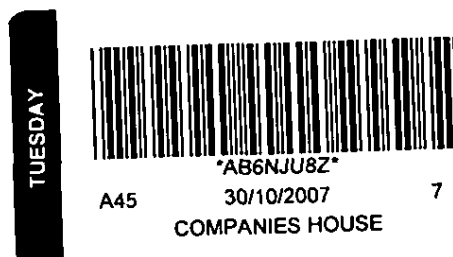


Company Registration No. 3225639 (England and Wales)

SWANSIDE PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

15684-A-2006

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



SWANSIDE PROPERTIES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

The director presents his report and financial statements for the year ended 31 December 2006

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

Directors

The following directors have held office since 1 January 2006

Denyebrooke Directors Limited (Appointed 26 June 2007)

Annan Limited (Resigned 26 June 2007)

The directors have no interest in the issued share capital of the company

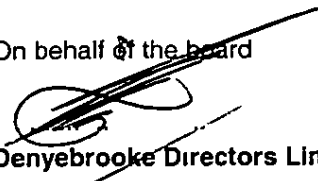
Statement of Director's responsibilities

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


Denyebrooke Directors Limited (Director)

Date: 16/10/07

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

We report on the accounts for the year ended 31 December 2006

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2006, 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

16/12/07

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 2006**

		2006	2005
	Notes	€	€
Turnover	2	115,881	114,607
Cost of sales		-	(14,705)
Gross profit		115,881	99,902
Administrative expenses		(31,652)	(69,576)
Operating profit	3	84,229	30,326
Other interest receivable and similar income	4	1,553	184
Interest payable and similar charges	5	(849)	(1,854)
Profit on ordinary activities before taxation		84,933	28,656
Tax on profit on ordinary activities	6	(6,593)	-
Profit for the year	11	78,340	28,656

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 2006

	Notes	2006 €	2005 €
Fixed assets			
Tangible assets	7	3,077,144	3,077,144
Current assets			
Debtors	8	33,175	1,509
Cash at bank and in hand		10,247	120
		<u>43,422</u>	<u>1,629</u>
Creditors: amounts falling due within one year	9	<u>(340,159)</u>	<u>(376,706)</u>
Net current liabilities		<u>(296,737)</u>	<u>(375,077)</u>
Total assets less current liabilities		<u>2,780,407</u>	<u>2,702,067</u>
Capital and reserves			
Called up share capital	10	3,100,056	3,100,056
Profit and loss account	11	<u>(319,649)</u>	<u>(397,989)</u>
Shareholders' funds	12	<u>2,780,407</u>	<u>2,702,067</u>

In preparing these financial statements

- 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,
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The director acknowledges his responsibilities for
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - 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

Approved by the Board and authorised for issue on 16/12/07


Denyebrooke Directors Limited
Director

SWANSIDE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention and in accordance with applicable financial reporting and 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

	2006 €	2005 €
Operating profit is stated after charging		
Accountancy	154	5,004

SWANSIDE PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006**

4	Investment income, other interest receivable and similar income	2006	2005
		€	€
	Bank interest	464	184
	Other interest	1,089	-
		<u>1,553</u>	<u>184</u>
		<u><u>1,553</u></u>	<u><u>184</u></u>
5	Interest payable and similar charges	2006	2005
		€	€
	On bank loans and overdrafts	174	362
	Other interest	675	991
	Loss on foreign exchange	-	501
		<u>849</u>	<u>1,854</u>
		<u><u>849</u></u>	<u><u>1,854</u></u>
6	Taxation	2006	2005
		€	€
	Domestic current year tax		
	Corporation tax at 30 00% (2005 - 30 00%)	6,593	-
		<u>6,593</u>	<u>-</u>
	Current tax charge	<u><u>6,593</u></u>	<u><u>-</u></u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	84,933	28,656
		<u>84,933</u>	<u>28,656</u>
	Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30 00% (2005 30 00%)	25,480	8,597
		<u>25,480</u>	<u>8,597</u>
	Effects of		
	Tax losses utilised	(18,887)	(8,597)
		<u>(18,887)</u>	<u>(8,597)</u>
		<u><u>(18,887)</u></u>	<u><u>(8,597)</u></u>
	Current tax charge	<u><u>6,593</u></u>	<u><u>-</u></u>

SWANSIDE PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006**

7 Tangible fixed assets

**Investment
properties
€**

Valuation

At 1 January 2006 & at 31 December 2006

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

**2006
€**

**2005
€**

Other debtors

32,498

1,509

Prepayments and accrued income

677

-

33,175

1,509

9 Creditors, amounts falling due within one year

**2006
€**

**2005
€**

Bank loans and overdrafts

-

18,010

Trade creditors

99,847

212,198

Corporation tax

18,772

12,179

Other creditors

152,831

122,224

Accruals and deferred income

68,709

12,095

340,159

376,706

SWANSIDE PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006**

10 Share capital	2006 No.	2005 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 2006	(397,989)
Profit for the year	78,340
	<u>(319,649)</u>
Balance at 31 December 2006	<u>(319,649)</u>

12 Reconciliation of movements in shareholders' funds	2006 €	2005 €
Profit for the financial year	78,340	28,656
Opening shareholders' funds	2,702,067	2,673,411
	<u>2,780,407</u>	<u>2,702,067</u>
Closing shareholders' funds	<u>2,780,407</u>	<u>2,702,067</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

SWANSIDE PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006**

15 Employees

Number of employees

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

	2006 Number	2005 Number
Administration and Management	-	2

Employment costs

	2006 €	2005 €
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.