

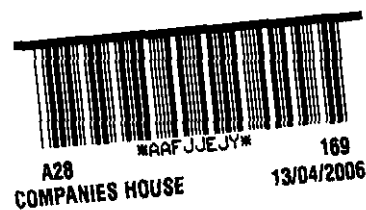
Company Registration Number

1597729

MOSLEY STREET SECURITIES LTD

ACCOUNTS

For the year ended 31st December 2005



CLB Coopers
Chartered Accountants
MANCHESTER

MOSLEY STREET SECURITIES LTD

Report and Accounts

For the year ended 31st December 2005

Contents

| | Page |
|--|--------|
| Company information | 1 |
| Report of the Director | 2 |
| Statement of Director's Responsibilities | 2 |
| Independent Auditors' Report | 3 |
| Profit and loss account | 4 |
| Balance Sheet | 5 |
| Cashflow Statement | 6 |
| Accounting policies | 7 |
| Notes to the Accounts | 8 - 11 |

The following pages do not form part of the statutory accounts

| | |
|-------------------------------------|----|
| Analysis of administrative expenses | 12 |
|-------------------------------------|----|

MOSLEY STREET SECURITIES LTD

Report and Accounts

For the year ended 31st December 2005

Contents

| | Page |
|--|--------|
| Company information | 1 |
| Report of the Director | 2 |
| Statement of Director's Responsibilities | 2 |
| Independent Auditors' Report | 3 |
| Profit and loss account | 4 |
| Balance Sheet | 5 |
| Cashflow Statement | 6 |
| Accounting policies | 7 |
| Notes to the Accounts | 8 - 11 |

The following pages do not form part of the statutory accounts

| | |
|---|----|
| Analysis of administrative expenses | 12 |
| Auditors' report to the Financial Services Authority | 13 |
| Reconciliation between annual financial return, monthly returns and the audited financial statements | 14 |
| The annual close links report and annual controllers report | 15 |

MOSLEY STREET SECURITIES LTD

Company information

| | |
|-----------|-------------------------------------|
| Directors | M B B Sheppard BA (Hons) ACA |
|-----------|-------------------------------------|

| | |
|-----------|-----------------|
| Secretary | P Thomas |
|-----------|-----------------|

| | |
|----------|---|
| Auditors | CLB Coopers Century House 11 St Peter's Square Manchester M2 3DN |
|----------|---|

| | |
|---------|--|
| Bankers | National Westminster Bank plc 5th Floor 1 Spinningfields Square Deansgate Manchester M3 3AP |
|---------|--|

| | |
|-------------------|---|
| Registered Office | 2nd Floor Arthur House Chorlton Street Manchester M1 3FH |
|-------------------|---|

MOSLEY STREET SECURITIES LTD

Report of the Director

For the year ended 31st December 2005

The Director presents his report, together with the audited accounts, for the year ended 31st December 2005.

Principal Activity and Review of Business

The principal activity of the company is that of private client fund manager and stockbroker. The company has not traded during the year.

The company is authorised and regulated by the Financial Services Authority.

The Directors do not recommend the payment of a dividend. The profit for the year of £44 (2004 - Loss £45,442) has reduced the deficit on the profit and loss account reserve brought forward.

Director and his Interest

The Director who served during the year was as follows:

M B B Sheppard BA (Hons) ACA

At 31 December 2005, M B B Sheppard had a beneficial interest in the entire issued share capital of the parent company, Neil Fergusson (Chemist) Limited.

Statement of Director's Responsibilities

Company law requires the Director 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 Director is 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Director is 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. He is 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.

2nd Floor
Arthur House
Manchester M2 3HZ

28 March 2006

By Order of the Board


P Thomas
Secretary

Independent Auditors' Report

To the Shareholders of Mosley Street Securities Ltd

We have audited the financial statements on pages 4 to 11 which have been prepared on the basis of the accounting policies set out on page 7.

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 the Director and Auditors

As described on page 2 the Company's Director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 Director's 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

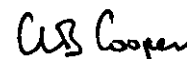
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Director 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 the 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 at 31st December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



C L B Coopers

Manchester
28 March 2006

Chartered Accountants
Registered Auditors

MOSLEY STREET SECURITIES LTD

Profit and loss account

For the year ended 31st December 2005

| | Note | 2005 £ | 2004 £ |
|--|------|-----------|-----------|
| Administrative expenses | 1 | (3,066) | (45,446) |
| Interest payable and similar charges | | - | (791) |
| Interest receivable and similar income | 2 | 3,110 | 795 |
| Profit (loss) on ordinary activities before taxation | | 44 | (45,442) |
| Taxation on ordinary activities | 3 | - | - |
| Profit (loss) on ordinary activities after taxation | | 44 | (45,442) |

There are no recognised gains or losses other than the losses for the current and prior periods.

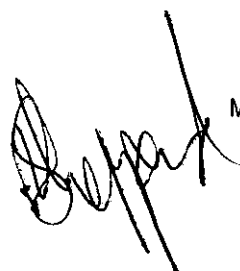
MOSLEY STREET SECURITIES LTD

Balance Sheet

At 31st December 2005

| | Note | 2005 £ | 2004 £ |
|-------------------------------------|------|-----------|-----------|
| Fixed assets | | | |
| Tangible fixed assets | 4 | 10,000 | 10,000 |
| Investments | 5 | - | - |
| | | 10,000 | 10,000 |
| Current assets | | | |
| Debtors | 6 | 5,148 | 1,549 |
| Cash at bank and in hand | | 86,728 | 98,900 |
| | | 91,876 | 100,449 |
| Creditors | | | |
| Amounts falling due within one year | 7 | - | (8,617) |
| Net current assets | | 91,876 | 91,832 |
| Net assets | | 101,876 | 101,832 |
| Capital and reserves | | | |
| Share capital | 8 | 578,250 | 578,250 |
| Profit and loss account | 9 | (476,374) | (476,418) |
| Equity shareholders' funds | 10 | 101,876 | 101,832 |

The accounts were approved by the Director :



M. B. B. SHEPPARD

Director

28 March 2006

MOSLEY STREET SECURITIES LTD**Cashflow Statement****For the year ended 31st December 2005**

| | Note | 2005 £ | 2004 £ |
|---|------------|-----------------|---------------|
| Net cash (outflow) inflow from operating activities | 12a | (9,944) | 8,253 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 3,110 | 795 |
| Interest element of finance lease rental payments | | - | (791) |
| Capital expenditure | | | |
| Disposal of tangible fixed assets | | - | 2,059 |
| Financing | | | |
| Issue of shares | | - | 32,750 |
| Capital element of finance lease rental payments | | (5,338) | (17,916) |
| (Decrease) increase in cash | | (12,172) | 25,150 |
| Reconciliation of net cash flow to movement in net funds | | | |
| (Decrease) increase in cash | | (12,172) | 25,150 |
| Cash outflow from decrease in lease financing | | 5,338 | 17,916 |
| Change in net funds resulting from cashflows | | (6,834) | 43,066 |
| Movement in net funds | | (6,834) | 43,066 |
| Net funds at 1st January 2005 | | 93,562 | 50,496 |
| Net funds at 31st December 2005 | 12b | 86,728 | 93,562 |

MOSLEY STREET SECURITIES LTD

Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises gross commission, management fees and other income, excluding VAT, receivable in respect of the accounting period. Where commissions include amounts payable in specie, for example by way of share warrants, these are included as turnover based on the market value of the asset at the date of payment.

Consolidation

In accordance with Section 229 (2) of the Companies Act 1985, the subsidiary undertakings have been excluded from consolidation because their inclusion is not material for the purposes of giving a true and fair view.

Depreciation of tangible fixed assets

Depreciation is provided annually on a straight line basis calculated to write off the cost of tangible fixed assets, less estimated residual value, over their estimated useful lives. The principal rates in use are :

| | |
|------------------------------|-----|
| Office equipment | 25% |
| Computer equipment, software | 25% |

Fixed asset investments

Investments are included at cost at the year end date.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions.

Leases

Annual rentals on operating leases are charged to the profit and loss account on a straight line basis over the lease term. Assets held under finance leases, where substantially all the risks and rewards of ownership rest with the Company are capitalised and depreciated over their useful lives. The interest element of repayments is charged to the profit & loss account over the period of the agreement and represents a constant proportion of the balance of capital outstanding.

Client monies

Clients' money is segregated and held in clients' money bank accounts and these amounts are not available for operational use in the business.

Deferred Tax

Deferred taxation has been calculated on the full provision method as required by Financial Reporting Standard 19. Deferred taxation is provided on material timing differences which have originated but not reversed at the balance sheet date, at the rates of tax likely to be in force at the time of the reversal. Timing differences arise due to including gains and losses in tax assessments in periods different to those in the financial statements. Deferred tax assets are recognised where it is regarded as more likely than not that they will be recovered.

Pensions

The company makes contributions to defined contribution benefit schemes. Contributions are charged to the profit and loss account when they fall due.

MOSLEY STREET SECURITIES LTD

Notes to the Accounts

For the year ended 31st December 2005

| | 2005 £ | 2004 £ |
|---|-----------|-----------|
| 1 Operating loss is stated after charging : | | |
| Auditors remuneration | | |
| -as auditors | 1,615 | 1,855 |
| -other services | - | 2,055 |
| Depreciation | - | 7,700 |
| | | |
| 2 Interest receivable and similar income | | |
| Bank interest | 3,110 | 795 |
| | | |
| 3 Taxation on ordinary activities | | |
| No corporation tax liability arises on the results for the year due to the taxable losses incurred. | | |
| At 31 December 2005, the company had tax losses to carry forward of £623,941 (2004 : £605,613) subject to agreement with HM Revenue & Customs. | | |
| The tax assessed for the period is different from that assessed at the standard rate of corporation tax in the UK of 19%. The differences are explained below : | | |
| Profit (loss) for the year | 44 | (45,442) |
| | | |
| Corporation tax at 19% | 8 | (8,634) |
| Effects of : | | |
| Capital allowances in excess of depreciation | (3,490) | (3,191) |
| Utilisation of tax losses | (591) | (151) |
| Losses carried forward | 4,073 | 11,976 |
| | | |
| | - | - |

MOSLEY STREET SECURITIES LTD

Notes to the Accounts

For the year ended 31st December 2005

4 Tangible fixed assets

| | Office Equipment £ |
|--|--------------------------|
| Cost | |
| At 1st January 2005 and 31st December 2005 | 25,164 |
| Accumulated Depreciation | |
| At 1st January 2005 | 15,164 |
| Charge for the year | - |
| At 31st December 2005 | 15,164 |
| Net book value | |
| At 31st December 2005 | 10,000 |
| At 1st January 2005 | 10,000 |

The director has considered the value of assets held by the company and has estimated that the value of these assets at 31 December 2005 is £10,000.

5 Investments

| Subsidiary undertaking | Principal activity | Country of incorporation & operation | Ordinary Shares - % Held | Net Assets |
|------------------------|--------------------|--|--------------------------------|---------------|
| Sharenet Limited | Non-trading | England | 100 % | 2 |

The above company had no turnover or profit in the year ended 31st December 2005.

| | 2005 £ | 2004 £ |
|---------------|-----------|-----------|
| 6 Debtors | | |
| Other debtors | 5,148 | 1,549 |
| | 5,148 | 1,549 |

7 Creditors

Amounts falling due within one year

| | | |
|--|---|-------|
| Trade creditors | - | 1,281 |
| Obligations under hire purchase contracts and finance leases | - | 5,338 |
| Accruals and deferred income | - | 1,998 |
| | - | 8,617 |

MOSLEY STREET SECURITIES LTD

Notes to the Accounts

For the year ended 31st December 2005

| 8 Share capital | 2005 Number | 2005 £ | 2004 Number | 2004 £ |
|--------------------------------------|----------------|-----------|----------------|-----------|
| Authorised : | | | | |
| Ordinary shares of £1 each | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Allotted, called up and fully paid : | | | | |
| Ordinary shares of £1 each | 578,250 | 578,250 | 578,250 | 578,250 |

| | 2005 £ | 2004 £ |
|---|-----------|-----------|
| 9 Profit and loss account | | |
| At 1st January 2005 | (476,418) | (430,976) |
| Retained profit (loss) for the financial period | 44 | (45,442) |
| At 31st December 2005 | (476,374) | (476,418) |

10 Reconciliation of movement in shareholders funds

| | | |
|---|---------|----------|
| Retained profit (loss) for the financial period | 44 | (45,442) |
| Proceeds from the issue of shares | - | 32,750 |
| At 1st January 2005 | 101,832 | 114,524 |
| At 31st December 2005 | 101,876 | 101,832 |

11 Contingent liabilities and capital commitments

There were no material contingent liabilities or capital commitments at the balance sheet date.

MOSLEY STREET SECURITIES LTD

Notes to the Accounts

For the year ended 31st December 2005

| | 2005 £ | 2004 £ | | |
|---|---------------------------|----------------|--------------------|-----------------------------|
| 12 Notes to the cashflow statement | | | | |
| a. Reconciliation of operating loss to net cash (outflow) inflow from operating activities | | | | |
| Loss before interest | (3,066) | (45,446) | | |
| Loss on sale of fixed assets | - | 241 | | |
| Depreciation | - | 7,700 | | |
| (Increase) decrease in debtors | (3,599) | 61,664 | | |
| Decrease in creditors | (3,279) | (15,906) | | |
| Net cash (outflow) inflow from operating activities | (9,944) | 8,253 | | |
| b Analysis of changes in net funds | | | | |
| | At 1 January 2005 £ | Cash flow £ | Other movements | At 31 December 2005 £ |
| Cash at bank and in hand | 98,900 | (12,172) | - | 86,728 |
| Finance leasing | (5,338) | 5,338 | - | - |
| | 93,562 | (6,834) | - | 86,728 |

13 Related party transactions

No material transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

14 Ultimate holding company and controlling party

During the period from 1 January 2005 until 31 December 2005, the company was a wholly owned subsidiary of Neil Fergusson (Chemist) Limited, a company incorporated in England. This company was under the control of the Director, M B B Sheppard.