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**MUCHFUN PROPERTIES LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2005**

Companies House copy



**MUCHFUN PROPERTIES LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

F Briatore  
R M Keegan  
B T S Michel

**SECRETARY**

A M Tamosius

**COMPANY NUMBER**

04583818

**REGISTERED OFFICE**

Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

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**DIRECTORS' REPORT**  
**For the year ended 31 December 2005**

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The directors present their report and the financial statements for the year ended 31 December 2005.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements 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 of the company 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;
- prepare the financial statements 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 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The company's principal activity during the year was that of letting property.

The results for the year are set out within the profit and loss account on page 2. The directors consider the results for the year to be in line with expectations.

**DIRECTORS**

The directors who served during the year were:

F Briatore  
R M Keegan  
B T S Michel

This report was approved by the board on 16 October 2006 and signed on its behalf.

Director



**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2005

	Note	2005 £	2004 £
Administrative expenses		(3,338)	(1,640)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(3,338)</b>	<b>(1,640)</b>
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	4	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(3,338)</b>	<b>(1,640)</b>
<b>LOSS BROUGHT FORWARD</b>		<b>(26,437)</b>	<b>(24,797)</b>
<b>LOSS CARRIED FORWARD</b>		<b>£ (29,775)</b>	<b>£ (26,437)</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2005 or 2004 other than those included in the profit and loss account.

The notes on pages 4 to 5 form part of these financial statements.

**BALANCE SHEET**  
**As at 31 December 2005**

	Note	£	2005	£	£	2004	£
<b>CURRENT ASSETS</b>							
Debtors	5	-			441		
<b>CREDITORS: amounts falling due within one year</b>	6	<b>(29,774)</b>			<b>(26,877)</b>		
<b>NET CURRENT LIABILITIES</b>				<b>(29,774)</b>			<b>(26,436)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<b>£ (29,774)</b>			<b>£ (26,436)</b>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	7			1			1
Profit and loss account				<b>(29,775)</b>			<b>(26,437)</b>
<b>SHAREHOLDERS' FUNDS - All Equity</b>	8			<b>£ (29,774)</b>			<b>£ (26,436)</b>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2005 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements were approved by the board on 16 October 2006 and signed on its behalf.

Director

The notes on pages 4 to 5 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2005

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

The financial statements have been prepared on the going concern basis. This assumes the continued support of the company's parent undertaking.

The company itself is a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Cash flow**

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.

**2. OPERATING LOSS**

During the year, no director received any emoluments (2004 - £nil).

**3. STAFF COSTS**

The company had no employees during the year hence no staff costs were incurred.

**4. TAXATION**

	2005 £	2004 £
<b>Tax on profit on ordinary activities</b>	£ -	£ -

**Factors affecting tax charge for year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to the company (19%). The differences are explained below:

	2005 £	2004 £
Loss on ordinary activities before tax	(3,338)	(1,640)
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 19% (2004 - 19%)	(634)	(312)
<b>Effects of:</b>		
Tax losses carried forward	634	312
<b>Current tax charge for year (see note above)</b>	£ -	£ -

There were no factors that may affect future tax charges.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2005

**5. DEBTORS**

	2005 £	2004 £
Prepayments and accrued income	£ -	£ 441

**6. CREDITORS:**  
**Amounts falling due within one year**

	2005 £	2004 £
Amounts owed to group undertakings	26,095	23,621
Accruals and deferred income	3,679	3,256
	<u>£ 29,774</u>	<u>£ 26,877</u>

The amounts owed by group undertakings is a loan payable to Muchfun Limited, which is interest free. Repayment of this amount will not be demanded until such time as the company is able to repay the loan and remain solvent.

**7. SHARE CAPITAL**

	2005 £	2004 £
<b>Authorised</b>		
1,000,000 Ordinary shares of £1 each	<u>£ 1,000,000</u>	<u>£ 1,000,000</u>
<b>Allotted, called up and fully paid</b>		
1 Ordinary shares of £1 each	<u>£ 1</u>	<u>£ 1</u>

**8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2005 £	2004 £
Loss for the year	(3,338)	(1,640)
Opening shareholders' funds	<u>(26,436)</u>	<u>(24,796)</u>
Closing shareholders' funds	<u>£ (29,774)</u>	<u>£ (26,436)</u>

**9. CONTROLLING PARTY**

The directors consider Incara Holdings BV, a company incorporated in the Netherlands, to be the controlling party.