December 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	55,930	57,692	-	113,622
	Bank deposits	-	-	-	-
	Net funds	55,930	57,692	-	113,622
3	Reconciliation of net cash flow to movement in net funds	2006		2005	
		£		£	
	Increase/(decrease) in cash in the year	57,692		(148,931)	
	Movement in net funds in the year	57,692		(148,931)	
	Opening net funds	55,930		204,861	
	Closing net funds	113,622		55,930	

BELMONT ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for consultancy services net of VAT

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Short leasehold	Over the lease term
Photocopier	25% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	33% reducing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Deferred taxation

Provision is made for in full of all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2006 £	2005 £
Operating profit is stated after charging		
Depreciation of tangible assets	3,050	2,767
Operating lease rentals	49,896	52,148
Auditors' remuneration	4,000	3,875

BELMONT ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

4	Investment income	2006	2005
		£	£
	Bank interest	3,988	3,659
		<u> </u>	<u> </u>
5	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U K corporation tax	6,254	4,963
		<u> </u>	<u> </u>
	Current tax charge	6,254	4,963
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	19,269	17,557
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005 - 19.00%)	3,661	3,336
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	2,504	1,679
	Depreciation add back	580	525
	Capital allowances	(491)	(577)
		<u> </u>	<u> </u>
		2,593	1,627
		<u> </u>	<u> </u>
	Current tax charge	6,254	4,963
		<u> </u>	<u> </u>

BELMONT ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

6 Tangible fixed assets

	Land and buildings Short leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2006	3,000	22,597	25,597
Additions	-	2,721	2,721
At 31 December 2006	3,000	25,318	28,318
Depreciation			
At 1 January 2006	2,097	14,362	16,459
Charge for the year	300	2,750	3,050
At 31 December 2006	2,397	17,112	19,509
Net book value			
At 31 December 2006	603	8,206	8,809
At 31 December 2005	903	8,235	9,138

7 Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2006 & at 31 December 2006	79,546
Net book value	
At 31 December 2006	79,546
At 31 December 2005	79,546

BELMONT ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

8 Debtors	2006	2005
	£	£
Amounts owed by parent	44,846	44,846
Other debtors	3,311	4,413
Prepayments and accrued income	12,492	12,486
	<u>60,649</u>	<u>61,745</u>
9 Creditors, amounts falling due within one year	2006	2005
	£	£
Corporation tax	6,209	4,919
Other taxes and social security costs	3,572	3,511
Other creditors	42,544	1,239
Accruals and deferred income	5,521	4,925
	<u>57,846</u>	<u>14,594</u>
10 Share capital	2006	2005
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
11 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 January 2006		91,765
Profit for the year		13,015
Balance at 31 December 2006		<u>104,780</u>

BELMONT ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

12 Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the financial year	13,015	12,594
Opening shareholders' funds	191,765	179,171
Closing shareholders' funds	204,780	191,765

13 Financial commitments

At 31 December 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007

	Land and buildings 2006 £	2005 £
Operating leases which expire Between two and five years	43,500	43,500

14 Directors' emoluments	2006 £	2005 £
Emoluments for qualifying services	58,523	58,157

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2006 Number	2005 Number
Administration	2	2

Employment costs	2006 £	2005 £
Wages and salaries	85,000	85,000
Social security costs	9,800	10,040
	94,800	95,040

BELMONT ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2006**

16 Control

The parent company is Belmont Global Advisors Inc , a company incorporated in the USA The ultimate controlling Party is J F Eulich a director of the company

17 Related party transactions

During the year, the company provided consultancy services amounting to £273,488 (2005 - £229,969) to the parent company, Belmont Global Advisors Inc As at the year end, an amount of £44,846 (2005 - £44,846) is due from the parent company During the year £40,000 (2005 - £nil) was charged by Belmont Global Advisors Inc for management services