



AURIGA INTERNATIONAL ADVISERS UK LIMITED

DIRECTORS' REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

THURSDAY



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COMPANIES HOUSE

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AURIGA INTERNATIONAL ADVISERS UK LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 13

AURIGA INTERNATIONAL ADVISERS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

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

Principal activities and review of the business

The principal activity of the company during the financial year remained that of Investment Advisers

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

Financial instruments and risk management

Financial instruments comprise of financial assets and liabilities. Financial assets of the Company consist of cash and cash equivalents, trade and other receivables. Financial liabilities of the Company consist of trade payables, related party and other payables and accrued expenses

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily on its cash and cash equivalents

Credit risk on cash and cash equivalents is limited as they are placed with local banks having good credit ratings

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty raising funds to meet commitments associated with financial instruments

The Company limits its liquidity risk by ensuring that working capital is in excess of expected requirements

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates

All the transactions of the Company are in British pounds and US Dollars. The Company's currency risk arises mainly from US Dollars. The company does not hedge against this risk

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 January 2006

J E C Phillips

J Rauber

J Michael Rauber

AURIGA INTERNATIONAL ADVISERS UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £ 1 each	
	31 December 2006	1 January 2006
J E C Phillips	-	-
J Rauber	-	-
J Michael Rauber	-	-

Auditors

Gerald Edelman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



J E C Phillips

Director

15 February 2007

AURIGA INTERNATIONAL ADVISERS UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AURIGA INTERNATIONAL ADVISERS UK LIMITED

We have audited the financial statements of Auriga International Advisers UK Limited for the year ended 31 December 2006 set out on pages 5 to 13. These financial statements have been prepared in accordance with 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records or 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 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 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.

AURIGA INTERNATIONAL ADVISERS UK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF AURIGA INTERNATIONAL ADVISERS UK LIMITED

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 its profit for the year then ended and 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



15 February 2007

Chartered Accountants
Registered Auditor

Gerald Edelman
25 Harley Street
London
W1G 9BR

AURIGA INTERNATIONAL ADVISERS UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	234,345	243,766
Administrative expenses		(213,042)	(225,060)
Operating profit	3	21,303	18,706
Other interest receivable and similar income	4	170	88
Profit on ordinary activities before taxation		21,473	18,794
Tax on profit on ordinary activities	5	-	-
Profit for the year	11	21,473	18,794

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

AURIGA INTERNATIONAL ADVISERS UK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	6		1,826		4,064
Current assets					
Debtors	7	50,834		55,573	
Cash at bank and in hand		8,152		6,068	
		<u>58,986</u>		<u>61,641</u>	
Creditors' amounts falling due within one year	8	<u>(6,065)</u>		<u>(32,431)</u>	
Net current assets			52,921		29,210
Total assets less current liabilities			<u>54,747</u>		<u>33,274</u>
Capital and reserves					
Called up share capital	10		100,100		100,100
Profit and loss account	11		(45,353)		(66,826)
Shareholders' funds	12		<u>54,747</u>		<u>33,274</u>

Approved by the Board and authorised for issue on 15 February 2007



J E C Phillips
Director



J Michael Rauber
Director

AURIGA INTERNATIONAL ADVISERS UK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	£	2006 £	£	2005 £
Net cash inflow from operating activities		2,361		311
Returns on investments and servicing of finance				
Interest received	170		88	
	<u>170</u>		<u>88</u>	
Net cash inflow for returns on investments and servicing of finance		170		88
Capital expenditure				
Payments to acquire tangible assets	(447)		(140)	
	<u>(447)</u>		<u>(140)</u>	
Net cash outflow for capital expenditure		(447)		(140)
		<u>2,084</u>		<u>259</u>
Net cash inflow before management of liquid resources and financing		2,084		259
	<u>2,084</u>		<u>259</u>	
Increase in cash in the year		2,084		259
		<u><u>2,084</u></u>		<u><u>259</u></u>

AURIGA INTERNATIONAL ADVISERS UK LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities				2006
					£
	Operating profit				21,303
	Depreciation of tangible assets				2,684
	Decrease/(increase) in debtors				4,740
	Decrease in creditors within one year				(26,366)
	Net cash (outflow)/inflow from operating activities				2,361
2	Analysis of net funds	1 January 2006	Cash flow	Other non-cash changes	31 December 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	6,068	2,084	-	8,152
	Net funds	6,068	2,084	-	8,152
3	Reconciliation of net cash flow to movement in net funds				2006
					£
	Increase in cash in the year				2,084
	Movement in net funds in the year				2,084
	Opening net funds				6,068
	Closing net funds				8,152

AURIGA INTERNATIONAL ADVISERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	over 3 years straight line
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1.4 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2006 £	2005 £
Operating profit is stated after charging		
Depreciation of tangible assets	2,684	2,614
Auditors' remuneration	3,685	7,435
Remuneration of auditors for non-audit work	574	1,026
	<u> </u>	<u> </u>

4 Investment income	2006 £	2005 £
Bank interest	170	88
	<u> </u>	<u> </u>

AURIGA INTERNATIONAL ADVISERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

5	Taxation	2006	2005
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	21,473	18,794
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005 - 19.00%)	4,080	3,571
	Effects of		
	Non deductible expenses	126	78
	Depreciation add back	510	496
	Capital allowances	-	(374)
	Tax losses utilised	(4,684)	(3,754)
	Other tax adjustments	(32)	(17)
		(4,080)	(3,571)
	Current tax charge	-	-
6	Tangible fixed assets		Fixtures, fittings & equipment £
	Cost		
	At 1 January 2006		7,875
	Additions		447
			8,322
	At 31 December 2006		
	Depreciation		
	At 1 January 2006		3,812
	Charge for the year		2,684
			6,496
	At 31 December 2006		
	Net book value		
	At 31 December 2006		1,826
			4,064
	At 31 December 2005		

AURIGA INTERNATIONAL ADVISERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

7 Debtors	2006	2005
	£	£
Other debtors	325	222
Prepayments and accrued income	50,509	55,351
	<u>50,834</u>	<u>55,573</u>
8 Creditors, amounts falling due within one year	2006	2005
	£	£
Amounts owed to parent company	2,407	28,931
Accruals and deferred income	3,658	3,500
	<u>6,065</u>	<u>32,431</u>
9 Pension costs		
Defined contribution		
	2006	2005
	£	£
Contributions payable by the company for the year	<u>6,600</u>	<u>6,050</u>
10 Share capital	2006	2005
	£	£
Authorised		
110,000 Ordinary shares of £1 each	<u>110,000</u>	<u>110,000</u>
Allotted, called up and fully paid		
100,100 Ordinary shares of £1 each	<u>100,100</u>	<u>100,100</u>

AURIGA INTERNATIONAL ADVISERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

11 Statement of movements on profit and loss account

Profit and
loss
account
£

Balance at 1 January 2006	(66,826)
Profit for the year	21,473
Balance at 31 December 2006	(45,353)

12 Reconciliation of movements in shareholders' funds

2006
£

2005
£

Profit for the financial year	21,473	18,794
Opening shareholders' funds	33,274	14,480
Closing shareholders' funds	54,747	33,274

13 Directors' emoluments

2006
£

2005
£

Emoluments for qualifying services	137,380	137,891
Company pension contributions to money purchase schemes	6,600	6,050
	143,980	143,941

14 Employees

Number of employees

There were no employees during the year apart from the directors

Employment costs

2006
£

2005
£

Wages and salaries	137,380	137,891
Social security costs	16,718	16,628
Other pension costs	6,600	6,050
	160,698	160,569

15 Control

The ultimate controlling party is Mr J Rauber, the majority shareholder in the parent company Auriga International Advisers Limited

AURIGA INTERNATIONAL ADVISERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2006**

16 Related party transactions

Included in creditors is £2,407 (2005 £28,931) owed to Auriga International Advisers Limited, a company incorporated in the British Virgin Islands. Auriga International Advisers Limited is the parent company of Auriga International Advisers UK Limited and owns the entire issued share capital of the company.