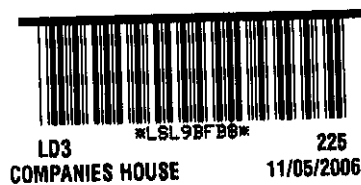


**INTEGRATED FINANCIAL PRODUCTS
SERVICES LIMITED**

REGISTRATION NUMBER 3896395

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**



Integrated Financial Products Services Limited

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Integrated Financial Products Services Limited**Officers and Professional Advisers****Directors**

V. Khabir (appointed 1 January 2005) – based in Monaco
B. Polic (appointed 1 April 2005) – based in Lugano, Switzerland
D. Mandiya (appointed 1 December 2005) – based in Lugano, Switzerland
D. Masetti – based in Italy

R. Panesar (appointed 1 January 2005,
resigned 30 April 2005)
E.M. Arbib (resigned 30 April 2005)
S. Borla (resigned 30 April 2005)

Secretary

V. Khabir (appointed 1 January 2005) – based in Monaco
B. Polic (appointed 1 April 2005) – based in Switzerland
O. Egoz (appointed 26 May 2005) – based in England

R. Panesar (appointed 1 January 2005,
resigned 30 April 2005)

Registered Office

4 Hill Street, Mayfair, London, W1J 5NE

Auditors

Moore Stephens LLP
Chartered Accountants
St. Paul's House, Warwick Lane,
London, EC4M 7BP

Integrated Financial Products Services Limited**Report of the Directors**

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

Principal Activity

The company's principal activity was that of the marketing and distribution of equity derivative products on behalf of third party banks.

On 1 January 2005, the company set up a branch in Lugano, Switzerland. Through the branch in Lugano, Integrated Financial Products Services Limited acts as a broker in fixed income equity products.

Review of Activities

The company made a profit for the year of £38,078 (2004 - Loss £3,155).

The directors do not recommend the payment of a dividend for the year.

Directors' Interests

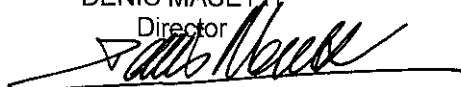
None of the directors had any interest, as defined by the Companies Act 1985, in the share capital of the company at any time during the period. Shareholdings in the parent company are disclosed in the consolidated financial statements.

Auditors

On 3rd October 2005, Moore Stephens, the company's auditor, transferred its entire business to Moore Stephens LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Moore Stephens as extending to Moore Stephens LLP with effect from 3rd October 2005. A resolution to re-appoint Moore Stephens LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

Signed on behalf of the board of Directors on 24 April 2006

DENIS MASETTI
Director

A handwritten signature in black ink, appearing to read 'Denis Masetti', is written over a horizontal line. The signature is stylized and cursive.

Integrated Financial Products Services Limited

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Independent Auditors' Report to the Shareholders of
Integrated Financial Products Services Limited**

We have audited the financial statements of Integrated Financial products Services Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes. 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 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 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 the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

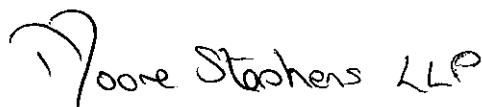
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



MOORE STEPHENS LLP
Registered Auditor and Chartered Accountants

St. Paul's House,
Warwick Lane,
London, EC4M 7BP
24 April 2006

Integrated Financial Products Services Limited

Profit & loss account - for the year ended 31 December 2005

	<u>Note</u>	<u>2005</u>	<u>2004</u>
Turnover	1(b), 2	1,686,303	-
Fees payable		(898,914)	-
Gross Profit		787,389	-
Administrative Expenses		(737,777)	(3,316)
Operating Profit / (Loss)	3	49,612	(3,316)
Interest receivable and similar income		246	161
Profit / (Loss) on Ordinary Activities before Tax		49,858	(3,155)
Taxation on Profit / (Loss) for the year	6	(11,780)	-
Profit/(Loss) for the Year		£ 38,078	£ (3,155)

Summary of Retained Profits

At 1 January 2005		13,833	16,988
Profit / (Loss) for the financial year		38,078	(3,155)
At 31 December 2005		£ 51,911	£ 13,833

There are no gains or losses recognised in these financial statements other than through the profit and loss account.

All transactions in the financial year ended 31 December 2005 relate to continuing activities (2004: all transactions relate to discontinued activities).

Integrated Financial Products Services Limited

Balance Sheet - 31 December 2005

	<u>Note</u>	<u>2005</u>	<u>2004</u>
Fixed Assets	7	22,346	-
Current Assets			
Debtors	8	453,262	22,893
Cash at bank and in hand		485,755	940
		<u>939,017</u>	<u>23,833</u>
Creditors, amounts falling due within one year	9	(899,452)	-
Net Current Assets		<u>39,565</u>	<u>23,833</u>
Total Assets less Current Liabilities		<u>£ 61,911</u>	<u>£ 23,833</u>
Capital and Reserves			
Called up share capital	10	10,000	10,000
Profit and loss account		<u>51,911</u>	<u>13,833</u>
Shareholder's Funds	11	<u>£ 61,911</u>	<u>£ 23,833</u>

These financial statements were approved by the board on 24 April 2006
and signed on its behalf by

DENIS MASETTI
Director



Integrated Financial Products Services Limited

**Cash Flow Statement
For the year ended 31 December 2005**

	<u>Note</u>	<u>2005</u>	<u>2004</u>
Net Cash Inflow / (Outflow) from Operating Activities		520,497	(9,389)
Returns on Investments and Servicing of Finance			
Interest received		246	161
Taxation paid		(122)	-
Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets		(35,806)	-
Increase / (Decrease) in Cash		<u>484,815</u>	<u>(9,228)</u>

Reconciliation of Net Cash Flow to Movement in Net Funds

(Decrease)/Increase in cash in the period	484,815	(9,228)
Net funds at 1 January	940	10,168
Net Funds at 31 December	<u>£ 485,755</u>	<u>£ 940</u>

Reconciliation of Operating (Loss)/Profit to Net Cash flow from Operating Activities

Operating profit / (loss)	49,612	(3,316)
Depreciation of fixed assets	13,431	
(Increase) / Decrease in debtors	(430,369)	84,125
Increase / (Decrease) in creditors	887,823	(90,198)
Net Cash Inflow / (Outflow) in the period	<u>£ 520,497</u>	<u>£ (9,389)</u>

Analysis of Net Funds

	<u>1 January 2005</u>	<u>Cash Flow</u>	<u>31 December 2005</u>
Cash at bank and in hand	<u>£ 940</u>	<u>£ 484,815</u>	<u>485,755</u>

Integrated Financial Products Services Limited

Financial Statements for the year ended 31 December 2005

Notes

1. Principal Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. The companies results include the results of its Lugano, Switzerland based branch that commenced operations on 1 January 2005.

(b) Turnover

Turnover represents the net amount of invoices to clients less credit notes, excluding Value Added Tax. Turnover in respect of the London based operation is due to commission earned on tailor made Derivative products marketed on behalf of an independent German based bank. The revenue generated by the Lugano based part of the operation is in respect of commissions earned on fixed income derivative broking.

(c) 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 transactions. Exchange differences are taken into account in arriving at operating profit.

(d) Deferred tax

Deferred tax is provided in full on timing differences which 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 that are expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(e) Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is being provided so as to write off the assets on a straight line basis over their estimated useful lives as follows:

Computer and Communications Equipment	-	between 20% and 33.3% of cost
Fixtures and fittings	-	between 16.6% and 25% of cost

2. Turnover

The whole of the turnover and profit before taxation for the year is attributable to the principal activities of the company which are that of the provision of investment advisory services and brokerage services.

Integrated Financial Products Services Limited
Financial Statements for the year ended 31 December 2005

Notes (Continued)

3. Operating Profit / (Loss)

The operating profit / (Loss) is stated after charging:

	<u>2005</u>	<u>2004</u>
Auditors' remuneration	£ 8,442	£ 2,750
Depreciation	£ 13,431	£ -
Exchange loss on translation	£ 6,466	£ -
	<u>£ 28,339</u>	<u>£ 2,750</u>

4. Directors

	<u>2005</u>	<u>2004</u>
Directors' emoluments	£ 46,158	£ -
	<u>£ 46,158</u>	<u>£ -</u>

The highest paid director in the year amounted to £41,285.

5. Employees

There were 6 employees during the year (2004: nil) in an investment advisory capacity. All employees were based in the Lugano office.

	<u>2005</u>	<u>2004</u>
Wages and salaries	266,123	-
Social security costs	51,287	-
	<u>£ 317,410</u>	<u>£ -</u>

The employment payments made are in relation to the Lugano based operation.

6. Taxation

	<u>2005</u>	<u>2004</u>
(a) Analysis of charge in year		
UK corporation tax on profit for period	11,912	-
Double taxation relief	(132)	-
	<u>£ 11,780</u>	<u>£ -</u>

Integrated Financial Products Services Limited
Financial Statements for the year ended 31 December 2005

Notes (Continued)

6. Taxation (continued)

(b) Factors affecting the tax charge for the year

The tax charge is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below.

Profit on ordinary activities before tax	£ 49,858	£ (3,155)
	<u> </u>	<u> </u>
Multiplied by standard rate of corporation tax in UK on 30% (2004: 30%)	14,957	(947)
Adjustment in respect of:		
Differences between capital allowances and depreciation of fixed assets	(267)	-
Special rates on interest received	-	-
Double tax relief	(132)	-
Transfer pricing adjustments	-	-
Small companies relief	(2,778)	-
Tax losses generated	-	947
	<u> </u>	<u> </u>
	£ 11,780	£ -
	<u> </u>	<u> </u>

7. Fixed Assets

	<u>Office Equipment</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
Cost			
At 1 January 2005	-	-	-
Additions	4,319	31,488	35,806
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2005	4,319	31,488	35,806
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 January 2005	-	-	-
Movements on exchange	5	24	29
Charge for the year	1,723	11,708	13,431
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2005	1,728	11,732	13,460
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 December 2005	2,591	19,755	22,346
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2004	-	-	-
	<u> </u>	<u> </u>	<u> </u>

There were no fixed assets owned by Integrated Financial products Services Limited in 2004. All assets held at the end of December 2005 are in respect of the Lugano branch, which commenced operations on 1 January 2005.

Integrated Financial Products Services Limited
Financial Statements for the year ended 31 December 2005
Notes (Continued)

8. Debtors

	<u>2005</u>	<u>2004</u>
Trade Debtors	317,662	-
Amounts due from group companies	114,819	22,893
Other Debtors	20,781	-
	<hr/>	<hr/>
	£ 453,262	£ 22,893
	<hr/>	<hr/>

9. Creditors, amounts falling due within one year

	<u>2005</u>	<u>2004</u>
Trade Creditors	433,429	-
Taxation	11,658	-
Amounts due to group companies	341,601	-
Accruals	112,764	-
	<hr/>	<hr/>
	£ 899,452	£ -
	<hr/>	<hr/>

Within the Trade Creditors amount of £433,429, is an amount of £4,187 payable to one of the Lugano based directors.

10. Share Capital

	<u>2005</u>	<u>2004</u>
Authorised		
10,000 ordinary shares of £1 each	£ 10,000	£ 10,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	£ 10,000	£ 10,000
	<hr/>	<hr/>

Integrated Financial Products Services Limited
Financial Statements for the year ended 31 December 2005

Notes (Continued)

11. Reconciliation of Shareholder's Funds

	<u>2005</u>	<u>2004</u>
As at 1 January	23,833	26,988
Profit / (Loss) for the year	38,078	(3,155)
As at 31 December	£ 61,911	£ 23,833

12. Operating Lease Commitments

Annual commitments under non-cancellable operating leases:

	<u>2005</u>	<u>2004</u>
	£	£
Expiring: within one year	17,221	-

13. Control

The directors consider that the immediate and ultimate controlling party is Integrated Asset Management plc. Consolidated financial statements can be obtained from 4 Hill Street, London W1J 5NE

14. Related Party Transactions

The company has taken an exemption available in FRS8 Related Party Transactions not to disclose transactions with entities that are part of the group of investees of the group qualifying as related parties on the grounds that it is wholly within the group and consolidated financial statements are publicly available.

During the year the company paid introducer fees to D. Mandiya, director of £180,465.