

COMPANY REGISTRATION NUMBER 05007854

PALLADO LIMITED
UNAUDITED ACCOUNTS
31 DECEMBER 2005



PALLADO LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	Mr H. Wiebe
Company secretary	St. James services Limited
Registered office	10 Orange Street London WC2H 7DQ

PALLADO LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2005

The director has pleasure in presenting his report and the unaudited accounts of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were consulting services for the building industry and related business.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company were as follows:

	Ordinary Shares of €1 each	
	At	At
	31 December 2005	1 January 2005
Mr H. Wiebe	-	-

SMALL COMPANY PROVISIONS


This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
10 Orange Street
London
WC2H 7DQ

Signed by order of the director

ST. JAMES SERVICES LIMITED
Company Secretary

Approved by the director on 25.08.2006



For and on behalf of
St. James's Services Limited

PALLADO LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005

		Year to 31 Dec 05 €	Period from 6 Jan 04 to 31 Dec 04 €
TURNOVER		563,130	500,361
Cost of sales		270,985	252,136
GROSS PROFIT		292,145	248,225
Administrative expenses		81,140	57,507
OPERATING PROFIT	2	211,005	190,718
Interest receivable		3,769	597
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		214,774	191,315
Tax on profit on ordinary activities	3	78,450	69,883
PROFIT FOR THE FINANCIAL YEAR		136,324	121,432
Balance brought forward		121,432	—
Balance carried forward		257,756	121,432

The notes on pages 5 to 7 form part of these accounts.

PALLADO LIMITED

BALANCE SHEET

31 DECEMBER 2005

	Note	2005 €	2004 €
FIXED ASSETS			
Tangible assets	4	20,442	6,960
CURRENT ASSETS			
Stocks		4,918	—
Debtors	5	220,813	86,934
Cash at bank		276,926	209,437
		<u>502,657</u>	<u>296,371</u>
CREDITORS: Amounts falling due within one year	6	<u>255,093</u>	<u>171,649</u>
NET CURRENT ASSETS		<u>247,564</u>	<u>124,722</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>268,006</u>	<u>131,682</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	10,250	10,250
Profit and loss account		257,756	121,432
SHAREHOLDERS' FUNDS		<u>268,006</u>	<u>131,682</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 the Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These accounts were approved and signed by the director on 25.08.2006

MR H. WIEBE
Director



The notes on pages 5 to 7 form part of these accounts.

PALLADO LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost. Assets with acquisition costs of less than €410 each were written off immediately. The acquisition costs of those assets amounted to €1,376 (2004 - €800) in total.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment - between 3 and 8 years on the straight line basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Accounting currency

The company uses euros as its base currency and the accounts are prepared in euros.

2. OPERATING PROFIT

Operating profit is stated after charging:

	Year to 31 Dec 05 €	Period from 6 Jan 04 to 31 Dec 04 €
Director's emoluments	—	—
Depreciation of owned fixed assets	<u>5,556</u>	<u>2,102</u>

PALLADO LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

3. TAXATION ON ORDINARY ACTIVITIES

	Year to 31 Dec 05 €	Period from 6 Jan 04 to 31 Dec 04 €
Foreign tax		
Current tax on income for the year	78,450	69,883
Total current tax	<u>78,450</u>	<u>69,883</u>

4. TANGIBLE FIXED ASSETS

	Office equipment €
COST	
At 1 January 2005	8,262
Additions	19,038
At 31 December 2005	<u>27,300</u>
DEPRECIATION	
At 1 January 2005	1,302
Charge for the year	5,556
At 31 December 2005	<u>6,858</u>
NET BOOK VALUE	
At 31 December 2005	<u>20,442</u>
At 31 December 2004	<u>6,960</u>

5. DEBTORS

	2005 €	2004 €
Trade debtors	84,647	85,235
Other debtors	136,166	1,699
	<u>220,813</u>	<u>86,934</u>

6. CREDITORS: Amounts falling due within one year

	2005 €	2004 €
Trade creditors	1,312	4,801
Other creditors	253,781	166,848
	<u>255,093</u>	<u>171,649</u>

PALLADO LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

7. RELATED PARTY TRANSACTIONS

The company was under the control of Dr. Justus Fischer-Zernin of Hamburg throughout the current period and he is the owner of all of the company's shares.

As a member of the German law firm 'Hammerstein und Partner/Hanselaw' / Hamburg, Dr. Justus Fischer-Zernin is providing legal consulting services to the company. The total amount of legal fees charged to the company for such services by the shareholder was €5,359 (2004 €6,555).

No further transactions with related parties were undertaken such as are required to be disclosed under the FRESSE.

8. SHARE CAPITAL

Authorised share capital:

	2005	2004
	€	€
10,250 Ordinary shares of €1 each	<u>10,250</u>	<u>10,250</u>

Allotted, called up and fully paid:

	2005		2004
	No	€	No
			€
Ordinary shares of €1 each	<u>10,250</u>	<u>10,250</u>	<u>10,250</u>