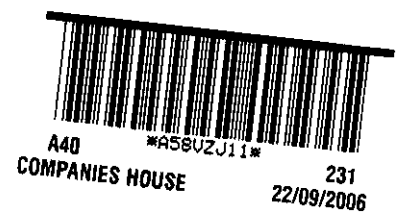


Registration number 01941022

First Leader (UK) Limited
Directors' report and financial statements
for the year ended 31 December 2005



First Leader (UK) Limited

Contents

	Page
Directors' report	1
Profit and loss account	2
Balance sheet	3 - 4
Notes to the financial statements	5 - 7

First Leader (UK) Limited

**Directors' report
for the year ended 31 December 2005**

The directors present their report and the financial statements for the year ended 31 December 2005.

Principal activity

The principal activity of the company is the provision of agency services.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	31/12/05	01/01/05
N Levy	Ordinary shares	-	-
R Cohen	Ordinary shares	-	-
A Terzakian	Ordinary shares	-	-
S Aspiotis	Ordinary shares	-	-

Charitable and political contributions

During the year the company contributed £1,020 to charities.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 11 September 2006 and signed on its behalf by



D Bressloff
Secretary

First Leader (UK) Limited

**Profit and loss account
for the year ended 31 December 2005**

		2005	2004
	Notes	£	£
Turnover	2	160,790	547,439
Cost of sales		(19,633)	(48,890)
Gross profit		141,157	498,549
Administrative expenses		(158,072)	(438,001)
Operating (loss)/profit	3	(16,915)	60,548
Other interest receivable and similar income		11,630	436
Interest payable and similar charges		-	(157)
(Loss)/profit on ordinary activities before taxation		(5,285)	60,827
Tax on (loss)/profit on ordinary activities	4	(239)	(14,600)
(Loss)/profit on ordinary activities after taxation		(5,524)	46,227
Retained profit brought forward		298,199	251,972
Retained profit carried forward		<u>292,675</u>	<u>298,199</u>

The notes on pages 5 to 7 form an integral part of these financial statements.

First Leader (UK) Limited

**Balance sheet
as at 31 December 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		3		19,598
Current assets					
Debtors	6	398,583		315,278	
Cash at bank and in hand		151		21,924	
		<u>398,734</u>		<u>337,202</u>	
Creditors: amounts falling due within one year	7	<u>(105,961)</u>		<u>(58,501)</u>	
Net current assets			<u>292,773</u>		<u>278,701</u>
Net assets			<u>292,776</u>		<u>298,299</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account			<u>292,676</u>		<u>298,199</u>
Shareholders' funds			<u>292,776</u>		<u>298,299</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 7 form an integral part of these financial statements.

First Leader (UK) Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2005**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2005 and


(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Board on 11 September 2006 and signed on its behalf by



N Levy
Director

The notes on pages 5 to 7 form an integral part of these financial statements.

First Leader (UK) Limited

Notes to the financial statements
for the year ended 31 December 2005

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	20% straight line
Fixtures and fittings	-	25% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	100% straight line

1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 100% for the year.

3. Operating (loss)/profit

	2005	2004
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	19,595	20,406

4. Tax on (loss)/profit on ordinary activities

Analysis of charge in period	2005	2004
	£	£
Current tax		
UK corporation tax	239	14,600

First Leader (UK) Limited

**Notes to the financial statements
for the year ended 31 December 2005**

..... continued

5. Tangible fixed assets	Leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2005	69,303	54,123	22,700	146,126
At 31 December 2005	<u>69,303</u>	<u>54,123</u>	<u>22,700</u>	<u>146,126</u>
Depreciation				
At 1 January 2005	55,442	54,061	17,025	126,528
Charge for the year	13,860	61	5,674	19,595
At 31 December 2005	<u>69,302</u>	<u>54,122</u>	<u>22,699</u>	<u>146,123</u>
Net book values				
At 31 December 2005	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
At 31 December 2004	<u>13,861</u>	<u>62</u>	<u>5,675</u>	<u>19,598</u>

6. Debtors	2005 £	2004 £
Other debtors	398,583	315,278
	<u>398,583</u>	<u>315,278</u>

Included within other debtors is a loan to N Levy amounting to £41,151 (2004: £41,151). The maximum amount outstanding during the year was £41,151.

7. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	15,229	-
Trade creditors	-	2,791
Corporation tax	28,591	28,352
Other taxes and social security costs	-	14,710
Other creditors	62,141	12,648
	<u>105,961</u>	<u>58,501</u>

First Leader (UK) Limited

**Notes to the financial statements
for the year ended 31 December 2005**

..... continued

8. Share capital	2005	2004
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9. Financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005	2004
	£	£
Expiry date:		
Between one and five years	130,000	-
In over five years	-	113,000
	<u>130,000</u>	<u>113,000</u>

10. Related party transactions

The company was reimbursed rent and office expenses of £198,274 by Milestone Trading Limited, a company in which N Levy has an interest.

11. Ultimate parent undertaking

The company is a subsidiary of First Leader SA, a company incorporated in Panama.