

Company Registration No. 3423143

STONEHORSE PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

18592-A-2005

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



STONEHORSE PROPERTIES 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 3.

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

Directors

The following directors have held office since 1 January 2005:

A M Taylor	(Resigned 1 February 2005)
B.P. Cocksedge	(Appointed 1 February 2005)

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:

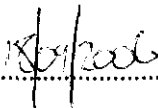
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 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: 

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

We report on the accounts for the year ended 31 December 2005.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2005, 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

18/09/06

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. 962598

Directors: B.A. Safa, M. Marano, R.J. Wise

Internet: www.fortisintertrust.com, E-mail: mail@fortisintertrust.com

STONEHORSE PROPERTIES LIMITED

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

		Year ended 31 December 2005 €	Year ended 31 December 2004 €
	Notes		
Administrative expenses		(7,490)	(4,487)
Operating loss	2	(7,490)	(4,487)
Investment income	3	411,289	27,257
Other interest receivable and similar income	3	5,729	15
Interest payable and similar charges	4	(234)	(640)
Profit on ordinary activities before taxation		409,294	22,145
Tax on profit on ordinary activities	5	(169,563)	(331)
Profit on ordinary activities after taxation	10	239,731	21,814

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.

STONEHORSE PROPERTIES LIMITED

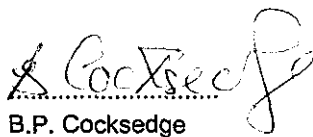
**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Notes	2005 €	€	2004 €	€
Fixed assets					
Investments	6		1,525		1,525
Current assets					
Debtors	7	-		624,836	
Cash at bank and in hand		986,148		-	
		<u>986,148</u>		<u>624,836</u>	
Creditors: amounts falling due within one year	8	<u>(644,439)</u>		<u>(522,858)</u>	
Net current assets			341,709		101,978
Total assets less current liabilities			<u>343,234</u>		<u>103,503</u>
Capital and reserves					
Called up share capital	9		1,500		1,500
Profit and loss account	10		341,734		102,003
Shareholders' funds - equity interests	11		<u>343,234</u>		<u>103,503</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 her 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.

The financial statements were approved by the Board on 18/01/06


B.P. Cocksedge
Director

STONEHORSE PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

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 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.

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:		
Accountancy	1,236	1,089
	<u> </u>	<u> </u>
3 Income from investments, other interest receivable and similar income	2005	2004
	€	€
Income from subsidiary undertakings	411,289	27,257
Bank interest received	5,729	-
Other interest	-	15
	<u> </u>	<u> </u>
	<u>417,018</u>	<u>27,272</u>

STONEHORSE PROPERTIES 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	234	640
		<u>234</u>	<u>640</u>
5	Taxation	2005	2004
		€	€
	Domestic current year tax		
	Corporation tax at 28.33% (2004 - 16.16%)	115,959	3,580
	Adjustment for prior years	-	(3,249)
	Double taxation relief	(115,959)	-
		<u>-</u>	<u>331</u>
	Foreign corporation tax		
	Foreign tax suffered	169,563	-
	Current tax charge	<u>169,563</u>	<u>331</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>409,294</u>	<u>22,145</u>
	Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 28.33% (2004: 16.16%)	<u>115,959</u>	<u>3,580</u>
	Effects of:		
	Adjustments to previous periods	-	(3,249)
	Double taxation relief	(115,959)	-
	Foreign tax suffered	169,563	-
		<u>53,604</u>	<u>(3,249)</u>
	Current tax charge	<u>169,563</u>	<u>331</u>

STONEHORSE PROPERTIES 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 & at 31 December 2005	1,525
Net book value	
At 31 December 2005	1,525
At 31 December 2004	1,525

Holdings of 20% or more

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
SCI Voltaire Immobilier	France	Ordinary	98.00

Financial Results

In relation to holdings of 20% or more, 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	Profit/(Loss) for the year
	Principal activity	€	€
SCI Voltaire Immobilier	Property Developer	441,989	511,401

The above information is based on the accounts for the year ended 30 June 2005.

7 Debtors	2005 €	2004 €
Other debtors	-	624,836

STONEHORSE PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005**

8	Creditors: amounts falling due within one year	2005	2004
		€	€
	Corporation tax	169,563	3,580
	Other creditors	469,343	517,270
	Accruals and deferred income	5,533	2,008
		<u>644,439</u>	<u>522,858</u>
9	Share capital	2005	2004
		No.	No.
	Authorised		
	100,000 ordinary £1 shares	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid	€	€
	1,000 ordinary £1 shares	<u>1,500</u>	<u>1,500</u>
10	Statement of movements on profit and loss account		Profit and loss account €
	Balance at 1 January 2005		102,003
	Retained profit for the period		<u>239,731</u>
	Balance at 31 December 2005		<u>341,734</u>
11	Reconciliation of movements in shareholders' funds	2005	2004
		€	€
	Profit for the financial year	239,731	21,814
	Opening shareholders' funds	<u>103,503</u>	<u>81,689</u>
	Closing shareholders' funds	<u>343,234</u>	<u>103,503</u>
12	Contingent liabilities		
	There were no known contingent liabilities as at the balance sheet date.		
13	Capital commitments		
	There were no major capital commitments as at the balance sheet date		

STONEHORSE PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005**

14 Employees

Number of employees

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

15 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.