

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005
FOR
SIETZ & PARTNER LIMITED**



Badger Hakim
Chartered Accountants and
Registered Auditors
10 Dover Street
London W1S 4LQ

SIETZ & PARTNER LIMITED

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for the Year Ended 31 December 2005

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SIETZ & PARTNER LIMITED

COMPANY INFORMATION for the Year Ended 31 December 2005

DIRECTOR:

Dr W Sietz

SECRETARY:

Ms I Christou

REGISTERED OFFICE:

C/O Badger Hakim
10 Dover Street
London
W1S 4LQ

REGISTERED NUMBER:

02710842 (England and Wales)

AUDITORS:

Badger Hakim
Chartered Accountants and
Registered Auditors
10 Dover Street
London W1S 4LQ

SIETZ & PARTNER LIMITED

REPORT OF THE DIRECTOR for the Year Ended 31 December 2005

The director presents his report with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of corporate finance advisory services. The company is authorised and regulated to carry on investment business by the Financial Services Authority.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

During the year the company paid interim dividends totalling €1,234,000 (2004 - €275,950) as follows:

On 15 March 2005 €147,000 (€445.45 per share)
On 30 April 2005 €157,000 (€364.27 per share)
On 12 December 2005 €740,000 (€2,283.95 per share)
On 13 December 2005 €40,000 (€121.21 per share)
On 14 December 2005 €150,000 (€454.55 per share)

In respect of each of the above distributions certain shareholders had waived their rights to dividend. The directors do not recommend the payment of a final dividend.

FIXED ASSETS

Details of the movements in fixed assets are given in the notes to these financial statements.

DIRECTOR

Dr W Sietz was the sole director during the year under review.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year €100,000 was donated to the Lotus Relief Charitable Trust (a United Kingdom registered charity).

REPORTING CURRENCY

The financial information in these financial statements is denominated in Euros.

The equivalent sterling conversion rates were;

At 31 December 2005 £1:€1.4530 average for year 2005 £1:€1.46271

At 31 December 2004 £1:€1.4125, average for year 2004 £1:€1.47477

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

SIETZ & PARTNER LIMITED

REPORT OF THE DIRECTOR for the Year Ended 31 December 2005

STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued

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.

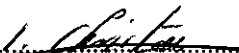
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Badger Hakim, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

..........

Ms I Christou - Secretary

Date: ..16.3.2005.....

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF SIETZ & PARTNER LIMITED

We have audited the financial statements of Sietz & Partner Limited for the year ended 31 December 2005 on pages five to thirteen. These financial statements have been prepared under the accounting policies set out therein.

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 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 director and auditors

As described on pages two and three the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is 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 Report of the Director 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 director's remuneration and other transactions is not disclosed.

We read the Report of the Director 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 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 as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



Badger Hakim
Chartered Accountants and
Registered Auditors
10 Dover Street
London W1S 4LQ

Date: 16/3/06

SIETZ & PARTNER LIMITED**PROFIT AND LOSS ACCOUNT**
for the Year Ended 31 December 2005

	Notes	2005 €	2004 €
TURNOVER	2	226,843	201,745
Administrative expenses		315,281	212,457
OPERATING LOSS	4	(88,438)	(10,712)
Income from fixed asset investments		3,907	5,661
Interest receivable and similar income		32,575	41,685
		36,482	47,346
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(51,956)	36,634
Tax on (loss)/profit on ordinary activities	5	(86,259)	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		34,303	36,634
RETAINED PROFIT FOR THE YEAR		34,303	36,634

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

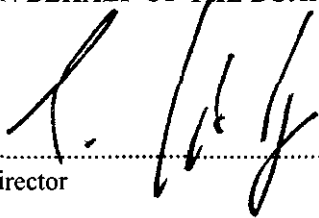
SIETZ & PARTNER LIMITED

BALANCE SHEET

31 December 2005

	Notes	2005 €	2004 €
FIXED ASSETS			
Tangible assets	7	1,768	951
CURRENT ASSETS			
Debtors	8	28,154	29,318
Investments	9	353,760	826,866
Cash at bank		260,642	1,018,881
		<u>642,556</u>	<u>1,875,065</u>
CREDITORS			
Amounts falling due within one year	10	91,980	123,975
NET CURRENT ASSETS		<u>550,576</u>	<u>1,751,090</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>552,344</u>	<u>1,752,041</u>
CAPITAL AND RESERVES			
Called up share capital	12	52,922	52,922
Share premium	13	66,429	66,429
Profit and loss account	13	432,993	1,632,690
SHAREHOLDERS' FUNDS	15	<u>552,344</u>	<u>1,752,041</u>

ON BEHALF OF THE BOARD:



 Director

Approved by the Board on 16th March 2006

The notes form part of these financial statements

SIETZ & PARTNER LIMITED

CASH FLOW STATEMENT for the Year Ended 31 December 2005

		2005	2004
	Notes	€	€
Net cash outflow from operating activities	1	(89,756)	(66,032)
Returns on investments and servicing of finance	2	36,482	47,346
Taxation		17,715	-
Capital expenditure and financial investment	2	520,052	125,974
Equity dividends paid		(1,234,000)	(275,950)
Decrease in cash in the period		<u>(749,507)</u>	<u>(168,662)</u>
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		(749,507)	(168,662)
Cash inflow from decrease in liquid resources		<u>(473,106)</u>	<u>(119,387)</u>
Change in net funds resulting from cash flows		<u>(1,222,613)</u>	<u>(288,049)</u>
Movement in net funds in the period		<u>(1,222,613)</u>	<u>(288,049)</u>
Net funds at 1 January		1,837,015	2,125,064
Net funds at 31 December		<u>614,402</u>	<u>1,837,015</u>

The notes form part of these financial statements

SIETZ & PARTNER LIMITED

NOTES TO THE CASH FLOW STATEMENT for the Year Ended 31 December 2005

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2005 €	2004 €
Operating loss	(88,438)	(10,712)
Depreciation charges	696	317
Investment gains	(48,459)	(7,854)
Decrease/(Increase) in debtors	1,164	(12,816)
Increase/(Decrease) in creditors	45,281	(34,967)
Net cash outflow from operating activities	(89,756)	(66,032)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2005 €	2004 €
Returns on investments and servicing of finance		
Interest received	32,575	41,685
Dividends received	3,907	5,661
Net cash inflow for returns on investments and servicing of finance	36,482	47,346
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,513)	(1,267)
Purchase of fixed asset investments	-	(102,759)
Sale of fixed asset investments	521,565	230,000
Net cash inflow for capital expenditure and financial investment	520,052	125,974

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/05 €	Cash flow €	At 31/12/05 €
Net cash:			
Cash at bank	1,018,881	(758,239)	260,642
Bank overdraft	(8,732)	8,732	-
	1,010,149	(749,507)	260,642
Liquid resources:			
Current asset investments	826,866	(473,106)	353,760
	826,866	(473,106)	353,760
Total	1,837,015	(1,222,613)	614,402

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2005

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into euros at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Current asset investments

Current asset investments are included at the lower of cost or market value at the balance sheet date.

2. TURNOVER

The turnover and loss (2004 - profit) before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	2005	2004
	€	€
Wages and salaries	53,486	54,657
Social security costs	5,936	6,029
	<u>59,422</u>	<u>60,686</u>

The average monthly number of employees during the year was as follows:

	2005	2004
Administration	<u>2</u>	<u>2</u>

SIETZ & PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2005

4. OPERATING LOSS

The operating loss is stated after charging:

	2005	2004
	€	€
Depreciation - owned assets	696	317
Auditors' remuneration	2,500	2,500
Auditors' remuneration for non audit work	21,999	17,667
Foreign exchange differences	5,792	728
	<u> </u>	<u> </u>
Director's emoluments	-	-
	<u> </u>	<u> </u>

5. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2005	2004
	€	€
Current tax:		
UK corporation tax	(86,259)	-
	<u> </u>	<u> </u>
Tax on (loss)/profit on ordinary activities	(86,259)	-
	<u> </u>	<u> </u>

6. DIVIDENDS

	2005	2004
	€	€
Equity shares:		
Final	1,234,000	275,950
	<u> </u>	<u> </u>

SIETZ & PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - *continued* for the Year Ended 31 December 2005

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings €
COST	
At 1 January 2005	51,997
Additions	1,513
	<u>53,510</u>
At 31 December 2005	<u>53,510</u>
DEPRECIATION	
At 1 January 2005	51,046
Charge for year	696
	<u>51,742</u>
At 31 December 2005	<u>51,742</u>
NET BOOK VALUE	
At 31 December 2005	<u>1,768</u>
At 31 December 2004	<u>951</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 €	2004 €
Trade debtors	25,017	21,927
Other debtors and prepayments	3,137	7,391
	<u>28,154</u>	<u>29,318</u>

9. CURRENT ASSET INVESTMENTS

	2005 €	2004 €
Listed investments	353,760	826,866

Market value of listed investments at 31 December 2005 - €353,760 (2004 - €826,866).

Cost of listed investments at 31 December 2005 - €359,320 (2004 - €1,076,925)

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 €	2004 €
Bank loans and overdrafts (see note 11)	-	8,732
Trade creditors	-	153
Tax	-	68,544
Social security and other taxes	15,595	15,563
Other creditors	49,510	16,012
Accrued expenses	26,875	14,971
	<u>91,980</u>	<u>123,975</u>

SIETZ & PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2005

11. LOANS

An analysis of the maturity of loans is given below:

	2005 €	2004 €
Amounts falling due within one year or on demand:		
Bank overdrafts	-	8,732

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005 £	2004 £
100,000	Ordinary	£1	100,000	100,000
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005 €	2004 €
33,019	Ordinary	£1	52,922	52,922

13. RESERVES

	Profit and loss account €	Share premium €	Totals €
At 1 January 2005	1,632,690	66,429	1,699,119
Retained profit for the year	34,303	-	34,303
Dividends	(1,234,000)	-	(1,234,000)
At 31 December 2005	432,993	66,429	499,422

14. RELATED PARTY DISCLOSURES

The company traded on normal commercial terms with Sietz and Partner AG & Co, a German limited partnership, in which the director has a material interest, and of which the company is the general partner.

At the year end €23,003 (2004: €19,914) was due from Sietz and Partner AG & Co.

At the year end, the sole director of the company was due €49,510 (2004: €16,012).

SIETZ & PARTNER LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 31 December 2005**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2005	2004
	€	€
Profit for the financial year	34,303	36,634
Dividends	(1,234,000)	(275,950)
Net reduction of shareholders' funds	(1,199,697)	(239,316)
Opening shareholders' funds	1,752,041	1,991,357
Closing shareholders' funds	552,344	1,752,041
 Equity interests	 552,344	 1,752,041

16. DEFERRED TAXATION

There is no material deferred taxation liability.