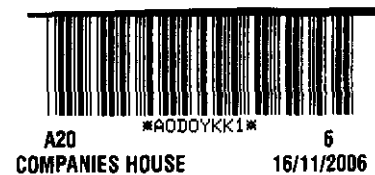


SWANSIDE PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

15684-A-2005



Registered Office
Suite 23, Park Royal House
23 Park Royal Road
London



SWANSIDE PROPERTIES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The director presents his report and financial statements for the year ended 31 December 2005.

Principal activity

The principal activity of the company is that of an investment property company.

Review of the business and future developments

The director considers that the results of the company are satisfactory and that the company is expected to continue at its present levels in the future.

Results and dividends

The results for the year are set out on page 3.

No dividends have been paid during this or the comparative period.

Director

The following director has held office since 1 January 2005:

Annan Limited

The director has no interest in the issued share capital of the company.

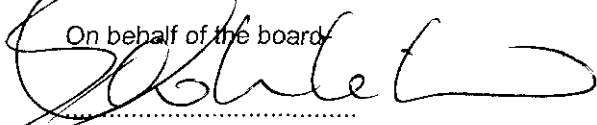
Statement of Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of 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, subject to any material departures disclosed and explained in the financial statements;
- 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.

On behalf of the board



Annan Limited (Director)

Date: 3/10/05

**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE
ACCOUNTS OF SWANSIDE PROPERTIES LIMITED**

We report on the accounts for the year ended 31 December 2005.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2005, set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.

Fortis Intertrust (UK) Limited

Fortis Intertrust (UK) Limited

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Fortis Intertrust (UK) Limited

5th Floor, 86 Jermyn Street, London, SW1Y 6AW

Telephone +44 207 930 7111, Fax +44 207 930 7444

Fortis Intertrust (UK) Limited registered in England and Wales, Company Registration No. 962596

Directors: B.A. Safa, M. Marano, R.J. Wise

Internet: www.fortisintertrust.com, E-mail: mail@fortisintertrust.com

SWANSIDE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 €	2004 €
Turnover	2	114,607	75,854
Cost of sales		(14,705)	(13,579)
Gross profit		99,902	62,275
Administrative expenses		(69,576)	(83,542)
Operating profit/(loss)	3	30,326	(21,267)
Other interest receivable and similar income	4	184	2,222
Interest payable and similar charges	5	(1,854)	(2,482)
Profit/(loss) on ordinary activities before taxation		28,656	(21,527)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) on ordinary activities after taxation	11	28,656	(21,527)

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.

SWANSIDE PROPERTIES LIMITED

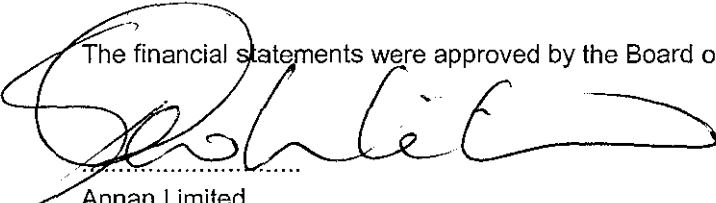
BALANCE SHEET
AS AT 31 DECEMBER 2005

	Notes	2005 €	2004 €
Fixed assets			
Tangible assets	7	3,077,144	3,072,144
Current assets			
Debtors	8	1,509	27,774
Cash at bank and in hand		120	333
		1,629	28,107
Creditors: amounts falling due within one year	9	(376,706)	(426,840)
Net current liabilities		(375,077)	(398,733)
Total assets less current liabilities		2,702,067	2,673,411
Capital and reserves			
Called up share capital	10	3,100,056	3,100,056
Profit and loss account	11	(397,989)	(426,645)
Shareholders' funds - equity interests	12	2,702,067	2,673,411

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 21/12/05


Annan Limited
Director

**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 applicable accounting standards.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.4 Foreign currency translation

The company's accounting records are maintained in Euros.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

2 Turnover

Turnover represents income derived from the company's principal activity.

3 Operating profit/(loss)	2005	2004
	€	€
Operating profit/(loss) is stated after charging:		
Accountancy	5,004	4,552
	<u> </u>	<u> </u>

SWANSIDE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

4	Other interest receivable and similar income	2005	2004
		€	€
	Bank interest received	184	52
	Other interest	-	1,775
	Profit on foreign exchange	-	395
		<u>184</u>	<u>2,222</u>
5	Interest payable and similar charges	2005	2004
		€	€
	On bank loans and overdrafts	362	2,482
	Other interest	991	-
	Loss on foreign exchange	501	-
		<u>1,854</u>	<u>2,482</u>
6	Taxation	2005	2004
		€	€
	Domestic current year tax		
	Corporation tax at 30.00% (2004 - 30.00%)	-	-
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>28,656</u>	<u>(21,527)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00% (2004: 30.00%)	<u>8,597</u>	<u>(6,458)</u>
	Effects of:		
	Tax losses utilised	(8,597)	-
	Losses not recognised for accounting purposes	-	6,458
		<u>(8,597)</u>	<u>6,458</u>
	Current tax charge	<u>-</u>	<u>-</u>

On the basis of these financial statements no provision has been made for corporation tax.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

7 Tangible fixed assets

	Investment properties €
Valuation	
At 1 January 2005	3,072,144
Additions	5,000
At 31 December 2005	3,077,144

The investment represents land and buildings in Rome, Italy.

The properties were valued on 12 May 2002 by Francesco Gioscia, an architect in the City of Rome. The properties were valued on an open market basis at €3,033,700.

8 Debtors	2005 €	2004 €
Trade debtors	-	382
Other debtors	1,509	27,392
	1,509	27,774

9 Creditors: amounts falling due within one year	2005 €	2004 €
Bank loans and overdrafts	18,010	38,071
Trade creditors	212,198	236,740
Corporation tax	12,179	12,179
Other creditors	122,224	121,274
Accruals and deferred income	12,095	18,576
	376,706	426,840

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

10 Share capital	2005 No.	2004 No.
Authorised		
10,000 ordinary £1 shares	10,000	10,000
6,000,000 ordinary € 0.5165 Shares	6,000,000	6,000,000
	<u>6,010,000</u>	<u>6,010,000</u>
Allotted, called up and fully paid	€	€
1,000 ordinary £1 shares	1,315	1,315
6,000,000 ordinary € 0.5165 Shares	3,098,741	3,098,741
	<u>3,100,056</u>	<u>3,100,056</u>

The ordinary £1 shares rank pari passu in all respects with the € 0.5165 shares.

11 Statement of movements on profit and loss account

Profit and
loss
account
€

Balance at 1 January 2005	(426,645)
Retained profit for the year	<u>28,656</u>
Balance at 31 December 2005	<u>(397,989)</u>

12 Reconciliation of movements in shareholders' funds

2005
€

2004
€

Profit/(Loss) for the financial year	28,656	(21,527)
Opening shareholders' funds	<u>2,673,411</u>	<u>2,694,938</u>
Closing shareholders' funds	<u>2,702,067</u>	<u>2,673,411</u>

13 Contingent liabilities

There were no known contingent liabilities as at the balance sheet date.

14 Capital commitments

There were no major capital commitments as at the balance sheet date

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
Administration and Management	2	1

Employment costs

	€	€
Wages and salaries	3,562	-
Social security costs	1,026	-
	4,588	-

16 Ultimate Controlling Party and Related Party Transactions

The director is aware of the identity of the ultimate controlling party. However, they are under a duty of confidentiality that prevents them from disclosing certain information otherwise required by Financial Reporting Standard 8. Therefore they have taken the exemption offered by the Standard in respect of confidentiality.