

**INTEGRATED FINANCIAL PRODUCTS  
SERVICES LIMITED**

**REGISTRATION NUMBER 03896395**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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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 2007

### **Principal Activity and Review of the Business**

On 1 January 2007, both the Company's fixed income and equity brokerage business in Lugano and its London-based brokerage activities were transferred to Integrated Financial Products Limited ("IFP"), a subsidiary of Integrated Asset Management plc. The Lugano branch's assets and liabilities were also transferred to IFP on this date. The Company did not generate any revenue during the year ended 31 December 2007 and it is unlikely to trade in the foreseeable future.

### **Results and Dividends**

The Company made a loss for the year of £6,208 (2006 - Loss of £156,211)

The directors do not recommend the payment of a dividend for the year (2006 £nil)

### **Going Concern**

The directors are of the opinion that the Company is unlikely to trade in the foreseeable future. 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.

### **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

14 MAY

2008 by

**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 2007** which are set out on pages **5 to 12**. 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 2007 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  
Registered Auditors  
Chartered Accountants  
St Paul's House  
London, EC4M 7BP

15 May 2008

# INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

## Profit & Loss Account for the year ended 31 December 2007

	Note	2007 £	2006 £
Turnover	1(b), 2	-	1,074,558
Fees Payable		-	(386,844)
<b>Gross Profit</b>		<u>-</u>	<u>687,714</u>
Administrative Expenses		(1,356)	(839,525)
<b>Operating Loss</b>	3	<u>(1,356)</u>	<u>(151,811)</u>
Interest receivable and similar income		138	6,640
Interest payable		-	(11,040)
<b>Loss on Ordinary Activities before Taxation</b>		<u>(1,218)</u>	<u>(156,211)</u>
Taxation	5	(4,990)	-
<b>Loss for the Year</b>		<u>(6,208)</u>	<u>(156,211)</u>

## Summary of Retained Losses

At 1 January 2007	(104,300)	51,911
Retained profits transferred to IFP	(7,873)	-
Loss for the year	(6,208)	(156,211)
At 31 December 2007	<u>(118,381)</u>	<u>(104,300)</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 2007 relate to discontinued activities (2006 all transactions related to discontinuing activities)

The Profit and Loss Account for the year ended 31 December 2006 includes the results of the Company's branch in Lugano, which was transferred to IFP on 1 January 2007

## **INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED**

### **Statement of Total Recognised Gains and Losses**

For the year ended 31 December 2007

	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
Retained Loss for the year	(6,208)	(156,211)
Currency translation difference on foreign currency net investment	549	(549)
Retained profits transferred to IFP	(7,873)	
Total Recognised Losses	<u>(13,532)</u>	<u>(156,760)</u>

The currency translation difference on foreign currency net investment during 2007 represents the transfer of the exchange difference reserve of the Company's branch in Lugano, which was transferred to IFP on 1 January 2007



# INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

## Balance Sheet at 31 December 2007

	Note	2007 £	2006 £
<b>Fixed Assets</b>	6	-	11,509
<b>Current Assets</b>			
Debtors	7	22,893	278,523
Cash at bank and in hand		<u>12,716</u>	<u>75,544</u>
		35,609	354,067
<b>Current Liabilities</b>			
Creditors, amounts falling due within one year	8	<u>(143,990)</u>	<u>(460,425)</u>
<b>Net Current Liabilities</b>		(108,381)	(106,358)
<b>Net Liabilities</b>		<u>(108,381)</u>	<u>(94,849)</u>
<b>Capital and Reserves</b>			
Called up Share Capital	9	10,000	10,000
Exchange Difference Reserve		-	(549)
Profit and Loss account		(118,381)	(104,300)
<b>Shareholders' Funds</b>	10	<u>(108,381)</u>	<u>(94,849)</u>

These financial statements were approved by the Board of Directors on  
signed on its behalf by

14 May 2008 and

**DENIS MASETTI**  
Director

**DAVID MANDIYA**  
Director

# INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

## Notes to the Financial Statements for the year ended 31 December 2007

### 1 Principal Accounting Policies

#### (a) Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards. The Company's results for the current year exclude the results of its Lugano based branch which was transferred to IFP on 1 January 2007. The financial statements have been prepared on the going concern basis. The directors believe that this is appropriate because Integrated Asset Management Plc, the parent company, has undertaken to provide adequate finances to enable the company to continue as a going concern for the next twelve months.

#### (b) Turnover

Turnover represents the fair value of consideration received for the provision of services net of value-added tax, rebates and discounts allowed.

#### (c) Foreign currencies

Foreign currency transactions are translated into Great British Pounds using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

In accordance with SSAP 20 "Foreign Currency Translation", foreign branches are accounted for using the net investment method. Profit or loss is translated using the average exchange rate for the period and assets and liabilities are translated at the exchange rate prevailing at the balance sheet date. All exchange differences are included in the exchange difference reserve within equity.

#### (d) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled based on tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### (e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows:

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

#### (f) Cash flow statement

The Company is exempt from preparing a cash flow statement on the grounds that it is more than 90% controlled within the group and it is included in consolidated financial statements which are publicly available.

## INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

### Notes to the Financial Statements for the year ended 31 December 2007

#### 2 Turnover

Turnover for the previous year is attributable to commissions earned from the marketing of derivative products on behalf of an independent German-based bank and fixed income and equity derivative broking. All revenue-generating activities have now been discontinued.

#### 3 Operating Loss

The operating Loss is stated after charging

	2007 £	2006 £
Depreciation	-	14,255
Foreign exchange loss	1,356	5,224
Directors' emoluments	-	71,218

The Company has taken advantage of the exemption not to disclose auditors' remuneration because it is included in group accounts which disclose this information on a group basis.

#### 4 Employees

All of the Company's employees were transferred to IFP on 1 January, 2007 (2006 9 - Average)

	2007 £	2006 £
Wages and salaries	-	445,399
Social security costs	-	40,761
	<u>-</u>	<u>486,160</u>

#### 5 Taxation

	2007 £	2006 £
(a) Analysis of charge in year		
UK corporation tax on profit for the period	-	-
Adjustments in respect of prior periods	4,990	-
	<u>4,990</u>	<u>-</u>

# **INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED**

## **Notes to the Financial Statements** for the year ended 31 December 2007

### **5 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

	2007 £	2006 £
Loss on ordinary activities before tax	<u>(1,218)</u>	<u>(156,211)</u>
Multiplied by the standard rate of Corporation tax in the UK at 30% (2006 30%)	(365)	(46,863)
Adjustment in respect of		
Differences between capital allowances and depreciation of fixed assets	-	(2,666)
Disallowable expenses	690	7,176
Transfer pricing adjustments	(1,394)	(4,846)
Group relief	1,069	47,199
Overseas tax-under provision in prior year	4,990	-
Tax charge for the period	<u>4,990</u>	<u>-</u>

### **6 Fixed Assets**

	Office Equipment £	Fixtures and Fittings £	Total £
Cost			
At 1 January 2007	8,229	29,792	38,021
Transfer to IFP	(8,229)	(29,792)	(38,021)
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 January 2007	(2,687)	(23,825)	(26,512)
Transfer to IFP	2,687	23,825	26,512
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2006	<u>5,542</u>	<u>5,967</u>	<u>11,509</u>

All assets held at 1 January 2007 were transferred from the Company's Lugano branch to IFP at Net Book Value

## INTEGRATED FINANCIAL PRODUCTS SERVICES LIMITED

### Notes to the Financial Statements for the year ended 31 December 2007

#### 7 Debtors

	2007 £	2006 £
Trade debtors	-	141,830
Amounts due from group companies	22,893	98,455
Other debtors	-	38,238
	<u>22,893</u>	<u>278,523</u>

Included within total debtors for 2006 is £182,415, which relates to the Company's Lugano branch, which was transferred to IFP Ltd on 1 January 2007

#### 8 Creditors

	2007 £	2006 £
Trade creditors	-	61,959
Other creditors	-	49,995
Amounts due to group companies	143,990	247,673
Accruals	-	100,798
	<u>143,990</u>	<u>460,425</u>

Included within total creditors for 2006 is £253,251, which relates to the Company's Lugano branch, which was transferred to IFP on 1 January, 2007

#### 9 Share Capital

	2007 £	2006 £
<u>Authorised</u>		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<u>Allotted, called up and fully paid</u>		
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 2007

#### 10 Reconciliation of Shareholder's Funds

	2007 £	2006 £
At 1 January	(94,849)	61,911
Loss for the year	(6,208)	(156,211)
Transfer of retained profits to IFP	(7,873)	-
Exchange difference reserve	549	(549)
At 31 December	<u>(108,381)</u>	<u>(94,849)</u>

The retained profits of the Company's Lugano branch were transferred to IFP on 1 January 2007

#### 11 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

#### 12 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