

Company Registration No. 2769849 (England and Wales)

GENESIS VENTURES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

02462-B-2005

Registered Office
6th Floor, 94 Wigmore Street
London

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GENESIS VENTURES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2005

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

Principal activity

The principal activity of the company is that of an investment 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 4.

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

Directors

The following directors have held office since 1 January 2005:

B.P. Cocksedge

J A Tabone

(Resigned 22 September 2006)

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

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

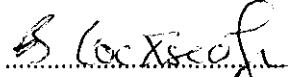
Statement of Director's responsibilities

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 her to ensure that the financial statements comply with the Companies Act 1985. She 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



B.P. Cocksedge (Director)

Date: 24.3.07

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

5th Floor, 86 Jermyn St, London SW1Y 6AW
Telephone: +44 (0) 207 930 711 Facsimile: +44 (0) 207 930 744
E-mail: audit@matthew-edwards.com

GENESIS VENTURES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GENESIS VENTURES LIMITED

We have audited the financial statements of Genesis Ventures Limited for the year ended 31 December 2005 set out on pages 4 to 11. 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 the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Companies Act 1985. We also report to you if, in our opinion, the director's report 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Director's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

GENESIS VENTURES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF GENESIS VENTURES LIMITED

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 loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements. The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of the ultimate beneficial shareholder. The financial statements do not include any adjustments that would result from a change to that basis. Our opinion is not qualified in this respect.

Matthew Edwards & Co.

Matthew Edwards & Co.

24.3.07
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Chartered Accountants

Registered Auditor

86 Jermyn Street

St. James

London

England

SW1Y 6AW

GENESIS VENTURES LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005 £	2004 £
Administrative expenses		(7,624)	(4,710)
Operating loss	2	<u>(7,624)</u>	<u>(4,710)</u>
Other interest receivable and similar income	3	1,015	-
Interest payable and similar charges	4	-	(257)
Loss on ordinary activities before taxation		<u>(6,609)</u>	<u>(4,967)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the year	9	<u><u>(6,609)</u></u>	<u><u>(4,967)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GENESIS VENTURES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 £	2004 £
Loss for the financial year	(6,609)	(4,967)
Currency translation differences on foreign currency loans	15,117	-
Currency translation differences on foreign currency investments	(15,117)	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>(6,609)</u>	<u>(4,967)</u>

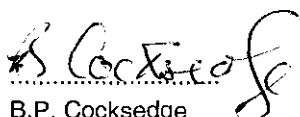
GENESIS VENTURES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Investments	6		846,899		862,016
Current assets					
Cash at bank and in hand		44		46	
Creditors: amounts falling due within one year	7	<u>(583,011)</u>		<u>(591,521)</u>	
Net current liabilities			<u>(582,967)</u>		<u>(591,475)</u>
Total assets less current liabilities			<u>263,932</u>		<u>270,541</u>
Capital and reserves					
Called up share capital	8		300,000		300,000
Profit and loss account	9		<u>(36,068)</u>		<u>(29,459)</u>
Shareholders' funds	10		<u>263,932</u>		<u>270,541</u>

Approved by the Board and authorised for issue on 24.3.07



B.P. Cocksedge
Director

GENESIS VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

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 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

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 Pounds Sterling.

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.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating loss	2005	2004
	£	£
Operating loss is stated after charging:		
Auditors' remuneration	3,466	2,115
	<u> </u>	<u> </u>
 3 Investment income, other interest receivable and similar income	 2005	 2004
	£	£
Profit on foreign exchange	1,015	-
	<u> </u>	<u> </u>
	<u>1,015</u>	<u>-</u>

GENESIS VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

4	Interest payable and similar charges	2005	2004
		£	£
	Loss on foreign exchange	-	257
		<u>-</u>	<u>257</u>
		<u><u>-</u></u>	<u><u>257</u></u>
5	Taxation	2005	2004
		£	£
	Domestic current year tax		
	Corporation tax at 30.00% (2004 - 30.00%)	-	-
		<u>-</u>	<u>-</u>
	Current tax charge	<u><u>-</u></u>	<u><u>-</u></u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(6,609)	(4,967)
		<u>(6,609)</u>	<u>(4,967)</u>
	Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00% (2004: 30.00%)	(1,983)	(1,490)
		<u>(1,983)</u>	<u>(1,490)</u>
	Effects of:		
	Losses not recognised for accounting purposes	1,983	1,490
		<u>1,983</u>	<u>1,490</u>
		<u><u>1,983</u></u>	<u><u>1,490</u></u>
	Current tax charge	<u><u>-</u></u>	<u><u>-</u></u>

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

GENESIS VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2005	862,016
Revaluation	(15,117)
At 31 December 2005	846,899
Net book value	
At 31 December 2005	846,899
At 31 December 2004	862,016

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
S.C.I. du Chateau de Berville	France	Ordinary	99.90

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2005 £	Profit/(Loss) for the year 2005 £
S.C.I. du Chateau de Berville	Principal activity Property holding company	(2,857,947)	(775,303)

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Other creditors	576,505	586,363
Accruals and deferred income	6,506	5,158
	583,011	591,521

GENESIS VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

8 Share capital	2005 No.	2004 No.
Authorised		
300,000 ordinary shares of £1 each	300,000	300,000
	2005 £	2004 £
Allotted, called up and fully paid		
300,000 ordinary shares of £1 each	300,000	300,000

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2005	(29,459)
Loss for the year	(6,609)
Balance at 31 December 2005	(36,068)

10 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Loss for the financial year	(6,609)	(4,967)
Net depletion in shareholders' funds	(6,609)	(4,967)
Opening shareholders' funds	270,541	275,508
Closing shareholders' funds	263,932	270,541

11 Contingent liabilities

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

12 Capital commitments

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

13 Employees

Number of employees

There were no employees during the year apart from the directors, who received no remuneration.

GENESIS VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

14 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.