

GALLEON PROPERTIES LIMITED

Report and Financial Statements

31 December 2005



REPORT AND FINANCIAL STATEMENTS 2005

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REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
Development Securities Estates PLC

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Bressenden Place
London SW1E 5DS

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY AND REVIEW OF DEVELOPMENTS

The company's principal activity at present and for the foreseeable future is that of property investment. The company has not traded during the current and preceding financial years. The directors do not foresee any changes in the future activities of the company.

DIVIDENDS

The directors do not recommend the payment of a dividend (2004: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year and to date were as follows:

M H Marx
Development Securities Estates PLC

None of the directors had any interests in the shares of the company or any other group company during the year except as noted below.

The interests of M H Marx at 31 December 2005 and 31 December 2004 in the 50p ordinary shares of Development Securities PLC, the ultimate parent company, and the options granted to him under that company's share option scheme are disclosed in the 2005 Annual Report and Financial Statements of that company.

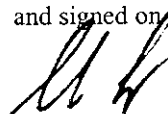
PAYMENT POLICY

Amounts due to suppliers are settled promptly by Development Securities PLC on behalf of the Company within their terms of payment, except in cases of dispute. The number of creditor days outstanding for Development Securities PLC at 31 December 2005 was one day (2004: one day).

AUDITORS

The company has been dormant throughout the current and preceding financial years and no members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

Approved by the Board of Directors
and signed on behalf of the Board



S A Lanes
Secretary

30 October 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year 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 that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BALANCE SHEET
31 December 2005

	Note	2005 £	2004 £
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	3	1,313,749	1,313,749
CREDITORS: amounts falling due within one year	4	<u>(119,079)</u>	<u>(119,079)</u>
NET CURRENT ASSETS		<u>1,194,670</u>	<u>1,194,670</u>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Profit and loss account		<u>1,194,668</u>	<u>1,194,668</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1,194,670</u>	<u>1,194,670</u>

For the year ended 31 December 2005 the company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The directors acknowledge their responsibility for: (i) Ensuring the company keeps accounting records which comply with section 221; and (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on **30** October 2006.

Signed on behalf of the Board of Directors


M H Marx
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

1 ACCOUNTING POLICY

Basis of accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The accounting policies adopted are consistent with the previous year.

2 PROFIT & LOSS ACCOUNT

The company did not trade during the current or preceding financial year and made neither a profit nor a loss. There are no recognised gains or losses or movements in shareholders' funds for the current or preceding financial year.

M H Marx did not receive any emoluments from the company during the year (2004: £nil) for his services as director.

The company does not have any employees (2004: nil).

3 DEBTORS

	2005 £	2004 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>1,313,749</u>	<u>1,313,749</u>

4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Amounts owed to ultimate parent company	84,290	84,290
Amounts owed to group undertakings	<u>34,789</u>	<u>34,789</u>
	<u>119,079</u>	<u>119,079</u>

5 CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

6 ULTIMATE AND IMMEDIATE CONTROLLING PARTIES

The ultimate parent and controlling company of the largest group of which Galleon Properties Limited is a member and for which consolidated accounts are produced is Development Securities PLC. The immediate parent company of the smallest group of which Galleon Properties Limited is a member and for which consolidated accounts are produced is Development Securities (Investments) PLC. Both companies are registered in England and Wales. Copies of the Annual Report and Financial Statements of Development Securities PLC and Development Securities (Investments) PLC can be obtained from Portland House, Bressenden Place, London SW1E 5DS.

7 RELATED PARTY DISCLOSURE

The company is a wholly owned subsidiary undertaking and, in accordance with the exemption provided by Financial Reporting Standard No. 8, "Related Party Disclosures," transactions with other undertakings within the Development Securities PLC group have not been disclosed within these financial statements.