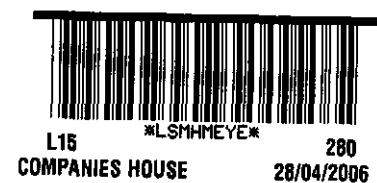


EARLYSTART LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2005

CROUCH CHAPMAN
Chartered Accountants
62 Wilson Street
London EC2A 2BU



EARLYSTART LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2005

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EARLYSTART LIMITED

COMPANY INFORMATION
AS AT 30TH JUNE 2005

DIRECTOR:

G.J. Butcher

SECRETARY:

C.A. Butcher

COMPANY NUMBER:

3209952 (England and Wales)

REGISTERED OFFICE:

62 Wilson Street
London
EC2A 2BU

AUDITORS:

Crouch Chapman
Chartered Accountants
62 Wilson Street
London
EC2A 2BU

EARLYSTART LIMITED

REPORT OF THE DIRECTOR

The director submits his report and the audited financial statements for the year ended 30th June 2005.

REVIEW OF ACTIVITIES

The principal activity of the company in the year under review continued to be that of business consultants.

DIRECTOR AND HIS SHAREHOLDING

The director of the company during the year ended 30th June 2005, together with his interest in the shares of the company, were as shown below:

| | Ordinary Shares of £1 each | |
|--------------|----------------------------|---------------|
| | 30th June 2005 | 1st July 2004 |
| G.J. BUTCHER | 200 | 200 |

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the 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 judgments 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 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 him 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.

TAXATION STATUS

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

EARLYSTART LIMITED

REPORT OF THE DIRECTOR
- continued

AUDITORS

The auditors, Messrs Crouch Chapman, have signified their willingness to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting.

SMALL COMPANIES EXEMPTION

In preparing this report, the director has taken advantage of the special provisions of Section 246 of Part VII of the Companies Act 1985 relating to small companies.

62 Wilson Street
London EC2A 2BU

26th April 2006

BY ORDER OF THE BOARD



Secretary

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF EARLYSTART LIMITED

We have audited the financial statements of Earlystart Limited for the year ended 30th June 2005 on pages 5 to 9. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with S.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 United Kingdom Accounting Standards 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 United Kingdom 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 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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 other information.

Basis of 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 judgments 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.

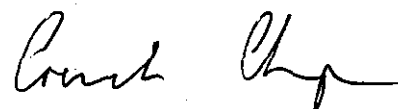
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 30th June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

62 Wilson Street
London EC2A 2BU

27th April 2006



CROUCH CHAPMAN

Chartered Accountants
Registered Auditors

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|------------------|------------------|
| TURNOVER | 1 | 160,000 | 210,000 |
| Administrative expenses | | (63,902) | (64,250) |
| GROSS PROFIT | | 96,098 | 145,750 |
| Interest receivable | | - | 9 |
| Dividend income | | 749,970 | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | 846,068 | 145,759 |
| Taxation | 3 | (18,259) | (33,988) |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 827,809 | 111,771 |
| Dividends | | - | - |
| RETAINED PROFIT FOR THE YEAR | | 827,809 | 111,771 |
| PROFIT AND LOSS ACCOUNT BROUGHT FORWARD | | 1,534,319 | 1,422,548 |
| PROFIT AND LOSS ACCOUNT CARRIED FORWARD | | <u>2,362,128</u> | <u>1,534,319</u> |

RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

CONTINUING OPERATIONS

None of the company's activities have been acquired or discontinued during the above two financial periods.

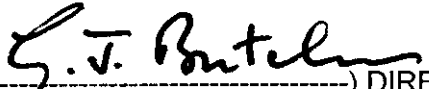
The notes on pages 7 to 9 form part of these financial statements.

EARLYSTART LIMITED

BALANCE SHEET
30TH JUNE 2005

| | Notes | £ | 2005 £ | £ | 2004 £ |
|--|-------|-----------|-----------|-----------|-----------|
| FIXED ASSETS | | | | | |
| Investment | 4 | | 87,778 | | 87,778 |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 2,381,787 | | 1,569,707 | |
| CREDITORS: Amounts falling due within one year | 6 | (19,759) | | (35,488) | |
| NET CURRENT ASSETS | | | 2,362,028 | | 1,534,219 |
| | | | 2,449,806 | | 1,621,997 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 7 | | 200 | | 200 |
| Share premium | 8 | | 87,478 | | 87,478 |
| Profit and loss account | | | 2,362,128 | | 1,534,319 |
| SHAREHOLDERS' FUNDS | 9 | | 2,449,806 | | 1,621,997 |

The financial statements are prepared in accordance with the special provisions of Section 246 of Part VII of the Companies Act 1985 relating to small companies.

 DIRECTOR

Approved by the Board on 26th April 2006

The notes on pages 7 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2005

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. A summary of the more important policies, which have been applied consistently, is set out below:

Turnover

Turnover represents consultancy fees net of value added tax.

Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Deferred Taxation

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. It is the company's policy not to discount deferred tax to reflect the time value of money.

Consolidated Accounts

The financial statements contain information about Earlystart Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

| | | |
|---|-----------------|-----------------|
| 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 2005 | 2004 |
| | £ | £ |
| Profit on ordinary activities before taxation is stated after charging: | | |
| Director's remuneration | 62,402 | 62,745 |
| Auditors' remuneration | 1,500 | 1,500 |
| | <u> </u> | <u> </u> |
| 3. TAXATION | 2005 | 2004 |
| | £ | £ |
| U.K. corporation tax on ordinary activities at 19% (2004: 30%) | 18,259 | 33,988 |
| | <u> </u> | <u> </u> |

NOTES TO THE FINANCIAL STATEMENTS
- continued

| 3. TAXATION - <u>Factors Affecting Tax Charge for the Year</u> | 2005 £ | 2004 £ |
|--|----------------|----------------|
| Profit on ordinary activities before taxation | <u>711,098</u> | <u>145,759</u> |
| UK corporation tax on ordinary activities at 19%/30% | 135,109 | 43,728 |
| Expenses/Income not chargeable for tax purposes | (116,850) | 2 |
| Marginal relief | - | (9,742) |
| | <u>18,259</u> | <u>33,988</u> |

| 4. INVESTMENT | 2005 £ | 2004 £ |
|------------------------------|---------------|---------------|
| Shares in group undertakings | <u>87,778</u> | <u>87,778</u> |

The investments represents a 100% holding of the issued ordinary share capital of Rawlinson & Webber Limited and Nacrofarm Properties Limited, companies registered in England and Wales. A share premium of £87,478 arose upon acquisition of the shares in Rawlinson & Webber Limited.

As at 30th June 2005, Rawlinson & Webber Limited had accumulated reserves of £13,776 (2004: £490,618) and reported a retained loss for the year ended 30th June 2005 of £414,816 (2004: profit of £289,410).

As at 30th June 2005, Nacrofarm Properties Limited had accumulated reserves of £524,607 (2004: £402,875) and reported a retained profit for the year ended 30th June 2005 of £121,732 (2004: £107,890).

| 5. DEBTORS | 2005 £ | 2004 £ |
|-------------------------------------|------------------|------------------|
| Amounts due from group undertakings | <u>2,381,787</u> | <u>1,569,707</u> |

| 6. CREDITORS | 2005 £ | 2004 £ |
|--------------------------------------|---------------|---------------|
| Amounts falling due within one year: | | |
| Corporation tax | 18,259 | 33,988 |
| Accruals | 1,500 | 1,500 |
| | <u>19,759</u> | <u>35,488</u> |

NOTES TO THE FINANCIAL STATEMENTS
- continued

| | | | |
|----|--|-------------------|-------------------|
| 7. | SHARE CAPITAL | 2005 £ | 2004 £ |
| | Authorised: | | |
| | Equity interests: | | |
| | 200 Ordinary shares of £1 each | 200 | 200 |
| | | <u> </u> | <u> </u> |
| | Allotted, called up and fully paid: | | |
| | Equity interests: | | |
| | 200 ordinary shares of £1 each | 200 | 200 |
| | | <u> </u> | <u> </u> |
| 8. | SHARE PREMIUM | 2005 £ | 2004 £ |
| | Share Premium account as at 30th June 2004 and 30th June 2005 | 87,478 | 87,478 |
| | | <u> </u> | <u> </u> |
| 9. | RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS | 2005 £ | 2004 £ |
| | Profit for the year | 827,809 | 111,771 |
| | Opening shareholders' funds | 1,621,997 | 1,510,226 |
| | | <u> </u> | <u> </u> |
| | Closing shareholders' funds | 2,449,806 | 1,621,997 |
| | | <u> </u> | <u> </u> |
| | Represented by: | | |
| | Equity interests | 2,449,806 | 1,621,997 |
| | | <u> </u> | <u> </u> |

10. PENSION SCHEME

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

No contribution was made to the scheme during the year (2004: Nil).

11. CONTROLLING PARTY

The company is under the control of Mrs. C. Butcher, wife of director Mr. G.J. Butcher.