

CURZON GLOBAL UK LIMITED

Report and Financial Statements

31 December 2005



CURZON GLOBAL UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

CURZON GLOBAL UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R W Lewis
J-J Dayries
L J Staniforth

SECRETARY

L J Staniforth

REGISTERED OFFICE

1 Curzon Street
London W1J 5HD

BANKERS

National Westminster Bank Plc

AUDITORS

Mazars LLP
Chartered Accountants
London

CURZON GLOBAL UK LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The company is a holding company and partner for the Group's investment in the UK partnership Curzon Global Partners which provides services related to real estate fund management.

REVIEW OF DEVELOPMENTS

The Company remains the 50:50 partner of Curzon Global Partners, sharing in the profits and losses of the partnership equally with Curzon Global Limited, the other corporate partner.

RESULTS

The company made a loss of £431,800 for the year ended 31 December 2005 (2004: £1,370,256).

FUTURE PROSPECTS

The company is expected to continue as the 50:50 partner in Curzon Global Partners. The directors are cautiously confident of the future trading prospects of the partnership.

DIRECTORS AND THEIR INTERESTS


The present membership of the Board is set out on page 1.

No director had interests in this or any other group company at 31 December 2005.

AUDITORS

Deloitte & Touche LLP resigned and Mazars LLP were appointed auditors with effect from 15 November 2005. In accordance with section S385 of the Companies Act 1985, a resolution for their re-appointment is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



L J Staniforth
Secretary, 12 May 2006

CURZON GLOBAL UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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; 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CURZON GLOBAL UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CURZON GLOBAL UK LIMITED

We have audited the financial statements of Curzon Global UK Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These 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

As described in the Statement of Directors' Responsibilities 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 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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.

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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars LLP

Mazars LLP
Chartered Accountants
and Registered Auditors
24 Bevis Marks, London EC3A 7NR

16 May 2006

CURZON GLOBAL UK LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2005

	Note	Year Ended 31 December 2005 £	Year Ended 31 December 2004 £
TURNOVER		-	-
OPERATING PROFIT	2	-	-
Share of losses in partnership	4	(431,800)	(1,399,256)
Foreign exchange gain		-	29,000
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(431,800)	(1,370,256)
Tax on loss on ordinary activities	3	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS		(431,800)	(1,370,256)

There are no recognised gains and losses in the current year or preceding period other than as shown in the profit and loss account above.

All amounts derive from continuing operations. No note of historical cost profits and losses has been presented on the grounds that there are no differences between reported profits and historical cost profits.

CURZON GLOBAL UK LIMITED

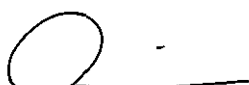
BALANCE SHEET

As at 31 DECEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Investment in Curzon Global Partners	4	3,612,289	3,894,089
CURRENT ASSETS			
Cash at bank and in hand		1	1
CREDITORS: amounts falling due within one year			
Loan from group undertakings		(10,336,078)	(10,186,078)
NET CURRENT LIABILITIES		(10,336,078)	(10,186,078)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,723,788)</u>	<u>(6,291,988)</u>
CAPITAL AND RESERVES			
Called up share capital	5	1	1
Profit and loss account	6	(6,723,789)	(6,291,989)
EQUITY SHAREHOLDERS' DEFICIT		<u>(6,723,788)</u>	<u>(6,291,988)</u>

These financial statements were approved by the Board of Directors on 12 May 2006

Signed on behalf of the Board of Directors



R W Lewis, Director

CURZON GLOBAL UK LIMITED

NOTES TO THE ACCOUNTS **Year Ended 31 December 2005**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are consistent with the prior period and are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Exemptions applied

The company is a wholly owned subsidiary of Caisse D'Epargne, a company registered in France, whose consolidated accounts are available to the public. Consequently the company took the exemption granted by FRS 2 section 228 from preparing consolidated financial statements. The company is also exempted from the requirements of FRS 8 to report transactions with related parties and exempt from the requirements of FRS 1 to prepare a cashflow statement. These accounts present information about the company as an individual undertaking.

Investments

Investments held as fixed assets are stated at cost less provision for impairment in value.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All other exchange differences are included in the profit and loss account.

2. OPERATING PROFIT

Audit fees are paid by another group undertaking.

The company did not have any employees in the current year or prior period. None of the directors received any remuneration in either the current year or prior period for services rendered to the company.

CURZON GLOBAL UK LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2005

3. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year Ended 31 December 2005 £	Year Ended 31 December 2004 £
Loss on ordinary activities before tax	(431,800)	(1,399,256)
UK corporation tax at 30% thereon	(129,540)	(419,777)
Add:		
Permanent differences	33,611	25,403
Capital allowances below depreciation	42,334	39,425
Utilisation of tax losses	62,187	346,806
Movement in short term timing differences	(8,592)	8,143
Current tax charge for year	-	-

During the period the basis of taxation of Curzon Global Partners was agreed with HM Revenue & Customs. As a result the losses carried forward in Curzon Global UK Ltd were revised. The deferred tax asset not recognised at 31 December 2005 in respect of losses carried forward and capital allowances in excess of depreciation is £1,039,046. No deferred tax asset is recognised because in the opinion of the directors there will be no suitable taxable profits available in the foreseeable future.

CURZON GLOBAL UK LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2005

4. INVESTMENTS AND PROVISION FOR LOSSES IN PARTNERSHIP

	2005
Cost	£
At 1 January 2005	10,200,315
Net investment in the year	150,000
	<hr/>
At 31 December 2005	10,350,315
	<hr/>
Provision for impairment	
At 1 January 2005	6,306,226
Impairment of investment in year	431,800
	<hr/>
At 31 December 2005	6,738,026
	<hr/>
Net book value	
At 31 December 2005	3,612,289
	<hr/>
At 1 January 2005	3,894,089
	<hr/>
Provision for losses in partnership	
	£
At 1 January 2005	-
Share of partnership losses in year	431,800
Transfer to provision against investment	(431,800)
	<hr/>
At 31 December 2005	-
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The investment represents the company's 50% share in the equity of Curzon Global Partners, a qualifying partnership governed by English Law. The investment has been funded by interest free loans from the intermediate parent company, IXIS AEW Europe SA. Curzon Global Partners' head office is: One Curzon Street, W1J 5HD. The results and financial position of Curzon Global Partners for the year ended 31 December 2005 are included on a consolidated basis in the financial statements of the ultimate parent company, Caisse d'Epargne, a company incorporated in France.

5. CALLED UP SHARE CAPITAL

	2005	2004
	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid:		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

CURZON GLOBAL UK LIMITED

NOTES TO THE ACCOUNTS **Year Ended 31 December 2005**

6. PROFIT AND LOSS ACCOUNT

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Retained Profit & Loss brought forward at 1 January	(6,291,989)	(4,921,733)
Loss retained for the period	(431,800)	(1,370,256)
Retained Profit and Loss carried forward at 31 December	<u>(6,723,789)</u>	<u>(6,291,989)</u>

7. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by FRS 8 paragraph 3 (c) as a wholly owned subsidiary of Caisse d'Epargne, the consolidated financial statements for which are publicly available, not to disclose transactions with group companies.

8. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING ENTITY

The company's ultimate parent company and controlling entity is currently Caisse d'Epargne, a company incorporated and registered in France.

Caisse d'Epargne is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are prepared and of which the company is a member.

The group financial statements may be obtained from:

The Finance Officer
Curzon Global Partners
One Curzon Street
London W1J 5HD