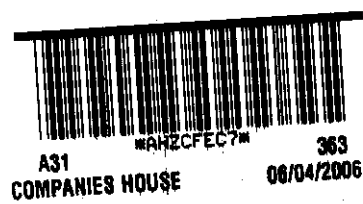


**LIFETIME INSURANCE MORTGAGE
EXPERTS LIMITED**

Report and Financial Statements

30 September 2005

Deloitte & Touche LLP
Leeds



LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S H Hudson
P W Lane
G S Clarkson

SECRETARY

A C Wearing (resigned 21 March 2005)
G S Clarkson (appointed 21 March 2005)

REGISTERED OFFICE

Network House
Lister Hill
Horsforth
Leeds
LS18 5AZ

SOLICITORS

Eversheds
Cloth Hall Court
Infirmary Street
Leeds
LS1 2JB

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 17 month period ended 30 September 2005.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company commenced trading in October 2004 when the Financial Service Authority became responsible for the regulation of mortgage and general insurance products. The principal activity of the company is the management of a regulated network of mortgage and general insurance brokers.

RESULTS AND PROPOSED DIVIDENDS

The results for the period are dealt with in the profit and loss account on page 5.

The directors do not recommend a dividend for the period (2004: nil).

CHANGE IN ACCOUNTING REFERENCE DATE

The accounting reference date of the company has been changed to 30 September and the current accounting reference date has been extended to end on 30 September 2005.

SHARE ISSUE

On 11 October 2004 124,999 ordinary shares with a nominal value of £124,999 were issued at par.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

S H Hudson
P W Lane
G S Clarkson (appointed 22 June 2004)

None of the directors held any beneficial interests in the share capital of the company during the period.

The beneficial interests of the directors in Tenet Group Limited, the ultimate parent undertaking, during the period are shown in the accounts of that company.

AUDITORS

KPMG Audit Plc tendered their resignation as auditors on 25 January 2005. The directors appointed Deloitte & Touche LLP on 26 January 2005 and a resolution to ratify the appointment of new auditors will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

Approved by the Board of Directors
and signed on behalf of the Board



P W Lane

Director

12 January 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 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 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 to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for the system of internal control, 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 MEMBERS OF LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

We have audited the financial statements of Lifetime Insurance Mortgage Experts Limited for the 17 month period ended 30 September 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 United Kingdom auditing standards 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 of the state of the company's affairs as at 30 September 2005 and of its profit for the 17 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

12 JANUARY 2006

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

PROFIT AND LOSS ACCOUNT

17 months ended 30 September 2005

		17 months ended 30 September 2005	Year ended 30 April 2004
	Note	£	£
Turnover	2	4,544,532	-
Cost of sales		(3,955,993)	-
Gross profit		588,539	-
Operating expenses		(546,683)	-
OPERATING PROFIT		41,856	-
Interest receivable and similar income	4	2,745	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	44,601	-
Tax charge on profit on ordinary activities	6	-	-
Profit for the financial period	10	44,601	-

There were no recognised gains or losses in the current period or preceding year other than the result for the period as shown above, and consequently no statement of total recognised gains and losses has been presented.

All amounts relate to continuing operations.

The accompanying notes are an integral part of this profit and loss account.

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

BALANCE SHEET 30 September 2005

	Note	30 September 2005 £	30 April 2004 £
CURRENT ASSETS			
Debtors	7	84,145	1
Cash at bank and in hand		829,874	-
		<u>914,019</u>	<u>1</u>
CREDITORS: amounts falling due within one year	8	(744,418)	-
NET CURRENT ASSETS		<u>169,601</u>	<u>-</u>
NET ASSETS		<u>169,601</u>	<u>1</u>
CAPITAL AND RESERVES			
Called-up share capital	9	125,000	1
Profit and loss account	10	44,601	-
Equity shareholders' funds	11	<u>169,601</u>	<u>1</u>

These financial statements were approved by the Board of Directors on 12 January 2006.

Signed on behalf of the Board of Directors



Director

The accompanying notes are an integral part of this balance sheet.

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17 months ended 30 September 2005

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently throughout the period and preceding year in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Cashflow statement

The Company's ultimate parent company is Tenet Group Limited. The cashflows of the company are included in the consolidated group cashflow statement of Tenet Group Limited, which is publicly available. Consequently, the Company is exempt under the terms of Financial Reporting Standard 1 (Revised 1996) from publishing a cashflow statement.

Taxation

Current tax, including 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 at the balance sheet date. Timing differences are differences between the company's taxable profits and its results 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 tax asset is regarded as recoverable and 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 the underlying timing differences can be deducted.

Deferred tax 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. Deferred tax is measured on a non-discounted basis.

Pension costs

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account relates to the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Complaints

In the normal course of business the company receives queries and complaints regarding the sale of regulated financial products. Where appropriate these are investigated in accordance with the company's procedures. In some instances compensation may be payable and the company concerned recovers such sums from either Professional Indemnity insurers and/or the Appointed Representative responsible for giving the advice about which the complaint was made.

Where a complaint has actually been made and remains outstanding, a provision is made in the relevant company's accounts with a corresponding asset representing the amount recoverable from PI insurers and/or the Appointed Representative. Where an amount is not recoverable the company will make a full provision for the entire amount. No amount is provided for in the accounts in respect of complaints of which the company is not yet aware.

Turnover

Turnover comprises the value of commissions receivable, sales of services and other amounts receivable from product providers, excluding VAT, in the normal course of business. All turnover arises in the United Kingdom. Initial commissions are accounted for when policies are accepted by the product providers, or mortgages complete, whilst renewal commissions are accounted for when received. Related amounts of

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17 months ended 30 September 2005

commission due to the company's agents (Appointed Representatives) are included in cost of sales and trade creditors.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments of £111,278 were incurred during the period (2004: £nil). The emoluments of directors who are also directors of other group companies are allocated based on time spent. S H Hudson, P W Lane and G S Clarkson are directors of Tenet Group Limited and their emoluments paid by the group are disclosed in the consolidated accounts of Tenet Group Limited.

The remuneration of the directors was as follows:

	17 months ended 30 September 2005 £	Year ended 30 April 2004 £
Emoluments	105,305	-
Company contributions to the money pension scheme	5,973	-
	<u>111,278</u>	<u>-</u>
Emoluments of the highest paid director including pension contributions	<u>50,250</u>	<u>-</u>
	17 months ended 30 September 2005 No.	Year ended 30 April 2004 No.
Average number of persons employed		
Directors	3	2
Administration	10	-
	<u>13</u>	<u>2</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	85,316	-
Social security costs	8,100	-
Other pension costs	2,449	-
	<u>95,865</u>	<u>-</u>

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17 months ended 30 September 2005

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	17 months ended 30 September 2005 £	Year ended 30 April 2004 £
Bank interest	<u>2,745</u>	<u>-</u>

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17 months ended 30 September 2005

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	17 months ended 30 September 2005 £	Year ended 30 April 2004 £
Auditors remuneration – audit	8,137	-
Intra-group recharges	25,649	-
Bad debts	359,586	-
	<u> </u>	<u> </u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	17 months ended 30 September 2005 £	Year ended 30 April 2004 £
Analysis of charge in period at 30% (2004: 30%)		
Current tax at 30% (2004: 30%)	-	-
Total current tax	-	-
Tax on profit on ordinary activities	-	-
	<u> </u>	<u> </u>
Factors affecting current tax in period		
Profit on ordinary activities before tax	44,601	-
Tax on profit on ordinary activities at UK standard rate of 30 % (2004 – 30%)	13,380	-
Effects of:		
Expenses not deductible for tax purposes	1,437	-
Group relief surrendered for nil consideration	(14,817)	-
	-	-
Current tax for period	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17 months ended 30 September 2005

6. DEBTORS

	30 September 2005 £	30 April 2004 £
Trade debtors	63,212	-
Amounts due from group companies	-	1
Prepayments and accrued income	20,933	-
	<u>84,145</u>	<u>1</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2005 £	30 April 2004 £
Trade creditors	441,800	1
Amounts owed to group companies	254,039	-
Accrual and deferred income	48,579	-
	<u>744,418</u>	<u>1</u>

8. CALLED-UP SHARE CAPITAL

	30 September 2005 £	30 April 2004 £
Authorised		
1,000,000 (2004: 1,000) Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000</u>
Allotted, called-up and fully paid		
125,000 (2004: 1) Ordinary shares of £1 each	<u>125,000</u>	<u>1</u>

The authorised share capital of the company was increased by 999,000 shares by written resolution on 11 October 2004. Also on that date, the 124,999 ordinary shares with a nominal value of £124,999, fully paid for cash, were allotted to its shareholder, Tenet Ltd (formerly Independent Mortgage Adviser Network Limited).

9. RESERVES

	Profit and loss account £
Balance at beginning of period	-
Profit for the period	<u>44,601</u>
Balance at end of period	<u>44,601</u>

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17 months ended 30 September 2005

10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	30 September 2005 £	30 April 2004 £
Profit for the financial period	44,601	-
Share capital subscribed	124,999	-
Net movement in equity shareholders' funds	169,600	-
Opening equity shareholders' funds	1	1
Closing equity shareholders' funds	169,601	1

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Tenet Limited (formerly Independent Mortgage Adviser Network Limited), a company incorporated in England and Wales. The directors consider that Tenet Group Limited, also a company incorporated in England and Wales, is the company's ultimate parent undertaking.

Tenet Group Limited is the smallest and largest group in which the results of the company are consolidated. Copies of the accounts of Tenet Group Limited are available from Network House, Lister Hill, Horsforth, Leeds, LS18 5AZ.

No disclosure of transactions with group companies has been given in these accounts, as permitted by the exemptions available under Financial Reporting Standard 8 "Related Party Disclosures".

The controlling party is Tenet Group Limited and in the directors' opinion there is no ultimate controlling party.