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PARAMOUNT GROUP LIMITED
ABBREVIATED ACCOUNTS
31 DECEMBER 2005



PARAMOUNT GROUP LIMITED

ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

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PARAMOUNT GROUP LIMITED
COMPANY INFORMATION

The board of directors

A D Jones
S S Jones
L C Glennan
C J Anstee

Company secretary

A D Jones

Registered office

35 Westgate
Huddersfield
HD1 1PA

Auditors

Wheawill & Sudworth
35 Westgate
Huddersfield
HD1 1PA

Solicitors

Clarke Willmott
138 Edmund Street
Birmingham
B3 2ES

PARAMOUNT GROUP LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

The directors present their report and the accounts of the company for the period from 1 October 2004 to 31 December 2005.

Principal activity and business review

The principal activity of the company during the period was that of independent financial advisors. The company began trading on 1 February 2005.

The directors consider the company's state of affairs to be satisfactory.

Results and dividends

The results for the period are set out in the profit and loss account on page 5.

The directors have recommended the following dividends:

Dividends paid on ordinary shares	£ <u>216,679</u>
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The directors and their interests

The directors who held office during the period and their beneficial interest in the issued share capital of the company at the end of the period and at the beginning of the period were as follows:

	Class of share	At 31 December 2005	At 1 October 2004 or later date of appointment
A D Jones	£1 'B' Ordinary Shares	25,000	-
S S Jones	£1 'A' Ordinary Shares	25,000	-
L C Glennan	£1 'C' Ordinary Shares	25,000	-
C J Anstee	£1 'D' Ordinary Shares	<u>25,000</u>	<u>-</u>

A D Jones was appointed as a director on 7 October 2004.

S S Jones was appointed as a director on 7 October 2004.

L C Glennan was appointed as a director on 7 October 2004.

C J Anstee was appointed as a director on 1 March 2005.

H C Hilton resigned as a director on 7 October 2004.

Directors' responsibilities

Company law requires the directors to prepare report and accounts for each financial period 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 report and accounts, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are prudent and reasonable;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 report and accounts comply with the Companies Act 1985. The directors 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.

PARAMOUNT GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

Donations

During the period the company made the following contributions:

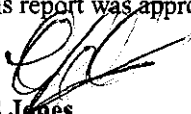
Charitable

£
2,500

Auditors

A resolution to re-appoint Wheawill & Sudworth as auditors will be put to the shareholders at the Annual General Meeting.

This report was approved by the board on ^{S Jc wtb} and signed on its behalf by:


S S Jones
Director

PARAMOUNT GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 17, together with the report and accounts of the company for the period from 1 October 2004 to 31 December 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the report and accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the report and accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act, and the abbreviated accounts on pages 6 to 17 are properly prepared in accordance with those provisions.

Other information

On *S Jue 2006* we reported, as auditors of the company, to the shareholders on the report and accounts prepared under Section 226 of the Companies Act 1985 for the period from 1 October 2004 to 31 December 2005, and the full text of our audit report is reproduced on page 5 of these report and accounts.

35 Westgate
Huddersfield
HD1 1PA

S Jue 2006
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Wheawill & Sudworth
Wheawill & Sudworth
Chartered Accountants & Registered Auditors

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARAMOUNT GROUP LIMITED

We have audited the report and accounts of Paramount Group Limited for the period from 1 October 2004 to 31 December 2005 on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 report and accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the report and accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the report and accounts, if 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 transactions with the company 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the report and accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the report and accounts, 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 report and 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 report and accounts.

Opinion

In our opinion the report and accounts give a true and fair view of the state of the company's affairs as at 31 December 2005 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Wheawill & Sudworth

**Wheawill & Sudworth
Chartered Accountants & Registered Auditors**

**35 Westgate
Huddersfield
HD1 1PA**

S Jue 2006
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PARAMOUNT GROUP LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

	Note	Period from 1 Oct 04 to 31 Dec 05 £
Gross profit		1,147,280
Administrative expenses		(877,106)
Operating profit	2	270,174
Interest receivable		1,730
Profit on ordinary activities before taxation		271,904
Tax on profit on ordinary activities	5	(54,800)
Profit on ordinary activities after taxation		217,104
Dividends	6	(216,679)
Retained profit for the financial period	17	425

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 10 to 17 form part of these accounts.

PARAMOUNT GROUP LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

	Period from 1 Oct 04 to 31 Dec 05 £
Profit for the financial period	217,104
Dividends	(216,679)
	<hr/>
	425
New equity share capital subscribed	100,100
Net addition to funds	<hr/>
	100,525
	<hr/>
Closing shareholders' equity funds	<hr/>
	100,525

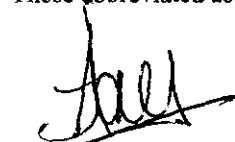
The notes on pages 10 to 17 form part of these accounts.

PARAMOUNT GROUP LIMITED
ABBREVIATED BALANCE SHEET
31 DECEMBER 2005

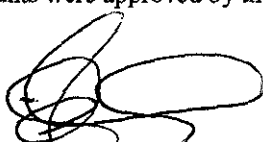
	Note	31 Dec 05 £
Fixed assets		
Intangible assets	7	73,500
Tangible assets	8	20,660
Investments	9	200
		<u>94,360</u>
Current assets		
Debtors	10	273,847
Cash at bank and in hand		74,964
		<u>348,811</u>
Creditors: Amounts falling due within one year	11	<u>(340,846)</u>
Net current assets		<u>7,965</u>
Total assets less current liabilities		<u>102,325</u>
Provisions for liabilities		
Deferred taxation	13	<u>(1,800)</u>
Net assets		<u>100,525</u>
Capital and reserves		
Share capital	16	100,100
Profit and loss account	17	425
Shareholders' funds		<u>100,525</u>

These abbreviated report and accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

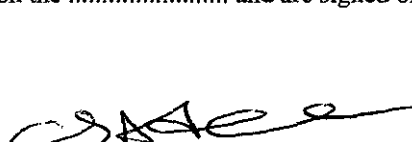
These abbreviated accounts were approved by the board on the *5 June 2006* and are signed on their behalf by:



A.D. Jones
Director



L.C. Glennan
Director



C.J. Anstee
Director

The notes on pages 10 to 17 form part of these accounts.

PARAMOUNT GROUP LIMITED**CASH FLOW STATEMENT****PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005**

	Note	Period from 1 Oct 04 to 31 Dec 05 £
Net cash inflow from operating activities	18	308,495
Returns on investments and servicing of finance	18	1,730
Capital expenditure and financial investment	18	(118,482)
Acquisitions and disposals		
Acquisition of shares in group undertakings		(200)
Net cash outflow from acquisitions and disposals		(200)
Equity dividends paid		(216,679)
Cash outflow before financing		(25,136)
Financing	18	100,100
Increase in cash	18	74,964

The notes on pages 10 to 17 form part of these accounts.

PARAMOUNT GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Goodwill - Over 5 years

Depreciation

The depreciation of tangible fixed assets is based on cost and is applied using the following rates:

Fixtures & Fittings - 33 1/3% straight line
Office Equipment - 20% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Contributions to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year.

Deferred taxation

Provision is made on the liability method based on current tax rates for deferred tax assets and liabilities arising from all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

2. Operating profit

Operating profit is stated after charging:

	Period from 1 Oct 04 to 31 Dec 05 £
Directors' emoluments	119,000
Amortisation of goodwill	16,500
Depreciation of tangible fixed assets:	
- owned assets	7,822
Auditors' remuneration	
- as auditor	4,000
- for other services	4,861

PARAMOUNT GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

3. Particulars of employees

The average number of staff employed by the company during the financial period amounted to:

	Period from 1 Oct 04 to 31 Dec 05
	No
Number of administrative staff	<u>8</u>

The aggregate payroll costs of the above were:

	Period from 1 Oct 04 to 31 Dec 05
	£
Wages and salaries	238,641
Social security costs	19,670
Other pension costs	280
	<u>258,591</u>

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 1 Oct 04 to 31 Dec 05
	£
Aggregate emoluments	<u>119,000</u>

5. Taxation

(a) Analysis of charge in the period

	Period from 1 Oct 04 to 31 Dec 05
	£
Current tax:	
UK Corporation tax based on the results for the period	<u>53,000</u>
Total current tax	53,000
Deferred tax:	
Origination and reversal of timing differences	<u>1,800</u>
Tax on profit on ordinary activities	<u>54,800</u>

PARAMOUNT GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

5. Taxation (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30%.

	Period from 1 Oct 04 to 31 Dec 05 £
Profit on ordinary activities before taxation	<u>271,904</u>
Profit/(loss) on ordinary activities by rate of tax	81,571
Expenses not deductible for tax purposes	2,998
Marginal relief	(30,163)
Over provision of current tax	429
Capital allowances in excess of depreciation	<u>(1,835)</u>
Total current tax (note 5(a))	<u>53,000</u>

6. Dividends

The following dividends have been paid in respect of the period:

	Period from 1 Oct 04 to 31 Dec 05 £
Dividend paid on ordinary shares	<u>216,679</u>

7. Intangible fixed assets

	Goodwill £
Cost	
Additions	<u>90,000</u>
At 31 December 2005	<u>90,000</u>
Amortisation	
Charge for the period	<u>16,500</u>
At 31 December 2005	<u>16,500</u>
Net book value	
At 31 December 2005	<u>73,500</u>

PARAMOUNT GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

8. Tangible fixed assets

	Fixtures & Fittings £	Office Equipment £	Total £
Cost			
Additions	3,138	25,344	28,482
At 31 December 2005	<u>3,138</u>	<u>25,344</u>	<u>28,482</u>
Depreciation			
Charge for the period	302	7,520	7,822
At 31 December 2005	<u>302</u>	<u>7,520</u>	<u>7,822</u>
Net book value			
At 31 December 2005	<u>2,836</u>	<u>17,824</u>	<u>20,660</u>

9. Investments

Investments in subsidiary companies

	£
Cost	
Additions	200
At 31 December 2005	<u>200</u>
Net book value	
At 31 December 2005	<u>200</u>

The company owns 100% of the issued share capital of the companies listed below

Paramount Financial Planning Limited (dormant)	100
Paramount Marketing Limited (dormant)	100

These companies had aggregate net assets of £200 at 31 December 2005.

10. Debtors

	31 Dec 05 £
Trade debtors	243,110
Prepayments and accrued income	30,737
	<u>273,847</u>

PARAMOUNT GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

11. Creditors: Amounts falling due within one year

	31 Dec 05
	£
Trade creditors	213,208
Amounts owed to group undertakings	200
Corporation tax	53,000
Other taxation and social security	10,412
Directors' current accounts (note 16)	12,595
Accruals and deferred income	51,431
	<u>340,846</u>

12. Pensions

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in funds independent from those of the company.

The total contributions paid in the period amounted to £280.

13. Deferred taxation

The movement in the deferred taxation provision during the period was:

	Period from 1 Oct 04 to 31 Dec 05 £
Profit and loss account movement arising during the period	1,800
Provision carried forward	<u>1,800</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	31 Dec 05 £
Excess of taxation allowances over depreciation on fixed assets	1,800
	<u>1,800</u>

14. Commitments under operating leases

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	31 Dec 05	
	Land and buildings £	Other items £
Operating leases which expire:		
Within two to five years	<u>25,760</u>	<u>13,197</u>

PARAMOUNT GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

15. Related party transactions

The directors' current accounts of £12,595 set out at note 12 above are unsecured, repayable on demand and currently interest free.

The company is controlled by the directors.

During the period the company acquired the goodwill of an existing client base from certain of the directors for an aggregate consideration of £90,000.

16. Share capital

Authorised

	31 Dec 05
	£
25,000 'A' Ordinary shares of £1 each	25,000
25,000 'B' Ordinary shares of £1 each	25,000
25,000 'C' Ordinary shares of £1 each	25,000
25,000 'D' Ordinary shares of £1 each	25,000
100 'E' Ordinary shares of £1 each	100
	<u>100,100</u>

Allotted, called up and fully paid:

	No	£
'A' Ordinary shares of £1 each	25,000	25,000
'B' Ordinary shares of £1 each	25,000	25,000
'C' Ordinary shares of £1 each	25,000	25,000
'D' Ordinary shares of £1 each	25,000	25,000
'E' Ordinary shares of £1 each	100	100
	<u>100,100</u>	<u>100,100</u>

The five classes of shares rank pari passu in all respects except that the 'E' ordinary shares do not carry any form of voting rights.

During the period the whole of the company's issued share capital was issued fully paid at par for an aggregate consideration of £100,100.

17. Profit and loss account

	Period from 1 Oct 04 to 31 Dec 05 £
Retained profit for the financial period	425
Balance carried forward	<u>425</u>

PARAMOUNT GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

18. Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	Period from 1 Oct 04 to 31 Dec 05 £
Operating profit	270,174
Amortisation	16,500
Depreciation	7,822
Increase in debtors	(273,847)
Increase in creditors	287,846
Net cash inflow from operating activities	<u>308,495</u>

Returns on investments and servicing of finance

	Period from 1 Oct 04 to 31 Dec 05 £
Interest received	1,730
Net cash inflow from returns on investments and servicing of finance	<u>1,730</u>

Capital expenditure

	Period from 1 Oct 04 to 31 Dec 05 £
Payments to acquire intangible fixed assets	(90,000)
Payments to acquire tangible fixed assets	(28,482)
Net cash outflow from capital expenditure	<u>(118,482)</u>

Financing

	Period from 1 Oct 04 to 31 Dec 05 £
Issue of equity share capital	100,100
Net cash inflow from financing	<u>100,100</u>

Reconciliation of net cash flow to movement in net funds

	31 Dec 05 £
Increase in cash in the period	74,964
Movement in net funds in the period	<u>74,964</u>
Net funds at 1 October 2004	—
Net funds at 31 December 2005	<u>74,964</u>

PARAMOUNT GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 OCTOBER 2004 TO 31 DECEMBER 2005

18. Notes to the statement of cash flows *(continued)*

Analysis of changes in net funds

	At 1 Oct 2004 £	Cash flows £	At 31 Dec 2005 £
Net cash:			
Cash in hand and at bank	—	74,964	74,964
Net funds	—	74,964	74,964