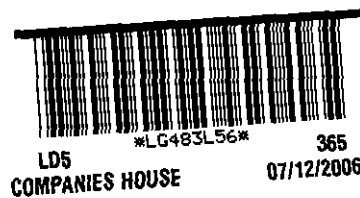


ETHOS PROPERTY INVESTMENTS LIMITED
FINANCIAL STATEMENTS
30 APRIL 2006

SLAVEN JEFFCOTE LLP

Chartered Certified Accountants & Registered Auditors
1 Lumley Street
Mayfair
London
W1K 6TT



ETHOS PROPERTY INVESTMENTS LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

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ETHOS PROPERTY INVESTMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	M H Gifford Lumley Management Limited
Company secretary	M H Gifford
Registered office	Surrey House, 3rd Floor 34 Eden Street Kingston Upon Thames KT1 1ER
Auditor	Slaven Jeffcote LLP Chartered Certified Accountants & Registered Auditors 1 Lumley Street Mayfair London W1K 6TT

ETHOS PROPERTY INVESTMENTS LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

The directors present their report and the financial statements of the company for the period from 7 February 2005 to 30 April 2006.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of UK and International property sales agent to Non-members of the Instant Access Properties group companies.

DIRECTORS

The directors who served the company during the period were as follows:

M H Gifford
Lumley Management Limited

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

M H Gifford was appointed as a director on 7 February 2005.
Lumley Management Limited was appointed as a director on 7 February 2005.

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, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 1985. The directors 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.

AUDITOR

A resolution to re-appoint Slaven Jeffcote LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

ETHOS PROPERTY INVESTMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Surrey House, 3rd Floor
34 Eden Street
Kingston Upon Thames
KT1 1ER

Signed on behalf of the directors



Lumley Management Limited

Director

Approved by the directors on 6/12/06

ETHOS PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ETHOS PROPERTY INVESTMENTS LIMITED (continued)

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

We have audited the financial statements of Ethos Property Investments Limited for the period from 7 February 2005 to 30 April 2006 on pages 6 to 11 which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 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, 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 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.

ETHOS PROPERTY INVESTMENTS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ETHOS PROPERTY INVESTMENTS LIMITED (continued)**

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

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 30 April 2006 and of its loss for the period then ended; and

the financial statements have been properly prepared in accordance with the Companies Act 1985.

Slaven Jeffcote

1 Lumley Street
Mayfair
London
W1K 6TT

6/12/06

SLAVEN JEFFCOTE LLP
Chartered Certified Accountants
& Registered Auditors

ETHOS PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

	Note	Period from 7 Feb 05 to 30 Apr 06 £
TURNOVER		220,077
Cost of sales		606,787
GROSS LOSS		(386,710)
Administrative expenses		560,033
OPERATING LOSS	2	(946,743)
Interest receivable		1,028
Interest payable and similar charges		(42)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(945,757)
Tax on loss on ordinary activities	3	(283,727)
LOSS FOR THE FINANCIAL PERIOD		<u>(662,030)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 8 to 11 form part of these financial statements.

ETHOS PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

30 APRIL 2006

	Note	£	30 Apr 06 £
FIXED ASSETS			
Investments	4		—
CURRENT ASSETS			
Debtors	5	43,693	
Cash at bank		<u>25,471</u>	
		69,164	
CREDITORS: Amounts falling due within one year	6	<u>731,094</u>	
NET CURRENT LIABILITIES			<u>(661,930)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(661,930)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8		100
Profit and loss account	9		<u>(662,030)</u>
DEFICIT	10		<u>(661,930)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 7/4/06 and are signed on their behalf by:


LUMLEY MANAGEMENT LIMITED
Director

The notes on pages 8 to 11 form part of these financial statements.

ETHOS PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on a going concern basis which is dependent upon the continuing support of other companies within the Instant Access Properties group.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 'Events after the Balance Sheet date (IAS 10)'; and

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)''.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The company has not declared dividends in respect of the current period, therefore the adoption of this standard has had no effect on the financial statements.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

The adoption of FRS 25 has resulted in a change to the presentation of the company's brought forward and carried forward profit and loss reserve. The profit and loss reserve

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents the amounts receivable, excluding VAT, by the group for goods supplied and services provided during the year.

Fixed assets

All fixed assets are initially recorded at cost.

ETHOS PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING LOSS

Operating loss is stated after charging:

	Period from 7 Feb 05 to 30 Apr 06 £
Directors' emoluments	-
Auditor's fees	<u>1,000</u>

3. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 7 Feb 05 to 30 Apr 06 £
Current tax:	
Corporation tax	-
Group relief	<u>(283,727)</u>
Total current tax	<u>(283,727)</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is the same as the standard rate of corporation tax in the UK of 30%.

	Period from 7 Feb 05 to 30 Apr 06 £
Loss on ordinary activities before taxation	<u>(945,757)</u>
Profit/(loss) on ordinary activities by rate of tax	<u>(283,727)</u>
Total current tax (note 3(a))	<u>(283,727)</u>

ETHOS PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

4. INVESTMENTS

	Subsidiary Undertakings £
COST	
Additions	2,031
At 30 April 2006	<u>2,031</u>
AMOUNTS WRITTEN OFF	
Written off in period	2,031
At 30 April 2006	<u>2,031</u>
NET BOOK VALUE	
At 30 April 2006	<u>-</u>

During the period under review the company acquired 100% of the share capital of Ethos Investment Properties Spain S.L. for £2,031. This subsidiary has subsequently been closed down and as such the investment has been written off.

5. DEBTORS

	30 Apr 06 £
Trade debtors	25,881
VAT recoverable	17,812
	<u>43,693</u>

6. CREDITORS: Amounts falling due within one year

	30 Apr 06 £
Trade creditors	13,360
Amounts owed to group undertakings	653,135
Other creditors	64,599
	<u>731,094</u>

7. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from reporting related party transactions between Instant Access Properties Limited and its subsidiaries, conferred by Financial Reporting Standard No. 8, on the grounds that the company is a wholly owned subsidiary and the parent company prepares consolidated financial statements which include the company.

During the period under review the company was charged £82,599 by Inside Track Seminars Limited, a company under common control, in respect of expenses paid by Inside Track Seminars Limited on behalf of the company. These recharges took place under normal commercial terms.

ETHOS PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 7 FEBRUARY 2005 TO 30 APRIL 2006

8. SHARE CAPITAL

Authorised share capital:

	30 Apr 06
	£
1,000 Ordinary shares of £1 each	<u>1,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Equity shares

Ordinary shares of £1 each	<u>100</u>	<u>100</u>
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9. PROFIT AND LOSS ACCOUNT

	Period from 7 Feb 05 to 30 Apr 06
	£
Loss for the financial period	<u>(662,030)</u>
Balance carried forward	<u>(662,030)</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Apr 06
	£
Loss for the financial period	<u>(662,030)</u>
New ordinary share capital subscribed	<u>100</u>
Net reduction to shareholders' funds	<u>(661,930)</u>
Closing shareholders' deficit	<u>(661,930)</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent company is Instant Access Properties Limited, a company incorporated in England and Wales. Instant Access Properties Limited is the parent company of the only group to consolidate these financial statements. Copies of these can be obtained from Surrey House, 34 Eden Street, Kingston Upon Thames, Surrey, KT1 1ER.

The ultimate controlling party is the Pearson Foundation, a Foundation registered in the Republic of Panama.