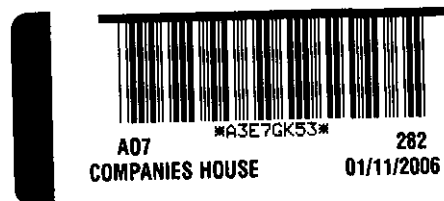


ThinkSmart Europe Limited

Report and Financial Statements

For the 18-Month Period Ended 31 December 2005

Company Number: 4610727



THINKSMART EUROPE LIMITED
CONTENTS TO FINANCIAL STATEMENTS

| | |
|--|---|
| Income Statement for the years ended 31 December 2005 and 30 June 2004 | 2 |
| Balance Sheet as at 31 December 2005 and 30 June 2004 | 2 |
| Notes to the Financial Statements | 4 |

On 7 September 2004 a 225 was registered with Companies House extending the Company's Accounting Reference Period to the end on 31 December 2005. The Company's Accounting Reference Date (ARD) is now 31 December

The above amendments to the ARD mean that the Company must deliver accounts to the Registrar for the period 1 July 2004 to 31 December 2005. Accordingly, the following financial financial statements represent that 18-month period

THINKSMART EUROPE LIMITED

INCOME STATEMENT

For the years ended 31 December 2005 and 30 June 2004

| | Note | 2005 £ | 2004 £ |
|--------------------------------|------|-----------|-----------|
| Income | | - | - |
| Total operating income | | - | - |
| Expenses | | | |
| Management fee | | 27,290 | - |
| Operating profit/(loss) | | (27,290) | - |
| Tax on profit/(loss) | | - | - |
| Retained loss | | (27,290) | - |

BALANCE SHEET

As at 31 December 2005 and 30 June 2004

| | Note | 2005 £ | 2004 £ |
|------------------------------------|------|-----------|-----------|
| Fixed assets | | | |
| Investment in RentSmart Limited | 1 | 750,000 | 750,000 |
| Current assets | | | |
| Cash at bank and on hand | | 1 | 1 |
| Total assets | | 750,001 | 750,001 |
| Non Current-Liabilities | | | |
| Loan from the RentSmart Unit Trust | 2 | 777,290 | 750,000 |
| Retained profit/(loss) | | (27,290) | - |
| Total liabilities | | 750,000 | 750,000 |
| NET ASSETS | | 1 | 1 |
| Called up Share Capital | 3 | 1 | 1 |
| SHAREHOLDERS' FUNDS | | 1 | 1 |

The notes on page 4 form part of the financial statements.

For the financial period ended on 31 December 2005, the Company was entitled to exemption under Section 249A (1) of the Companies Act 1985 (the "Act") from the requirement to have its accounts audited.

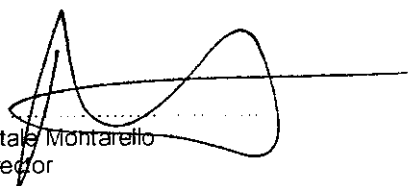
The Members of the Company have not required the Company to obtain an audit of its accounts for the financial period ended on 31 December 2005 in accordance with Section 249B (2) of the Act

The Directors acknowledge their responsibility for:

- ensuring that the Company keeps accounting records which comply with Section 221 of the Act, and
- preparing Accounts which give a true and fair view of state of affairs of the Company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the Company

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small/medium companies.

Approved by NATALE MONTARELLO on


Natale Montarello
Director

THINKSMART EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 December 2005 and 30 June 2004

1. Accounting Policies Fixed Asset Investments

Fixed asset investments are stated at cost unless, in the opinion of the Directors, there has been an impairment, in which case an appropriate adjustment is made.

2. Fixed Asset Investments

| | 2005 £ | 2004 £ |
|-------------|-----------|-----------|
| Investments | 750,000 | 750,000 |

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| | Proportion Held % |
|--------------------------|----------------------|
| Rentsmart Limited | |
| Ordinary Shares | 50.0% |
| Preference Shares | 73.6% |

3. Non Current Liabilities

Loan from the RentSmart Unit Trust

The loan from the RentSmart Unit Trust (for which RentSmart Pty Ltd, ThinkSmart Europe Limited's immediate parent company, acts as trustee) relates to the acquisition of the investment in RentSmart Limited. The loan has no fixed repayment date and is not interest bearing.

4. Share Capital

| | 2005 £ | 2004 £ |
|--|-----------|-----------|
| Authorised | | |
| 100 Ordinary Shares of £1 each | 100 | 100 |
| Alotted, called up & fully paid | | |
| Ordinary Shares of £1 each | 1 | 1 |

5. Parent Undertaking

The Company's immediate parent company is RentSmart Pty Ltd and its ultimate parent company is ThinkSmart Limited, both of which are incorporated in Australia. ThinkSmart Limited is the largest group in which the results of ThinkSmart Europe Limited are included. Copies of these group accounts are available to the public and may be obtained from their offices at Level 1, The West Centre, 1260 Hay Street, West Perth, Western Australia, Australia 6005.