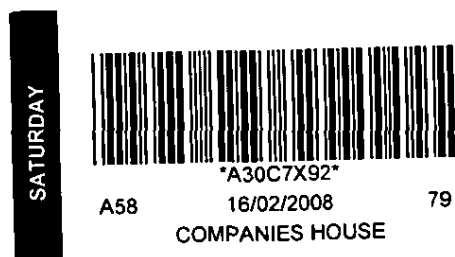


GENESIS VENTURES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006



02462-B-2006

Registered Office
6th Floor, 94 Wigmore Street
London

GENESIS VENTURES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

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

Principal activities and review of the business

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

The directors consider 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 2006

J A Tabone

(Resigned 22 September 2006)

B P Cocksedge

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

Director's responsibilities

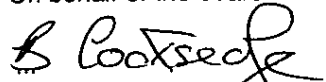
The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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 **29-1-08**



5th Floor, 86 Jermyn St, London SW1Y 6AW
Telephone +44 (0) 207 930 7111 facsimile +44 (0) 207 930 7444
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 2006 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

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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 whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 director's report 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.

PARTNERS

N MORRIS B A (Hons) FCA • M WICKERS LLB FCA

Registered to carry on audit work and regulated for a range of investment business activities by The Institute of Chartered Accountants in England & Wales

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 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the director's report is consistent with the financial statements

Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements. The financial statements have been prepared on a going concern basis, the validity of which depends on 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

Chartered Accountants
Registered Auditor

29 1 08

86 Jermyn Street
St James
London
England
SW1Y 6AW

GENESIS VENTURES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Administrative expenses		(6,085)	(7,624)
Operating loss	2	(6,085)	(7,624)
Other interest receivable and similar income	3	1,381	1,015
Amounts written off investments	4	(836,228)	-
Loss on ordinary activities before taxation		(840,932)	(6,609)
Tax on loss on ordinary activities	5	-	-
Loss for the year	9	(840,932)	(6,609)

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

GENESIS VENTURES LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	£	£
Loss for the financial year	(840,932)	(6,609)
Currency translation differences on foreign currency loans	10,670	15,117
Currency translation differences on foreign currency investments	(10,670)	(15,117)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(840,932)	(6,609)
	<hr/>	<hr/>

GENESIS VENTURES LIMITED

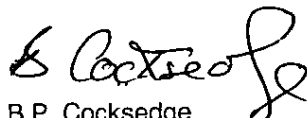
BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Investments	6		1	846,899	
Current assets					
Cash at bank and in hand		44		44	
Creditors: amounts falling due within one year	7	<u>(577,045)</u>		<u>(583,011)</u>	
Net current liabilities			<u>(577,001)</u>		<u>(582,967)</u>
Total assets less current liabilities			<u>(577,000)</u>		<u>263,932</u>
Capital and reserves					
Called up share capital	8		300,000		300,000
Profit and loss account	9		<u>(877,000)</u>		<u>(36,068)</u>
Shareholders' funds	10		<u>(577,000)</u>		<u>263,932</u>

Approved by the Board and authorised for issue on

29.11.08



B P Cocksedge
Director

GENESIS VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention

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	2006	2005
		£	£
	Operating loss is stated after charging		
	Auditors' remuneration	1,700	3,466
		<u>1,700</u>	<u>3,466</u>
3	Investment income	2006	2005
		£	£
	Profit on foreign exchange	1,381	1,015
		<u>1,381</u>	<u>1,015</u>

GENESIS VENTURES LIMITED

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

4	Amounts written off investments	2006 £	2005 £
	Amounts written off fixed asset investments		
	- temporary diminution in value	836,228	-
5	Taxation	2006 £	2005 £
	Domestic current year tax		
	U K corporation tax	-	-
	Current tax charge		
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(840,932)	(6,609)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	(252,280)	(1,983)
	Effects of		
	Non deductible expenses	250,868	-
	Losses not recognised for accounting purposes	1,412	1,983
		252,280	1,983
	Current tax charge		

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 2006

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2006	846,899
Revaluation	(10,670)
	<hr/>
At 31 December 2006	836,229
	<hr/>
Provisions for diminution in value	
At 1 January 2006	-
Charge for the year	836,228
	<hr/>
At 31 December 2006	836,228
	<hr/>
Net book value	
At 31 December 2006	1
	<hr/>
At 31 December 2005	846,899
	<hr/>

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 2006 £	Profit/(loss) for the year 2006 £
	Principal activity		
S C I du Chateau de Berville	Property holding company	(3,700,039)	(909,577)
		<hr/>	<hr/>

GENESIS VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

7	Creditors' amounts falling due within one year	2006 £	2005 £
	Other creditors	569,901	576,505
	Accruals and deferred income	7,144	6,506
		<u>577,045</u>	<u>583,011</u>
8	Share capital	2006 No	2005 No.
	Authorised		
	300,000 ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>
	Allotted, called up and fully paid	£	£
	300,000 ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>
9	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 January 2006		(36,068)
	Loss for the year		<u>(840,932)</u>
	Balance at 31 December 2006		<u>(877,000)</u>
10	Reconciliation of movements in shareholders' funds	2006 £	2005 £
	Loss for the financial year	(840,932)	(6,609)
	Opening shareholders' funds	<u>263,932</u>	<u>270,541</u>
	Closing shareholders' funds	<u>(577,000)</u>	<u>263,932</u>
11	Contingent liabilities		
	There were no known contingent liabilities at the balance sheet date		
12	Capital commitments		
	There were no major capital commitments at the balance sheet date		

GENESIS VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

13 Employees

There were no employees during the current year and the previous period apart from the directors who received no remuneration

14 Related party transactions

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