

Company Registration No. 04171034 (England and Wales)

PROSPECT ENTERPRISES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

127666-B-2009

Registered Office
6th Floor, 94 Wigmore Street
London
W1U 3RF

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PROSPECT ENTERPRISES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The director presents his report and financial statements for the year ended 31 December 2009

Principal activities and review of the business

The principal activity of the company is that of an investment company

The directors consider that the results of the company are satisfactory and that the company is expected to continue at its present levels in the future

The unpredictability of financial markets as a result of global economic uncertainties including the global banking crisis and economic downturn have created a difficult global business environment for the company. The directors expect the following year to continue with the same economic challenges, but consider that the company is well positioned to manage these challenges in the future

Results and dividends

The results for the year are set out on page 4

No dividends have been paid during this or the comparative period

Director

The following director has held office since 1 January 2009

T Lane

Financial instruments

Treasury operations and financial instruments

The company has various financial instruments arising from its activities and operations. The company does not trade speculatively or otherwise in regard to derivatives or similar instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business

Interest rate risk

The company is exposed to fair value interest rate risk on any fixed rate borrowings and cash flow interest rate risk on any floating rate deposits, bank overdrafts and loans

Foreign currency risk

The company's principal foreign currency exposures arise from trading with and funding to or from overseas companies

Credit risk

Investment of cash surpluses and borrowings are made through banks and companies who must be approved by the Board. Debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary

PROSPECT ENTERPRISES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Statement of director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He 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



T. Lane (Director)

Date **16.09.10**

PROSPECT ENTERPRISES LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE

UNAUDITED FINANCIAL STATEMENTS OF PROSPECT ENTERPRISES LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of Prospect Enterprises Limited for the year ended 31 December 2009, set out on pages 4 to 10 from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2009 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

SMP PARTNERS LIMITED

SMP Partners Limited

16.09.10

SMP Partners Limited

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SMP Partners Limited, Registered in England and Wales, Company Registration 6220395

Directors P. Hakim-Rad

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PROSPECT ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 €	2008 €
Administrative expenses		(12,717)	(4,433)
Operating loss	2	(12,717)	(4,433)
Other interest receivable and similar income	3	72	279
Amounts written off investments	4	(5,000,000)	-
Loss on ordinary activities before taxation		(5,012,645)	(4,154)
Tax on loss on ordinary activities	5	-	-
Loss for the year	9	(5,012,645)	(4,154)

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

PROSPECT ENTERPRISES LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2009**

	Notes	2009 €	2008 €
Fixed assets			
Investments	6	2,582,290	2,582,290
Current assets			
Cash at bank and in hand		6,654	439
		<u>6,654</u>	<u>439</u>
Creditors amounts falling due within one year	7	<u>(7,647,546)</u>	<u>(2,628,686)</u>
Net current liabilities		<u>(7,640,892)</u>	<u>(2,628,247)</u>
Total assets less current liabilities		<u>(5,058,602)</u>	<u>(45,957)</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	<u>(5,058,604)</u>	<u>(45,959)</u>
Shareholders' funds	10	<u>(5,058,602)</u>	<u>(45,957)</u>

For the financial year ended 31 December 2009 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the Board and authorised for issue on 16.09.10



T. Lane
Director

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

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 Exemption from FRS9

The company has taken advantage of the exemption in Financial Reporting Standard No 9 not to disclose amounts relating to the associate on the grounds that it is exempt from preparing consolidated financial statements.

2 Operating loss	2009	2008
	€	€
Operating loss is stated after charging		
Accountants' remuneration	1,730	1,292
	<u> </u>	<u> </u>
 3 Other interest receivable and similar income	 2009	 2008
	€	€
Profit from foreign currency transactions	72	279
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	72	279
	<u> </u>	<u> </u>

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

4	Amounts written off investments	2009	2008
		€	€
	Amounts written off fixed asset investments		
	- temporary diminution in value of capital contribution	5,000,000	-
		<u> </u>	<u> </u>
5	Taxation	2009	2008
		€	€
	Domestic current year tax		
	Corporation tax at 28.00% (2008 - 28.49%)	-	-
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(5,012,645)	(4,154)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax of 28.00% (2008 - 28.49%)	(1,403,541)	(1,183)
		<u> </u>	<u> </u>
	Effects of		
	Losses not recognised for accounting purposes	3,541	1,183
	Amounts written off investments	1,400,000	-
		<u> </u>	<u> </u>
		1,403,541	1,183
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>

The company has estimated losses of € 43,081 (2008 € 32,268) available for carry forward against future taxable profits

On the basis of these financial statements no provision has been made for corporation tax

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

6 Fixed asset investments

	Shares in participating interests €	Capital contributions €	Total €
Cost			
At 1 January 2009	2,582,290	-	2,582,290
Additions	-	5,000,000	5,000,000
At 31 December 2009	2,582,290	5,000,000	7,582,290
Provisions for diminution in value			
At 1 January 2009	-	-	-
Charge for the year	-	5,000,000	5,000,000
At 31 December 2009	-	5,000,000	5,000,000
Net book value			
At 31 December 2009	2,582,290	-	2,582,290
At 31 December 2008	2,582,290	-	2,582,290

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares held Class	%
Participating interests			
Cabefin SRL	Italy	Ordinary	43.00

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 €
Cabefin SRL	Principal activity Property development	8,699,376	(17,667)

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

7 Creditors: amounts falling due within one year	2009	2008
	€	€
Other creditors	7,642,664	2,626,361
Accruals and deferred income	4,882	2,325
	<u>7,647,546</u>	<u>2,628,686</u>

8 Share capital	2009	2008
Authorised	No.	No
10,000 Ordinary shares of £1 each	10,000	10,000
	<u></u>	<u></u>
Allotted, called up and fully paid	€	€
1 Ordinary shares of £1 each	2	2
	<u></u>	<u></u>

9 Statement of movements on profit and loss account	Profit and loss account
	€
Balance at 1 January 2009	(45,959)
Loss for the year	(5,012,645)
	<u></u>
Balance at 31 December 2009	<u>(5,058,604)</u>

10 Reconciliation of movements in shareholders' funds	2009	2008
	€	€
Loss for the financial year	(5,012,645)	(4,154)
Opening shareholders' funds	(45,957)	(41,803)
	<u></u>	<u></u>
Closing shareholders' funds	<u>(5,058,602)</u>	<u>(45,957)</u>

11 Employees

Number of employees

There were no employees during the current year and the previous period apart from the director who received no remuneration

PROSPECT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

12 Ultimate controlling party & related party transactions

The directors are aware of the identity of the ultimate controlling party. However, they are under a duty of confidentiality that prevents them disclosing certain information otherwise required by Financial Reporting Standard 8. Therefore they have taken the exemption offered by the standard in respect of confidentiality.