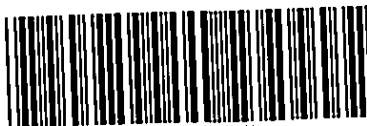


**INTEGRATED FINANCIAL PRODUCTS
SERVICES LIMITED**

REGISTRATION NUMBER 03896395

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

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INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

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INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Officers and Professional Advisers

Directors

V Kabir
B Polic
D Mandiya
D Masetti

Secretary

V Kabir – based in Monaco
B Polic – based in Switzerland
O Egoz – based in England

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

Directors' Report

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

Principal Activity and Review of the Business

The principal activity of Integrated Financial Products Services Limited (the "Company") was that of the marketing and distribution of equity derivative products on behalf of a third party German bank

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.

It is not envisaged that this company will trade in 2007. Substantially, all the revenue generating streams of Integrated Financial Products Services Limited have been transferred to another one of Integrated Asset Management Plc's subsidiaries being that of Integrated Financial Products Limited ("IFP"). In the early part of 2006 the Derivative and Marketing business that was undertaken above was transferred to IFP where this relationship is being maintained for the foreseeable future. This is reflected in the results for the year which show a decrease in turnover from £1.7m to £1.1m and a loss for the year of £156k compared to a profit of £38k in 2005. The trading operations of the branch were transferred to that of IFP on 1 January 2007.

Results and Dividends

The Company made a loss for the year of £156,211 (2005 - Profit of £38,078)

The directors do not recommend the payment of a dividend for the year (2005 £nil)

Going Concern

The directors are of the opinion that the Company is unlikely to trade during the year ending 31 December 2007. It is their intention to keep the Company in a dormant state until the need arises for it to be utilised. Finance has been guaranteed by Integrated Asset Management plc for the next 12 months.

Directors' Interests in Share Capital

The directors did not have any interests, as defined by the Companies Act 1985, in the share capital of the Company at any time during the year. The directors' interests in the ultimate holding company are detailed in the consolidated financial statements of the group.

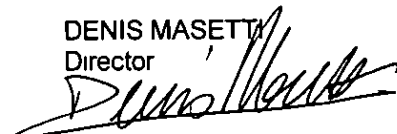
Auditors

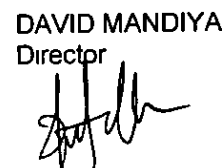
In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, Moore Stephens LLP are deemed to be reappointed as auditors of the Company.

Each of the persons who are directors at the time when the directors' report is approved, confirms that:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Signed on behalf of the Board of Directors on 20 April 2007

DENIS MASETTI
Director


DAVID MANDIYA
Director


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 United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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.

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

We have audited the financial statements of **Integrated Financial Products Services Limited** (the "company") for the year ended **31 December 2006** which are set out on pages **5 to 13**. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2006 and of the loss 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

Moore Stephens LLP

MOORE STEPHENS LLP
Registered Auditors
Chartered Accountants
St Paul's House
London, EC4M 7BP

~~23 April 2007~~

9 May 2007

INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Profit & Loss Account for the year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	1(b), 2	1,074,558	1,686,303
Fees Payable		(386,844)	(898,914)
Gross Profit		<u>687,714</u>	<u>787,389</u>
Administrative Expenses		(839,525)	(737,777)
Operating (Loss)/Profit	3	(151,811)	49,612
Interest receivable and similar income		6,640	246
Interest payable		(11,040)	-
(Loss)/Profit on Ordinary Activities before Taxation		<u>(156,211)</u>	<u>49,858</u>
Taxation	6	-	(11,780)
(Loss)/Profit for the Year		<u>(156,211)</u>	<u>38,078</u>

Summary of Retained (Losses)/Profits

At 1 January 2006	51,911	13,833
(Loss)/Profit for the financial year	(156,211)	38,078
At 31 December 2006	<u>(104,300)</u>	<u>51,911</u>

The Statement of Total Recognised Gains and Losses records foreign exchange translation adjustments not recognised in the Profit and Loss Account

All transactions during the financial year ended 31 December 2006 relate to discontinued activities (2005 all transactions related to continuing activities)

INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2006

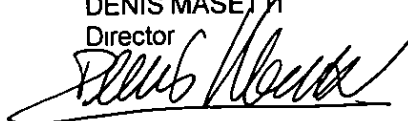
	2006 £	2005 £
Retained (Loss)/Profit for the Year	(156,211)	38,078
Currency Translation difference on foreign currency net investment	(549)	-
Total Recognised Gains and Losses	<u>(156,760)</u>	<u>38,078</u>

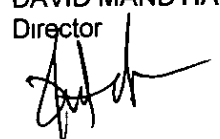
INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Balance Sheet at 31 December 2006

	Note	2006 £	2005 £
Fixed Assets	7	11,509	22,346
Current Assets			
Debtors	8	278,523	453,262
Cash at bank and in hand		<u>75,544</u>	<u>485,755</u>
		354,067	939,017
Current Liabilities			
Creditors	9	<u>(460,425)</u>	<u>(899,452)</u>
Net Current (Liabilities)/Assets		<u>(106,358)</u>	<u>39,565</u>
Net (Liabilities)/Assets		<u>(94,849)</u>	<u>61,911</u>
Capital and Reserves			
Called up share capital	10	10,000	10,000
Exchange Difference Reserve		(549)	-
Profit and Loss account		<u>(104,300)</u>	<u>51,911</u>
Shareholders' Funds	11	<u>(94,849)</u>	<u>61,911</u>

These financial statements were approved by the Board of Directors on 20 April 2007 and signed on its behalf by

DENIS MASETTI
Director


DAVID MANDYIA
Director


INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Cash Flow Statement for the year ended 31 December 2006

	2006 £	2005 £	
Net Cash (Outflow)/Inflow from Operating Activities	(389,888)	520,497	
Returns on Investments and Servicing of Finance			
Interest received	6,639	246	
Interest paid	(11,040)	-	
Taxation paid	(11,780)	(122)	
Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets	(4,142)	(35,806)	
(Decrease)/Increase in Cash	(410,211)	484,815	
Reconciliation of Net Cash Flow to Movement in Net Funds			
(Decrease)/Increase in cash in the period	(410,211)	484,815	
Net funds at 1 January	485,755	940	
Net Funds at 31 December	75,544	485,755	
Reconciliation of Operating (Loss)/Profit to Net Cash flow from Operating Activities			
Operating (loss)/profit	(151,811)	49,612	
Depreciation of fixed assets	14,256	13,431	
Decrease/(Increase) in debtors	179,729	(430,369)	
(Decrease)/Increase in creditors	(437,106)	887,823	
Exchange Gain/(Loss)	5,044	-	
Net Cash (Outflow)/Inflow in the period	(389,888)	520,497	
Analysis of Net Funds			
	1 January 2006 £	Cash flow for the year £	31 December 2006 £
Cash at bank and in hand	485,755	(410,211)	75,544

INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

1 Principal Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under in accordance with applicable Accounting Standards. The Company's results include the results of its Lugano, Switzerland based branch that commenced operations on 1 January 2005. The Lugano branch ceased trading on 31 December 2006. All aspects of this operation were transferred to Integrated Financial Products Ltd.

(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. In line with SSAP 20 "Foreign Currency Translation" Foreign branches are accounted for using the net investment method, with the profit or loss of such branches being translated using the average exchange rate for the period. Any material exchange differences arising are taken directly to equity. The closing rate for the financial period is utilised to translate amounts in the balance sheet of the foreign branch into the reporting currency of the company.

(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:

Office 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

Notes to the Financial Statements for the year ended 31 December 2006

3 Operating (Loss)/Profit

The operating (Loss)/Profit is stated after charging

	2006 £	2005 £
Auditors' remuneration - Audit fees	9,969	5,030
Auditors' remuneration – Taxation services	1,004	2,412
Auditors' remuneration – Foreign auditors fees	1,149	1,000
Depreciation	14,255	13,431
Exchange loss on translation	5,224	6,466

4 Directors

	2006 £	2005 £
Directors' emoluments	71,218	46,158

The highest paid director in the year amounted to £53,887 (2005 £41,285)

5 Employees

There was an average of 9 employees during the year (2005 6) in an investment advisory capacity. All employees were based in the Lugano office.

	2006 £	2005 £
Wages and salaries	445,399	266,123
Social security costs	40,761	51,287
	<u>486,160</u>	<u>317,410</u>

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

6 Taxation

	2006 £	2005 £
(a) Analysis of charge in year		
UK corporation tax on profit for the period	-	11,912
Double taxation relief	-	(132)
	<u>-</u>	<u>11,780</u>

INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

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

	2006 £	2005 £
(Loss)/Profit on ordinary activities before tax	<u>(156,211)</u>	<u>49,858</u>
Multiplied by the standard rate of Corporation tax in the UK at 30% (2005 30%)	(46,863)	14,957
Adjustment in respect of		
Differences between capital allowances and depreciation of fixed assets	(2,666)	(267)
Disallowable expenses	7,176	
Double tax relief	-	(132)
Transfer pricing adjustments	(4,846)	-
Small companies relief	-	(2,778)
Group relief	47,199	-
Tax charge for the period	<u>-</u>	<u>11,780</u>

7 Fixed Assets

	Office Equipment £	Fixtures and Fittings £	Total £
Cost			
At 1 January 2006	4,319	31,488	35,807
Movements on exchange	(233)	(1,696)	(1,929)
Additions	4,143	-	4,143
At 31 December 2006	<u>8,229</u>	<u>29,792</u>	<u>38,021</u>
Depreciation			
At 1 January 2006	(1,728)	(11,732)	(13,460)
Movements on exchange	130	1,074	1,204
Charge for the year	(1,089)	(13,167)	(14,256)
At 31 December 2006	<u>(2,687)</u>	<u>(23,825)</u>	<u>(26,512)</u>
Net Book Value			
At 31 December 2006	<u>5,542</u>	<u>5,967</u>	<u>11,509</u>
At 31 December 2005	<u>2,590</u>	<u>19,756</u>	<u>22,346</u>

All assets held at the beginning of January 2006 are in respect of the Lugano branch, which commenced operations on 1 January 2005 and ceased on 31 December 2006

INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

8 Debtors

	2006 £	2005 £
Trade Debtors	141,830	317,662
Amounts due from group companies	98,455	114,819
Other Debtors	38,238	20,781
	<u>278,523</u>	<u>453,262</u>

9 Creditors

	2006 £	2005 £
Trade Creditors	61,959	433,429
Other Creditors	49,995	11,658
Amounts due to group companies	247,673	341,601
Accruals	100,798	112,764
	<u>460,425</u>	<u>899,452</u>

Within the 2005 Trade Creditors of £433,429, is an amount of £4,187 payable to one of the Lugano based directors

10 Share Capital

	2006 £	2005 £
Authorised 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

11 Reconciliation of Shareholder's Funds

	2006 £	2005 £
As at 1 January	61,911	23,833
(Loss)/Profit for the year	(156,211)	38,078
Exchange Difference Reserve	(549)	-
As at 31 December	<u>(94,849)</u>	<u>61,911</u>

12 Operating Lease Commitments

Annual commitments under non-cancellable operating leases

	<u>Land and Buildings</u>	
	2006 £	2005 £
Expiring within one year	-	17,221

The lease agreement on the commercial property was renewed on 1 January 2007 and has a term of 3 years with lease payments calculated at a GBP equivalent of £1,360 per month

13 Related Party Transactions

The Company has taken an exemption available in Financial Reporting Standard 8 not to disclose transactions with entities that are part of the group who qualify as related parties on the basis that the ultimate parent company produces consolidated financial statements which are publicly available

During the year the company paid an amount of £28,662 (2005 £Nil) to B Polic, a director of the company. This amount was payable for consultancy services supplied to the Lugano branch. There was £Nil owed by the company to B Polic at the end of the year (2005 £Nil)

14 Control

The directors consider Integrated Asset Management Plc, the parent company to be the ultimate controlling party. Consolidated financial statements can be obtained from 4 Hill Street, London W1J 5NE