

S. MIFSUD & SONS (UK) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2005

DIRECTORS: N C Mifsud
A Mifsud
S Mifsud
S Mifsud
J Sacco
B Sultana

SECRETARY: A Mifsud

REGISTERED OFFICE: 40/42 Kenway Road
London
SW5 0RA

REGISTERED NUMBER: 892154 (England and Wales)

AUDITORS: Daniel Auerbach & Company LLP
Chartered Accountants
and Registered Auditors
9 Mansfield Street
London
W1G 9NY



S. MIFSUD & SONS (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report with the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of provision of ground handling services.

DIRECTORS

The directors during the year under review were:

N C Mifsud
A Mifsud
S Mifsud
S Mifsud
J Sacco
B Sultana

The directors holding office at 31 December 2005 did not hold any beneficial interest in the issued share capital of the company at 1 January 2005 or 31 December 2005.

The directors had the following interests at 31 December 2005 in Nevada Limited, the company's ultimate holding company, registered in Malta:-

	Ordinary shares of Lm 1 each	
	At 31.12.05	At 01.01.05
N Mifsud	299	299
S Mifsud	100	100
S Mifsud	100	100
A Mifsud	1	1

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

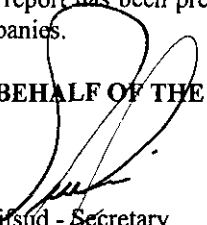
S. MIFSUD & SONS (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005

AUDITORS

The auditors, Daniel Auerbach & Company LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



A Mifsud - Secretary

8 June 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF S. MIFSUD & SONS (UK) LIMITED

We have audited the financial statements of S. Mifsud & Sons (UK) Limited for the year ended 31 December 2005 on pages six to eleven. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 if, in our opinion, the Report of the Directors is not consistent with the financial statements, 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 other transactions is not disclosed.

We read the Report of the Directors 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.

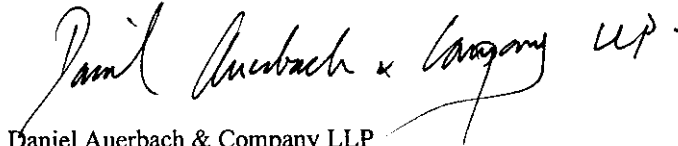
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
S. MIFSUD & SONS (UK) LIMITED**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



Daniel Auerbach & Company LLP
Chartered Accountants
and Registered Auditors
9 Mansfield Street
London
W1G 9NY

8 June 2006

S. MIFSUD & SONS (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
TURNOVER		517,087	993,992
Cost of sales		402,132	741,787
GROSS PROFIT		114,955	252,205
Administrative expenses		155,064	148,074
OPERATING (LOSS)/PROFIT	2	(40,109)	104,131
Interest receivable and similar income		1,569	2,322
		(38,540)	106,453
Interest payable and similar charges		82	443
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(38,622)	106,010
Tax on (loss)/profit on ordinary activities	3	(6,352)	(863)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(32,270)	106,873
(DEFICIT)/RETAINED PROFIT FOR THE YEAR		(32,270)	106,873

The notes form part of these financial statements

S. MIFSUD & SONS (UK) LIMITED

**BALANCE SHEET
31 DECEMBER 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	4	145,119	160,672
CURRENT ASSETS			
Debtors	5	65,605	70,419
Cash at bank and in hand		103,087	198,634
		168,692	269,053
CREDITORS			
Amounts falling due within one year	6	217,630	301,274
NET CURRENT LIABILITIES		(48,938)	(32,221)
TOTAL ASSETS LESS CURRENT LIABILITIES		96,181	128,451
CREDITORS			
Amounts falling due after more than one year	7	30,000	30,000
NET ASSETS		66,181	98,451
CAPITAL AND RESERVES			
Called up share capital	8	100,000	100,000
Profit and loss account	9	(33,819)	(1,549)
SHAREHOLDERS' FUNDS		66,181	98,451

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

ON BEHALF OF THE BOARD:


N C Mifsud Director

Approved by the Board on 8 June 2006

The notes form part of these financial statements

S. MIFSUD & SONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover comprises of invoiced value of ground handling operations and of net commissions from sale of ferry tickets, all exclusive of value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 2% on cost
Plant and machinery etc	- 20% on cost and 15% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average monthly rates. Exchange differences are taken into account in arriving at the operating result.

2. OPERATING (LOSS)/PROFIT

The operating loss (2004 - operating profit) is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	23,128	22,014
Auditors' remuneration	3,600	3,600
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	-	393
Deferred tax	(6,352)	(1,256)
Tax on (loss)/profit on ordinary activities	<u>(6,352)</u>	<u>(863)</u>

S. MIFSUD & SONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2005**

3. TAXATION - continued

Factors affecting the tax credit

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2005 £	2004 £
(Loss)/profit on ordinary activities before tax	<u>(38,622)</u>	<u>106,010</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	(11,587)	31,803
Effects of:		
Expenses not deductible for tax purpose	939	1,276
Depreciation in excess of capital allowances	2,815	2,922
Utilisation of losses brought forward	-	(35,304)
Adjustment arising from reduction of tax rate to small companies rate	-	(304)
Loss carried forward	<u>7,833</u>	<u>-</u>
Current tax credit	<u>-</u>	<u>393</u>

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2005	142,344	122,790	265,134
Additions	<u>-</u>	<u>7,575</u>	<u>7,575</u>
At 31 December 2005	<u>142,344</u>	<u>130,365</u>	<u>272,709</u>
DEPRECIATION			
At 1 January 2005	27,795	76,667	104,462
Charge for year	<u>2,065</u>	<u>21,063</u>	<u>23,128</u>
At 31 December 2005	<u>29,860</u>	<u>97,730</u>	<u>127,590</u>
NET BOOK VALUE			
At 31 December 2005	<u>112,484</u>	<u>32,635</u>	<u>145,119</u>
At 31 December 2004	<u>114,549</u>	<u>46,123</u>	<u>160,672</u>

Included in cost of land and buildings is freehold land of £39,109 (2004 - £39,109) which is not depreciated.

The land and buildings have been mortgaged in favour of S Mifsud & Sons Limited as security against monies owed to that company.

S. MIFSUD & SONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2005**

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Trade debtors	15,922	36,686
Other debtors	49,683	33,733
	<u>65,605</u>	<u>70,419</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Trade creditors	8,077	5,428
Amounts owed to group undertakings	202,826	287,542
Taxation and social security	-	1,303
Other creditors	6,727	7,001
	<u>217,630</u>	<u>301,274</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005	2004
	£	£
Amounts owed to group undertakings	<u>30,000</u>	<u>30,000</u>

8. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005	2004
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

9. RESERVES

	Profit and loss account £
At 1 January 2005	(1,549)
Deficit for the year	<u>(32,270)</u>
At 31 December 2005	<u>(33,819)</u>

10. ULTIMATE PARENT COMPANY

The company's ultimate holding company is Nevada Limited, registered in Malta.

S. MIFSUD & SONS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2005**

11. CONTINGENT LIABILITIES

The company provided ground handling services to Renaissance Cruises Inc. and received payments totalling \$214,165 (£116,915) during a period of three months prior to Renaissance Cruises Inc. filing for Chapter 11 bankruptcy protection in the United States of America.

At the balance sheet date there existed a potential liability for the above amount as a claim has been made by the trustees of Renaissance Cruises Inc. under Chapter 11 of the United States of America Bankruptcy Code. The directors are of the opinion that the claim will not be successful and accordingly a provision has not been made in the financial statements.

12. RELATED PARTY DISCLOSURES

During the period the company made purchases of £33,529 at arms length, from fellow subsidiary, S. Mifsud and Sons Limited. In addition, the company paid S. Mifsud and Sons Limited a management charge amounting to £32,000 for the year.