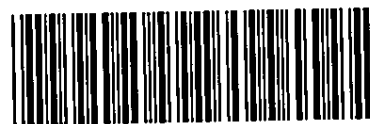


Company Registration No. 05889935 (England and Wales)

**DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

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COMPANIES HOUSE

**DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
COMPANY INFORMATION**

Directors	R N Pike	(Appointed 13 February 2008)
	A M Lewis	(Appointed 21 December 2007)
	S P Morgan	(Appointed 21 December 2007)
	V W Fairclough	(Appointed 21 December 2007)
	G H Locke	(Appointed 13 February 2008)
Secretary	A M Lewis	
Company number	05889935	
Registered office	Bridgemere House Chester Road Preston Brook Cheshire WA7 3BD	
Auditors	Warrener Stewart Harwood House 43 Harwood Road London SW6 4QP	

DEVELOPMENT FINANCE EUROPE SERVICES LIMITED (FORMERLY SALAMANCA FINANCE SERVICES LIMITED) CONTENTS

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**DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
DIRECTORS' REPORT**

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

The directors present their report and financial statements for the period ended 30 September 2007

Principal activities

The company was incorporated on 28 July 2006

The principal activity of the company during the period was the provision of management services to the Company's holding company which invests in and partners with local property developers in Eastern Europe

There are no comparatives due to this being the first period of trading

The company changed its name by special resolution on 18 January 2008 to Development Finance Europe Limited from Salamanca Finance Services Limited. The company was originally incorporated under the name of Thinkbowl Limited

The company extended its accounting period during the period to 30 September 2007 thereby changing its accounting reference date from 31 July to 30 September

Directors

The following directors have held office since 28 July 2006

R N Pike	(Appointed 13 February 2008)
M J Bellamy	(Appointed 8 August 2006 and resigned 21 December 2007)
E P Shave	(Appointed 8 August 2006 and resigned 10 August 2007)
S Turner	(Appointed 8 August 2006 and resigned 21 December 2007)
Instant Companies Limited	(Appointed 28 July 2006 and resigned 8 August 2006)
A M Lewis	(Appointed 21 December 2007)
S P Morgan	(Appointed 21 December 2007)
V W Fairclough	(Appointed 21 December 2007)
G H Locke	(Appointed 13 February 2008)

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Warrener Stewart be reappointed as auditors of the company will be put to the Annual General Meeting

**DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
DIRECTORS' REPORT (CONTINUED)**

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 that disclose with reasonable accuracy at any time the financial position of the company and 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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



R N Pike
Director

1/4/08
Date

**DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF DEVELOPMENT FINANCE EUROPE SERVICES
LIMITED**

We have audited the financial statements of Development Finance Europe Services Limited for the period ended 30 September 2007 set out on pages 5 to 9. 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 the directors and auditors

The directors' responsibilities for preparing 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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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.

**DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE SHAREHOLDERS OF DEVELOPMENT FINANCE EUROPE SERVICES
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 30 September 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.1 to the financial statements concerning the basis of preparation of the financial statements. In view of the significance of this matter, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.



Warrenner Stewart

Chartered Accountants
Registered Auditor



Harwood House
43 Harwood Road
London

SW6 4QP

DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	Notes	Period ended 30 September 2007 £
Turnover		54,645
Cost of sales		(1,402,642)
Gross loss		(1,347,997)
Administrative expenses		(120,338)
Loss on ordinary activities before taxation	2	(1,468,335)
Tax on loss on ordinary activities	3	-
Loss for the period	7	(1,468,335)

**DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
BALANCE SHEET**

AS AT 30 SEPTEMBER 2007

	Notes	2007 £	£
Current assets			
Debtors	4	112,308	
Cash at bank and in hand		2,857	
		<u>115,165</u>	
Creditors' amounts falling due within one year	5	<u>(1,583,400)</u>	
Total assets less current liabilities			<u>(1,468,235)</u>
Capital and reserves			
Called up share capital	6		100
Profit and loss account	7		<u>(1,468,335)</u>
Shareholders' funds	8		<u>(1,468,235)</u>

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)

The financial statements were approved by the Board on 1/4/08


R N Pike
Director

DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

1 Accounting policies

1.1 Accounting convention

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

During this the company's first period of trading, the company has reported a loss before tax of £1,468,335, giving rise to a balance sheet deficit of £1,468,235 at the period end

The directors believe that profitability will be achieved in the medium term. Additionally, much of the company's borrowing is in the form of medium term finance that is owed to connected parties. This funding, which will not be withdrawn until it is prudent to do so, further contributes to the financial stability of the business.

In light of the above and after taking into account all other information that could reasonably be expected to be available, the directors are confident that the company will continue in business for the foreseeable future and that the going concern basis is therefore appropriate for the preparation of the financial statements.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating loss

2007

£

Operating loss is stated after charging

Auditors' remuneration

3,750

3 Taxation

No charge to corporation tax arises in view of the loss for the period. The company has tax losses of approximately £1,468,000 available to carry forward against future trading profits, subject to agreement by HMRC.

No provision has been made for a potential deferred tax asset of £411,000 arising from these losses.

DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

4 Debtors	2007
	£
Amounts owed by related parties	19,898
Other debtors	92,410
	<u>112,308</u>

5 Creditors amounts falling due within one year	2007
	£
Trade creditors	5,449
Other creditors	1,577,951
	<u>1,583,400</u>

Included with other creditors is loans totaling £1,565,951 This loan is unsecured and repayable on demand

6 Share capital	2007
	£
Authorised	
1,000 Ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid	
100 Ordinary shares of £1 each	<u>100</u>

On 28 July 2006, 1 Ordinary share of £1 was allotted for cash at par value

On 21 August 2006, a further 99 Ordinary shares of £1 each were allotted for cash at par value

7 Statement of movements on profit and loss account	Profit and loss account
	£
Loss for the period	<u>(1,468,335)</u>

DEVELOPMENT FINANCE EUROPE SERVICES LIMITED
(FORMERLY SALAMANCA FINANCE SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

8	Reconciliation of movements in shareholders' funds	2007
		£
	Loss for the financial period	(1,468,335)
	Proceeds from issue of shares	100
		<hr/>
	Net depletion in shareholders' funds	(1,468,235)
	Opening shareholders' funds	-
		<hr/>
	Closing shareholders' funds	<u>(1,468,235)</u>