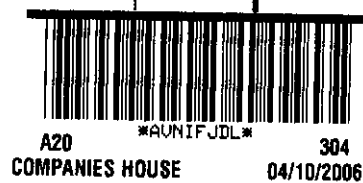


PORTMAN LOMAS LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2005

REGISTERED NUMBER 02628698
ENGLAND & WALES

LAWRENCE ROSE LIMITED
BASEPOINT BUSINESS CENTRE
RIVERMEAD DRIVE
SWINDON WILTS
SN5 7EX



PORTMAN LOMAS LTD
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for the year ended 31st December 2005

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PORTMAN LOMAS LTD
FINANCIAL STATEMENTS
for the year ended 31st December 2005

Director	R Burns M Burns (resigned 27 th September 2005)
Secretary	Lawrence Rose Limited
Registered Office	Basepoint Business Centre Unit 53 Rivermead Drive Westlea Swindon SN5 7EX
Company registration no.	02628698 England & Wales
Accountants	Lawrence Rose Ltd Basepoint Business Centre Rivermead Drive Westlea Swindon SN5 7EX

PORTMAN LOMAS LTD

REPORT OF THE DIRECTOR for the year ended 31st December 2005

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

PRINCIPAL ACTIVITY

The principal activity of the company during the year was to provide consultancy services.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of its profit or loss 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- 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 him 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.

DIRECTORS

The Directors in office in the year and their interests in the company's issued ordinary share capital were as follows:

	31 st Dec 2005	31 st Dec 2004
--	---------------------------	---------------------------

R Burns	-	-
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M Burns (resigned 27 th September 2005)	-	-
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The above report has been prepared in accordance with the special provisions of Part VII of the Company's Act 1985 relating to small companies.

Signed on behalf of the board of directors

Approved by the board



R Burns, Director

25/9/06

Date

PORTMAN LOMAS LTD

PROFIT AND LOSS ACCOUNT for the year ended 31st December 2005

	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
Turnover	1	16,449	22,000
Cost of Sales		(1,684)	(3,600)
Gross Profit		<u>14,765</u>	<u>18,400</u>
Administration Expenses		(3,698)	(22,747)
Operating (loss)/profit	5	<u>11,067</u>	<u>(4,347)</u>
Interest receivable and similar income		<u>1,805</u>	<u>2,712</u>
Profit/(loss) on ordinary activities before taxation		12,872	(1,635)
Taxation on profit on ordinary activities	4	<u>471</u>	<u>-</u>
Profit/(loss) for the financial year after taxation		12,401	(1,635)
Retained profit brought forward		173,239	174,874
Retained profit carried forward		<u>£185,640</u>	<u>173,239</u>

Continuing operations

All of the company's activities in the period derived from continuing operations.

Total recognised gains and losses

The business had no recognised gains or losses for the period other than those included in the profit and loss account.

The notes on pages 7 to 10 form part of these accounts.

PORTMAN LOMAS LTD

BALANCE SHEET for the year ended 31st December 2005

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
		£	£
Fixed assets			
Tangible assets	1,6	113	398
Investments	7	30,994	15,994
Current assets			
Trade debtors		27,231	21,756
Other debtors		140,016	128,958
Cash at bank and in hand		74,430	93,095
		<u>241,677</u>	<u>243,809</u>
Creditors: Amounts falling due within one year			
Other creditors	2	(7,142)	(6,960)
Net current assets		234,535	236,849
Total assets less current liabilities		<u>£265,642</u>	<u>£253,241</u>
Capital & Reserves:			
Called up share capital	3	4	4
Share Premium Account		79,998	79,998
Profit & loss account		185,640	173,239
Shareholders' funds		<u>£265,642</u>	<u>£253,241</u>

For the year ended 31st December 2005, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985; and no notice has been deposited under Section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of the company at the end of the each financial period and of its result for the financial period in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Signed on behalf of
the board of directors

Approved by the board on



R Burns, Director

25/9/06

Date

PORTMAN LOMAS LTD

NOTES TO THE ACCOUNTS for the year ended 31st December 2005

1. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods excluding VAT.

Tangible Fixed Assets

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

Office Equipment - 20% on cost

Cashflow

The accounts do not include a cashflow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates and laws.

Consolidation

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

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 rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. Other Creditors

	<u>2005</u>	<u>2004</u>
	£	£
VAT	3,589	3,972
Director's loans	2,134	1,800
Corporation tax	471	-
Accruals	948	1,188
	<u>£7,142</u>	<u>£6,960</u>

PORTMAN LOMAS LTD

NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 2005

3. Called up Share Capital

	<u>2005</u> £	<u>2004</u> £
<u>Authorised</u>		
1,000 ordinary shares of £1 each	1,000	1,000
<u>Allotted, issued & fully paid</u>		
4 ordinary shares of £1	4	4

4. Taxation

	<u>2005</u> £	<u>2004</u> £
UK corporation tax	471	-
Under/(Over) provision in prior year	-	-
Total	<u>£471</u>	<u>£-</u>

5. Operating Profit/(loss)

	<u>2005</u> £	<u>2004</u> £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible fixed assets	285	405

6. Tangible Fixed Assets

	Office Equipment £
Cost	
Balance at 31 December 2004	2,026
Additions	-
Disposals	-
Balance at 31 December 2005	<u>2,026</u>
Depreciation	
Balance at 31 December 2004	1,628
Charge for the year	285
Disposals	-
Balance at 31 December 2005	<u>1,913</u>
Net Book Value	
At 31 December 2005	<u>£113</u>
At 31 December 2004	<u>£398</u>

PORTMAN LOMAS LTD

NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 2005

7. Fixed asset investments

	£		
Cost			
Balance at 31 December 2004	15,994		
Reclassification of loan to investment	15,000		
Write down to recoverable amount	-		
Disposals			
Balance at 31 December 2005	<u>30,994</u>		
Net Book Value			
At 31 December 2005	<u>£30,994</u>		
At 31 December 2004	<u>£15,994</u>		
		2005	2004
		£	£
Investments listed on recognised stock exchange		15,994	15,994
Unlisted investments		15,000	-
		<u>30,994</u>	<u>15,994</u>

Of the listed investments, £15,215 have been suspended from trading. The recoverable amount is still, in the directors' opinions expected to be greater than cost and these assets are therefore held in the balance sheet at cost of £15,215.

The remainder of the listed investments were written down in 2002 to their recoverable amount, which the directors still consider at 31st December 2005 to be a permanent diminution in value from the cost of £30,000 to the market value of £779.

8. Related Party Disclosures

The company received fees amounting to £5,000 (2004: £5,000) from Fairmead Limited, a company in which Mr R E Burns is a director. Mr R E Burns is Mr Burns' father. Included in debtors is £4,406 (2004:£4,406) and a loan of £12,500 (2004:£12,500) due from Fairmead Ltd.

The company received fees amounting to £2,000 (2004:£2,000) from Highway Capital Plc, a company in which Mr R E Burns is also a director. Included in debtors is £2,350 (2004:£2,349) due from Highway Capital Plc.

Mr M Burns was a director of Finesource Limited during the year. Included in other debtors is a loan of £62,782 (2004:£68,225) due from Finesource Limited, which falls due after more than one year.

Mr M Burns is also a director of Portman-Lomas Properties Ltd, an associated undertaking. Included in debtors is a loan of £33,233 (2004: £48,233) due from Portman-Lomas Properties Limited.

The company received fees amounting to £Nil (2004: £15,000) and a loan of £1,500 (2004: Nil) from Arbutus Spain S.L., a company in which Mr R Burns is a director and 100% owner. Included in trade debtors is £15,000 (2004:£15,000) and in other debtors is £1,500(2004: Nil) due from Arbutus Spain S.L.

PORTMAN LOMAS LTD

NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 2005

Details of the associated undertaking is as follows:

Name	Shares Held	% Held	Share Capital & reserves	Profit for year
Portman-Lomas Properties Ltd	Ordinary	50%	£4	£Nil

The latest available accounts for Portman-Lomas Properties Ltd are for the year ended 30th April 2005.

Details of the subsidiary undertaking is as follows:

Name	Country of Incorporation	Shares Held	% Held	Share Capital & reserves
Arbutus Ltd	England & Wales	Ordinary	100%	£2

The latest available accounts for Arbutus Ltd are for the period ended 31st December 2004, showing a dormant company.

9. Control of the company

The company was under the ultimate control of Mr R E Burns. The immediate holding company is Rosemoor Investments Ltd, a company registered and incorporated in the British Virgin Islands (IBC No. 495248).