

IVG ASTICUS (GMS) LIMITED
(Registered number 2514463)

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005



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(Registered number 2514463)

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PKF (UK) LLP

IVG ASTICUS (GMS) LIMITED
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2005

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IVG ASTICUS (GMS) LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the company for the year ended 31 December 2005.

RESULTS

The profit for the year after taxation amounted to £236,385 (2004: £926,140) which is added to the profit carried forward.

No dividend was paid during the year (2004: £nil).

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company was the leasing of property in central London until its remaining property was disposed of in 2003. At the current time the company is managing its resources and will continue to do so pending the consideration of further investment opportunities.

DIRECTORS

The following directors served during the year:

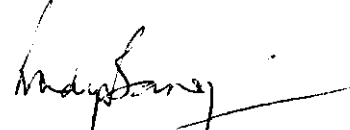
Mr J Svedin
Mr P Banerjee
Mr D H Gibson

The directors had no interest during the year which required to be recorded in the register maintained by the company under Section 325 of the Companies Act 1985.

AUDITORS

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD



P BANERJEE
Director

2 August 2006

IVG ASTICUS (GMS) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors are responsible for ensuring that the directors' report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IVG ASTICUS (GMS) LIMITED

We have audited the financial statements of IVG Asticus (GMS) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

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 have been 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 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 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 judgments 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 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.

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 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

London, UK
3 August 2006

PKF (UK) LLP
PKF (UK) LLP
Registered Auditors

IVG ASTICUS (GMS) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2005


	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
Administrative expenses		<u>(11,194)</u>	<u>(111,669)</u>
Operating loss	2	(11,194)	(111,669)
Income from shares in group undertakings	5	-	199,470
Interest receivable and similar items	3	885,099	808,408
Interest payable and similar charges	4	<u>(822,520)</u>	<u>(476,779)</u>
Profit on ordinary activities before taxation		51,385	419,430
Taxation	6	<u>185,000</u>	<u>506,710</u>
Profit for the year		<u>236,385</u>	<u>926,140</u>

All amounts relate to continuing operations.

There were no recognised gains or losses other than the profit for the year.

BALANCE SHEET AT 31 DECEMBER 2005

Approved by the board on 2 August 2006


P BANERJEE Director

IVG ASTICUS (GMS) LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2005

	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
Operating loss		(11,194)	(111,669)
Decrease in debtors		2,250	-
Increase in creditors and provisions		578,457	164,973
Net cash inflow from operating activities		569,513	53,304

CASH FLOW STATEMENT

Net cash inflow from operating activities		569,513	53,304
Returns on investments and servicing of finance	15	62,579	531,099
Taxation		1,960	(47,500)
Capital expenditure and financial investment	15	(84,251)	(807,974)
Cash inflow/(outflow) before financing		549,801	(271,071)
Financing	15	(537,861)	264,266
Increase/(decrease) in cash in the period		11,940	(6,805)

Reconciliation of net cash flow movement to movement in net funds

Increase/(decrease) in cash in the period	16	11,940	(6,805)
Movement in net funds in the period		11,940	(6,805)
Net funds at 1 January 2005		4,507	11,312
Net funds at 31 December 2005		16,447	4,507

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Consolidated financial statements

Consolidated accounts have not been prepared as permitted by section 228 of the Companies Act 1985. The financial statements present information about the company as an individual undertaking and not about the group as a whole.

Investments in subsidiary undertakings are stated at cost.

(c) Deferred taxation

As required by FRS19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised.

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the date the timing differences are expected to reverse.

(d) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated to sterling at the rate prevailing at the balance sheet date. Transactions in foreign currencies are converted at the rate prevailing at the date of the transaction.

(e) Interest rate SWAP

An obligation under a SWAP agreement has crystallised as the loan to which the SWAP agreement relates has been repaid.

2 OPERATING LOSS

	<u>2005</u> £	<u>2004</u> £
Operating loss is stated after charging:		
Auditors' remuneration - for audit services	2,500	13,579
- for other services	7,923	29,794
	<hr/>	<hr/>

None of the directors received any emoluments from the company for their services.

3 INTEREST RECEIVABLE AND SIMILAR ITEMS

	<u>2005</u> £	<u>2004</u> £
Group interest	884,252	807,974
Bank interest	847	434
	<hr/>	<hr/>
	885,099	808,408
	<hr/>	<hr/>

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

4	INTEREST PAYABLE AND SIMILAR CHARGES	<u>2005</u> £	<u>2004</u> £
	Group interest	20,975	22,177
	Bank interest	211,669	286,672
	Provision for interest rate swap interest (note 13)	589,876	167,930
		<hr/> 822,520 <hr/>	<hr/> 476,779 <hr/>
5	INCOME FROM SHARES IN GROUP UNDERTAKINGS	<u>2005</u> £	<u>2004</u> £
	Dividend received	-	199,470
		<hr/>	<hr/>
	No dividend was received in the prior year from Asticus (Marlborough) Limited (2004: £199,470).		
6	TAXATION	<u>2005</u> £	<u>2004</u> £
(a)	The charge for the year comprises:		
	Current tax:		
	Corporation tax at 30% (2004: 30%)	-	-
	Adjustment in respect of prior year	-	(6,710)
		<hr/>	<hr/>
	Total current tax (note 6(b))	-	(6,710)
	Deferred taxation (note 12)	(185,000)	(500,000)
		<hr/>	<hr/>
	Tax on profit on ordinary activities	(185,000)	(506,710)
		<hr/>	<hr/>
		<u>2005</u> £	<u>2004</u> £
(b)	The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:		
	Profit on ordinary activities before tax	51,385	419,430
		<hr/>	<hr/>
	Profit on ordinary activities at standard rate of corporation tax in the UK of 30% (2004: 30%)	15,416	125,829
	Effects of:		
	Income not taxable	-	(59,841)
	Expenses not deductible for tax purposes	177,638	62,379
	Group relief claimed	(193,054)	(128,367)
	Adjustments in respect of prior year	-	(6,710)
		<hr/>	<hr/>
	Current tax charge for the year (note 6(a))	-	(6,710)
		<hr/>	<hr/>

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

7 FIXED ASSET INVESTMENT

The fixed asset investment in the prior year represented the cost of the company's holding of 100% of the issued ordinary £1 shares of Asticus (Marlborough) Limited. The company was dormant and was struck off in 2005.

Asticus (Marlborough) Limited was registered in England and Wales.

8 DEBTORS

	<u>2005</u> £	<u>2004</u> £
Amounts falling due within one year:		
Amounts due from group undertakings	18,678,872	18,594,621
Taxation and social security	-	4,210
	<hr/> 18,678,872	<hr/> 18,598,831
	<hr/> <hr/>	<hr/> <hr/>

9 CREDITORS

	<u>2005</u> £	<u>2004</u> £
Amounts falling due within one year:		
Amount due to group undertaking	145,158	683,019
Accruals and deferred income	17,795	29,216
	<hr/> 162,953	<hr/> 712,235
	<hr/> <hr/>	<hr/> <hr/>

10 DEFERRED TAXATION

	£
At 1 January 2005	(500,000)
Provided in the year	(185,000)
	<hr/> (685,000)
	<hr/> <hr/>

The deferred tax balance comprises the following, provided at 30% where appropriate:

	<u>2005</u> £	<u>2004</u> £
Tax relief on provision for interest rate SWAPs	685,000	500,000
	<hr/> 685,000	<hr/> 500,000
	<hr/> <hr/>	<hr/> <hr/>

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

11 OTHER PROVISIONS

£

At 1 January 2005	1,693,638
Charge for the year	589,876
	<hr/>
At 31 December 2005	2,283,514
	<hr/>

The above provision relates to interest payable under a SWAP agreement. This obligation has crystallised as the loan to which the SWAP agreement relates was repaid in 2003. It is likely that this provision will be utilised within the next twelve months.

12 CALLED UP SHARE CAPITAL

2005
£

2004
£

Authorised		
20,000,000 ordinary shares of £1 each	20,000,000	20,000,000
	<hr/>	<hr/>
Allotted, issued and fully paid		
16,800,000 ordinary shares of £1 each	16,800,000	16,800,000
	<hr/>	<hr/>

There has been no movement in share capital during the year.

13 PROFIT AND LOSS ACCOUNT

£

At 1 January 2005	(102,533)
Retained profit for the year	236,385
	<hr/>
At 31 December 2005	133,852
	<hr/>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

2005
£

2004
£

Balance at 1 January 2005	16,697,467	15,771,327
Profit for the financial year	236,385	926,140
	<hr/>	<hr/>
Balance at 31 December 2005	16,933,852	16,697,467
	<hr/>	<hr/>

IVG ASTICUS (GMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2005

15 ANALYSIS OF CASH FLOW FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	<u>2005</u> £	<u>2004</u> £
Returns on investment and servicing of finance		
Interest received	885,099	808,408
Interest paid	(822,520)	(476,779)
Dividends received	-	199,470
	<u>62,579</u>	<u>531,099</u>
Capital expenditure and financial investment		
Loans made to other group entities	(84,251)	(807,974)
	<u>(84,251)</u>	<u>(807,974)</u>
Financing		
Loans received from other group entities	-	264,266
Repayments of loans received from other group entities	(537,861)	-
	<u>(537,861)</u>	<u>264,266</u>

16 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January <u>2005</u> £	Cash Flows £	At 31 December <u>2005</u> £
Cash in hand and at bank	4,507	11,940	16,447

17 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Stockned Holding BV, a company incorporated in the Netherlands.

IVG Immobilien AG, a company incorporated in Germany is regarded by the directors as the ultimate parent company and ultimate controlling party, and is the parent undertaking of the largest and smallest group, for which group accounts are prepared.

Group accounts of IVG Immobilien AG are available to the public from Zanderstr. 5, D-53177 Bonn, Germany.

No disclosure has been made within these financial statements of any transactions or balances with group companies by virtue of the exemptions allowed by Financial Reporting Standard No.8.