

Registered number
5157375

MEDSEA UK LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007



MEDSEA UK LIMITED

COMPANY INFORMATION

Directors

Tony Gatehouse
Juan Carlos Rodriguez Martinez
Graham Jeffs

Secretary

Robert MacDonald Watson

Auditor

Spofforths LLP
1 Horsham Gates
North Street
Horsham
West Sussex
RH13 5PJ

Registered office

85 Elsenham Street
London
England
SW18 5NX

Registered number

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MEDSEA UK LIMITED

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MEDSEA UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities

The company's principal activity during the year was to act as a holding company for an investment in Medsea Group SL. The company has not traded in the year and is therefore dormant

Directors

The directors who served during the year were as follows

Tony Gatehouse
Juan Carlos Rodriguez Martinez
Graham Jeffs

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors 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 for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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

This report was approved by the board on 17.01.08 and signed on behalf of the board by



Graham Jeffs
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

MEDSEA UK LIMITED

We have audited the financial statements of Medsea UK Ltd for the year ended 31 December 2007 which comprise the Balance Sheet and the related notes. 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 directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Directors' 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' 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 directors 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 accounts 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.


INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

MEDSEA UK 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 2007 and of its result for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Spofforths LLP
Chartered Accountants and Registered Auditors
1 Horsham Gates
North Street
Horsham
West Sussex
RH13 5PJ

30 July 2008

MEDSEA UK LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2007**

	Notes	£	2007 £	£	2006 £
Fixed assets					
Investments	2		2,365		2,365
			2,365		2,365
Capital and reserves					
Called up share capital	3		100		100
Merger reserve	4		2,275		2,275
Profit and loss account	5		(10)		(10)
	6		2,365		2,365

Approved by the board on 17.07.08 and signed on behalf of the board by



Graham Jeffs
Director

MEDSEA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

1 Principal accounting policies

Basis of accounting

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

Consolidation

The company is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985 as its results for the year are included in the consolidated financial statements of a larger group headed by Medsea Estates Group PLC, a parent undertaking established under the law of a member state of the European Union. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2 Investments

	Investments in subsidiary undertaking £
Cost	
At beginning of year	2,365
At end of year	2,365

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

Name	Proportion of voting rights and shares held	Nature of business	Post-tax profit/(loss) for year to 31.12.07 £'000	Capital and reserves as at 31.12.07 £'000
Medsea Group SL	100%	Agent for property sales	80	2,707
Medsea Estates Torrevieja SL	100%	Agent for property sales	(391)	(92)
Property Market SL	100%	Agent for property sales	(33)	(59)
Medsea Estates Costa Blanca SL	100%	Agent for property sales	(110)	(104)
Medsea Estates Almeria SL	100%	Agent for property sales	(179)	(106)
Euromed Investments SL	95%	Promoter for property sales	(124)	(351)
Medsea Estates Costa Tropical SL	100%	Agent for property sales	(58)	(148)
Medsea Financial Services SL	100%	Agent for financial products	(17)	(3)
Bishop Properties SL	50%	Promoter for property sales	-	8
Italian Connection SL	100%	Agent for property sales	(370)	(420)
Nuevas Gestion Mediterraneo SL	50%	Property furnishings	-	15

All the above companies are incorporated in Spain

Italian Connection SRL	100%	Agent for property sales	30	33
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The above company is incorporated in Italy

MEDSEA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

2 Investments continued

Profile Spain Ltd	100%	Agent for property sales	(86)	(469)
Profile Italy Ltd	100%	Dormant	-	-
Profile Overseas Ltd	100%	Dormant	-	-

The above companies is incorporated in the UK

Investments in companies incorporated in Spain for which there is no requirement to publish accounts are

Eurobond Investments SL	30%	Promoter for property sales
Nuevas Inversiones del Mediterraneo SL	24%	Promoter for property sales

3 Share capital

			2007	2006
			£	£
Authorised				
Ordinary shares of 0 1p each			<u>1,000</u>	<u>1,000</u>
	2007	2006	2007	2006
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of 0 1p each	<u>100,000</u>	<u>100,000</u>	<u>100</u>	<u>100</u>

4 Reserves

			Merger Reserve £
At beginning of year			<u>2,275</u>
At end of year			<u>2,275</u>

5 Profit and loss account

		2007	2006
		£	£
At beginning and end of the year		<u>(10)</u>	<u>(10)</u>
At end of year		<u>(10)</u>	<u>(10)</u>

6 Reconciliation of movement in shareholders' funds

		2007	2006
		£	£
At beginning and end of the year		<u>2,365</u>	<u>2,365</u>
At end of year		<u>2,365</u>	<u>2,365</u>

MEDSEA UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

7 Related parties

Medsea Estates Group PLC is the ultimate parent company

Tony Gatehouse is a director of Medsea UK limited and is the ultimate controlling shareholder of Medsea Estates Group PLC