Company Registration No. 4785816

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

Report and Financial Statements

30 September 2007

Deloitte & Touche LLP
Leeds

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S H Hudson
P W Lane
G S Clarkson
M D McGaughrin
K D Richards
J E A Tobbell

SECRETARY

G S Clarkson

REGISTERED OFFICE

Network House
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LS18 5AZ

BANKERS

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Barclays Business Centre
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SOLICITORS

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

AUDITORS

Deloitte & Touche LLP
Chartered Accountants & Registered Auditors
Leeds

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 September 2007

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Tenet Limited

The company's principal activities are that of the management of a network of mortgage and general insurance brokers regulated by the Financial Services Authority There have not been any significant changes in the company's principal activities in the year under review The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year

As shown in the company's income statement on page 7 although the company's sales have increased by 45% over the prior year, operating profit has fallen during the period as gross profit margins have reduced and operating expenses have increased

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year end is in both net assets and cash terms consistent with the prior year Details of amounts owed to and by Tenet Group Limited and its subsidiaries (together "the Group") are shown in Note 12 on page 16 & Note 13 on page 17

Note 2 includes details of key assumptions used in the preparation of the company's financial statements Note 3 on page 12 details the principal risks and uncertainties facing the company There have been no significant events since the balance sheet date

The company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business

The directors are satisfied with the results for the year and expect the general level of activity to increase in the coming year

RESULTS AND PROPOSED DIVIDENDS

The results for the year are dealt with in the income statement on page 7

The directors recommend a dividend of 360 pence per ordinary share be paid At the date of approval of the financial statements for the year ended 30 September 2006 the directors recommended a dividend of 320 pence per ordinary share which was paid during the year ended 30 September 2007 as shown in Note 10 on page 16

ENVIRONMENT

The company operates in accordance with the policies of the Group, which are described in the Group's Annual Report which does not form part of this Report

DIRECTORS' INDEMNITIES

As at the date of this report, it is not Group policy to provide the directors of Group companies with indemnities except as disclosed in the financial statements of Tenet Group Limited

DIRECTORS

The directors who served during the year were as follows

S H Hudson
P W Lane
G S Clarkson
M D McGaughrin
K D Richards
J E A Tobbell

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985

AUDITORS

The company has elected to dispense with the obligation to appoint auditors annually and Deloitte & Touche LLP shall be deemed to be reappointed as auditors for a further term under the provision of Section 386(2) of the Companies Act 1985

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

P W Lane
Director

7th January 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements' In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs However, directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

The directors are responsible for keeping proper accounting records that 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 MEMBERS OF LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

We have audited the financial statements of Lifetime Insurance Mortgage Experts Limited for the year ended 30 September 2007 which comprise the income statement, the balance sheet, the cashflow statement and the related Notes 1 to 20 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements 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 further information outside the Annual Report

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 circumstances of the company, 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 those IFRSs as adopted for use in the European Union, of the state of the company's affairs as at 30 September 2007 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED (continued)

Separate opinion in relation to IFRS

As explained in Note 2, the company, in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board

In our opinion the financial statements give a true and fair view, in accordance with IFRSs, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

7th January 2008

INCOME STATEMENT
Year ended 30 September 2007

	Note	Year ended 30 September 2007 £	As restated Year ended 30 September 2006 £
REVENUE	2	11,924,706	8,202,221
Cost of sales		(10,541,049)	(6,825,707)
Gross profit		1,383,657	1,376,514
Operating expenses		(900,922)	(682,786)
OPERATING PROFIT		482,735	693,728
Interest receivable and similar income	6	84,614	30,702
Finance costs	7	(411)	(620)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8	566,938	723,810
Income tax credit/(expense)	9	9,083	(168,066)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		576,021	555,744
Dividends paid	10	(400,000)	-
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		176,021	555,744

There was no recognised income and expenditure in the current or preceding year other than the profit for the year as shown above and consequently no statement of recognised income and expenditure has been presented

The Income Statement for the financial year ended 30 September 2006 has been restated as disclosed in Note 2

All amounts relate to continuing operations

The accompanying notes form an integral part of these financial statements

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

BALANCE SHEET
At 30 September 2007

	Note	30 September 2007 £	30 September 2006 £
NON-CURRENT ASSETS			
Property, plant and equipment	11	-	12,233
CURRENT ASSETS			
Trade and other receivables	12	1,230,570	921,357
Cash and cash equivalents		2,478,670	1,498,883
		3,709,240	2,420,240
TOTAL ASSETS		3,709,240	2,432,473
CURRENT LIABILITIES			
Trade and other payables	13	(2,135,647)	(1,153,239)
NET CURRENT ASSETS		1,573,593	1,267,001
NON-CURRENT LIABILITIES			
Provision for liabilities & charges	14	(672,227)	(553,889)
TOTAL LIABILITIES		2,807,874	(1,707,128)
NET ASSETS		901,366	725,345
EQUITY			
Equity shareholder's funds			
Called-up share capital	15	125,000	125,000
Retained earnings	16	776,366	600,345
TOTAL EQUITY	17	901,366	725,345

These financial statements were approved by the Board of Directors on 7th January 2008

Signed on behalf of the Board of Directors

P W Lane
Director

The accompanying notes form an integral part of these financial statements

CASH FLOW STATEMENT
For the year ended 30 September 2007

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Cash flows from operating activities		
Retained profit on ordinary activities after taxation for the financial year	176,021	555,744
Adjustments for		
Income tax (credit)/expense	(9,083)	168,066
Depreciation and amortisation charges	5,868	8,071
Increase in provisions	118,338	-
Dividend expense	400,000	-
Interest receivable	(84,614)	(30,702)
Interest expense	411	620
Operating cash flows before movements in working capital	606,941	701,799
Increase in trade & other receivables	(300,129)	(836,313)
Increase in trade & other payables	1,151,372	793,745
Cash generated by operations	1,458,184	659,231
Interest paid	(411)	(620)
Income tax paid	(168,965)	-
Net cash generated by operating activities	1,288,808	658,611
Investing activities		
Interest received	84,614	30,702
Purchase of property, plant and equipment	-	(20,304)
Proceeds on disposal of property, plant and equipment	6,365	-
Net cash generated by investing activities	90,979	10,398
Financing activities		
Dividends paid	(400,000)	-
Net cash used in financing activities	(400,000)	-
Net increase in cash and cash equivalents	979,787	669,009
Cash and cash equivalents at beginning of financial year	1,498,883	829,874
Cash and cash equivalents at end of financial year	2,478,670	1,498,883

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

1 GENERAL INFORMATION

Lifetime Insurance Mortgage Experts Limited is a company incorporated in England and Wales under the Companies Act 1985 The address of the registered office is given on page 1 The nature of the company's operations and its principal activities are set out in the Directors' Report on page 2

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective

IFRS 7 *Financial Instruments Disclosures*, and the related amendment to *IAS 1* on capital disclosures

IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions*

IFRIC 12 *Service Concession Arrangements*

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company except for additional disclosures on capital and financial instruments when the relevant standards come into effect for periods commencing on or after 1 January 2007

2 ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable to unlisted entities

Results for the comparative period are on the same basis as the 2007 results

The financial statements have been prepared on the historical cost basis The principal accounting policies adopted are set out below

Comparative amounts

Certain items in the comparative period Income Statement have been reclassified between revenue, cost of sales and operating expenses to better reflect their function This has resulted in an increase in revenue of £111,239, an increase in cost of sales of £117,574 and an increase in operating expenses of £6,335 This has resulted in an increase in gross profit of £6,335 There has been no effect on operating profit

Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset, on a straight-line basis over its estimated useful life as follows

Computer Equipment 3 years

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method where the effect is material Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired The allowance recognised is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition where the effect is material

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities

2 ACCOUNTING POLICIES (CONTINUED)

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method where the effect is material

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that the company will be required to settle that obligation Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material

The two most significant provisions are

Commission clawback

The company makes a provision in respect of commissions received on "indemnity" terms whereby commission amounts are repayable if policies are cancelled subsequent to their sale Previously, this equalled 10% of commissions received on indemnity terms on a rolling 12 month basis In the financial year ended 30th September 2007, sufficient historic data across Group companies has been accumulated which has allowed for a more appropriate estimate of the provision to be made

All commission amounts clawed back in respect of such cancelled policies are recharged in their entirety to the relevant Appointed Representatives Where the collection of such receivables is doubtful, the company makes an appropriate provision (see Notes 12 and 14)

Claims payable

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 Based upon the experience of the company, an estimate of total compensation which may be payable is calculated These amounts, if they become payable, will usually be recovered from either Professional Indemnity insurers and/or the Appointed Representative responsible for giving the advice about which the complaint was made (see Notes 12 and 14) Where the collection of such receivables is doubtful, the company makes an appropriate provision

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents commissions receivable, other amounts receivable from product providers and sales of services provided in the normal course of business, net of discounts, VAT and other sales related taxes All revenue 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 commission due to the company's agents (Appointed Representatives) are included in cost of sales and trade creditors

Due to the nature of the company's business, it is not possible to precisely determine at the date of the accounts which policies have been accepted by the product providers or mortgages completed where commissions have not yet been received from these companies As a consequence, an estimate of the amounts owed by product providers is included in the financial statements This estimate is based upon historic data regarding the amount of commission receipts in the period 1 October to 31 December which relate to the preceding period up to 30 September annually The directors review the basis of this estimate each year to judge the adequacy of these calculations

Interest income is accrued on a time basis, by reference to the amount outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

LIFETIME INSURANCE MORTGAGE EXPERTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

2 ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The Group's liability for 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 calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred tax is measured at the average tax rates that are expected to apply in the period 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 Unless the effect of discounting is material, deferred tax is measured on a non-discounted basis

Pension costs

The company contributes to a defined contribution pension scheme administered by another Group company The amount charged to the income statement relate to the contributions payable in the year Differences arising between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

3 PRINCIPAL RISKS AND UNCERTAINTIES

The business is active in the sale of regulated financial products and advises customers as to their appropriateness As a consequence, the company's activities are regulated which gives rise to a number of risks, including censure by the Financial Services Authority ("FSA") Such risks may manifest themselves financially through compensation payable regarding the sale of financial products (see Notes 2, 12 and 14) and fines imposed by the FSA for regulatory breaches The company operates a strict compliance regime, including regular audits of its Appointed Representatives, to mitigate such risks and has arranged Professional Indemnity insurance which conforms to the requirements of the FSA

The business receives commission for the sale of financial products from life companies and mortgage lenders Some commission payments are received on an "indemnity" basis and may become repayable in the event that a policy is cancelled subsequent to its sale Where such clawbacks of commission occur, the company typically recharges such amounts to the relevant Appointed Representative (see Notes 2, 12 and 14) As a consequence, to mitigate the risk of accepting commission on an indemnity basis, the company monitors such activity and the ability of its Appointed Representatives to service their clawback liabilities to the company

3 PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Competitive pressure is a continuing risk for the company, which could result in it losing sales to its key competitors The company manages this risk by providing added value services to its Authorised Representatives, having fast response times not only in supplying products and services but in handling all Authorised Representatives queries and by maintaining strong relationships with its Authorised Representatives

Group risks are discussed in the ultimate parent undertaking's annual report which does not form part of this report

4 CRITICAL ACCOUNTING ESTIMATES

IFRS requires critical accounting estimates to be identified Within these accounts the following fall under this category

- Revenue recognition including calculation of commissions owed by debtors – see Note 2,
- Provisions for commission clawback – see Notes 2, 12 and 14, and
- Provisions for claims payable – see Notes 2, 12 and 14

In relation to these items, whilst the estimates are critical, there is both a liability and trade recoverable such that the net exposure is mitigated and not significant

5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

All staff utilised by the company in the delivery of its services are employed by Tenet Group Limited Tenet Business Solutions Limited is responsible for the payment of the remuneration of all Tenet Group Limited employees, including the directors of the company, and it receives recompense from the company in respect of this service through management recharges which are allocated on a time incurred basis The amounts recharged to other Group companies in respect of directors are included in the accounts of each Group company and the total emoluments of all Group directors are included in the consolidated accounts of Tenet Group Limited

The amounts disclosed below relate to amounts recharged to the company by Tenet Business Solutions Limited in respect of the remuneration of directors and employees utilised by the company

Such recharges in respect of the directors of the company during the year were £136,577 (2006 £49,610) Additional emoluments paid to the directors of the company during the year were £nil (2006 £nil)

The remuneration of the directors was as follows

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Emoluments	104,381	45,279
Company contributions to money purchase pension schemes	8,289	4,331
	112,670	49,610
Emoluments of the highest paid director including pension contributions	38,129	28,973

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

The number of directors who were members of pension schemes was as follows

	Year ended 30 September 2007 No.	Year ended 30 September 2006 No.
Money purchase pension schemes	4	4

	Year ended 30 September 2007 No.	Year ended 30 September 2006 No.
Average number of persons employed (including directors)		
Directors	6	6
Administration and consultancy	14	9
	20	15

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Staff costs during the year (including directors)		
Wages and salaries	395,174	195,526
Social security costs	34,085	17,701
Other pension costs	12,983	4,834
	442,242	218,061

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Bank interest	84,614	30,702

7 FINANCE COSTS

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Bank interest	411	620

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

8 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting)

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Auditors' remuneration – audit services	19,254	19,250
Depreciation on property, plant & equipment	5,868	8,071
Intra-Group recharges/(income)	517,578	(28,610)
Staff costs (see note 5)	442,242	218,061

9 INCOME TAX (CREDIT)/EXPENSE

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Analysis of (credit)/charge in year at 30% (2006: 30%)		
Current tax at 30% (2006 30%)	-	168,965
Total current tax	-	168,965
Deferred tax - Current year	(9,083)	(899)
Tax on profit on ordinary activities	(9,083)	168,066
Factors affecting tax on profit on ordinary activities in year		
Profit on ordinary activities before tax	566,938	723,810
Tax on profit on ordinary activities at UK standard rate of 30% (2006 – 30%)	170,081	217,143
Effects of		
Expenses not deductible for tax purposes	(248)	222
Group relief surrendered for nil consideration	-	-
Income not taxable for tax purposes	(166,399)	(37,050)
Utilisation of tax losses brought forward	(13,230)	(12,250)
Effects of other tax rates/credits	713	1
Tax on profit on ordinary activities for year	(9,083)	168,066

The company has a deferred tax asset at 30% of £9,982 (2006 £899) in respect of accelerated capital allowances

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

10 DIVIDENDS

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Dividends paid of 320 pence per ordinary share (2006 £nil)	400,000	-

11 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment £
Cost	
At 1 October 2006	20,304
Disposals to Group companies	(20,304)
At 30 September 2007	-
Depreciation	
At 1 October 2006	8,071
Charge for the year	5,868
Disposals to Group companies	(13,939)
At 30 September 2007	-
Net Book Value	
At 30 September 2007	-
At 30 September 2006	12,233

12 TRADE AND OTHER RECEIVABLES

	30 September 2007 £	30 September 2006 £
Due within one year		
Trade receivables	933,926	779,006
Amounts owed by Group companies	267,803	122,630
Other debtors	6,041	4,089
Prepayments and accrued income	12,818	14,733
Deferred tax	9,982	899
	1,230,570	921,357

Included in trade receivables is £592,834 (2006 £324,264) that relates to amounts recoverable in relation to commission clawbacks (see Notes 2 and 14) Included in other debtors is £4,225 (2006 £3,250) that relates to amounts recoverable in relation to claims payable (see Notes 2 and 14)

The directors consider that the carrying amount of trade and other receivables approximates their fair value

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

13 TRADE AND OTHER PAYABLES

	30 September 2007 £	30 September 2006 £
Trade payables	617,304	853,993
Amounts owed to Group companies	1,410,080	12,323
Corporation tax	-	168,965
Taxation and social security	1,970	-
Other payables	1,057	-
Accruals and deferred income	105,236	117,958
	2,135,647	1,153,239

The directors consider that the carrying amount of trade and other payables approximates their fair value

14 PROVISION FOR LIABILITIES & CHARGES

	Claims payable provision £	Provision for commission clawback £	Total £
At 1 October 2006	3,250	550,639	553,889
Increase in the year	975	117,363	118,338
At 30 September 2007	4,225	668,002	672,227

Claims payable provision

The claims payable provision is in respect of amounts that may be payable to the customers of the firm following a review of the sales process of the individual cases involved These amounts, if payable, will usually be recovered from Professional Indemnity insurers less a policy excess (see Notes 2 and 12), and the policy excess is usually recovered from the Appointed Representative responsible for the individual case It is not possible to calculate accurately the amount of the opening provision utilised during the year and only net movements in the provision are reported The directors expect this provision to be utilised over the next 5 years

Provision for commission clawback

The provision for commission clawback relates to commission receipts subsequently repaid should policies be cancelled after their sale These amounts will usually be recovered from the relevant Appointed Representative (see Notes 2 and 12) It is not possible to calculate accurately the amount of the opening provision utilised during the year and only net movements in the provision are reported The directors expect this provision to be utilised over the next 4 years

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

15 SHARE CAPITAL

	30 September 2007 £	30 September 2006 £
Authorised		
1,000,000 (2006 1,000,000) Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called-up and fully paid		
125,000 (2006 125,000) Ordinary shares of £1 each	125,000	125,000

16 RESERVES

	Retained earnings £
Balance at beginning of financial year	600,345
Profit for the financial year	176,021
Balance at end of financial year	776,366

17 STATEMENT OF CHANGES IN EQUITY

	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Profit for the financial year	576,021	555,744
Dividends	(400,000)	-
Net addition to equity shareholder's funds	176,021	555,744
Opening equity shareholder's funds	725,345	169,601
Closing equity shareholder's funds	901,366	725,345

18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Tenet 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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2007

19 CONTINGENT LIABILITY

Barclays Bank PLC holds a fixed and floating charge over all assets of the company both present and future The company has provided a joint and several guarantee with Interdependence Limited and The M & E Network Limited to the Group's bank in respect of the Group's bank borrowings The guarantee is limited to the sum of £300,000 plus interest, charges and costs incurred by Barclays Bank PLC in the recovery of such guaranteed amounts

20 TRANSACTIONS WITH RELATED PARTIES

There were no related party transactions during the year other than movements in balances between the company and Tenet Group Limited and/or its wholly owned subsidiaries as follows

Transactions with Tenet Group Limited ("ultimate parent")	**Year ended 30 September 2007 £**	**Year ended 30 September 2006 £**
Net amounts owed by/(to) ultimate parent at start of financial year	50	(14,696)
Receipts from ultimate parent	(50)	(141,977)
Payments to ultimate parent	-	156,723
Net amounts owed by ultimate parent at end of financial year	-	50

Transactions with subsidiaries of Tenet Group Limited ("Group Companies")	**Year ended 30 September 2007 £**	**Year ended 30 September 2006 £**
Net amounts owed by/(to) Group Companies at start of financial year	110,257	(239,343)
Receipts from Group Companies	(1,529,962)	(2,684,987)
Payments to Group Companies	277,428	3,034,587
Net amounts owed (to)/by Group Companies at end of financial year	(1,142,277)	110,257