

**DUELGUIDE MANAGEMENT SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2010**

Registered in England and Wales 01999376

TUESDAY



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## **DUELGUIDE MANAGEMENT SERVICES LIMITED**

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**DUELGUIDE MANAGEMENT SERVICES LIMITED**

**DIRECTORS AND ADVISERS**

**Directors**

M R Turner  
P C O'Driscoll  
J G Draper  
J L Tuckey

**Secretary**

E L Services Limited

**Registered Office**

25 Harley Street  
London  
W1G 9BR

**Registered Auditors**

Gerald Edelman  
25 Harley Street  
London W1G 9BR

**DUELGUIDE MANAGEMENT SERVICES LIMITED**  
**DIRECTORS REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2010

**Principal activity**

The company's principal activity is management services

**Review of business**

The company continued to provide management services to companies within the Duelguide group as well as entities that were transferred to R&M Investments (BVI) Limited from the Duelguide group

**Results and dividends**

The results for the year are shown in the profit and loss account on page 5 The loss for the year of £897,943 (2009-loss of £247,408) has been transferred to reserves

The Directors do not recommend the payment of a dividend (2009 £nil)

**Directors and directors' interests**

The directors of the company during the year were as follows

M R Turner	
P C O'Driscoll	
D J Collins	( Resigned 7 July 2010)
J G Draper	( Appointed 7 July 2010)
J L Tuckey	

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all steps that he/she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditors are unaware of that information

**Auditors**

Gerald Edelman were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

By order of the board



P C O' Driscoll  
Director

(P August 2011

## **DUELGUIDE MANAGEMENT SERVICES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO  
THE MEMBERS OF DUELGUIDE MANAGEMENT SERVICES LIMITED**

We have audited the financial statements of Duelguide Management Services Limited for the year ended 31 December 2010 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been properly prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**S P Coleman (Senior Statutory Auditor)**

for and on behalf of Gerald Edelman  
Chartered Accountants  
Registered Auditor

25 Harley Street  
London W1G 9BR

**DUELGUIDE MANAGEMENT SERVICES LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
Turnover	2	64,200	200,000
Administrative expenses	3	(561,110)	(414,529)
Operating (Loss)		<u>(496,910)</u>	<u>(214,529)</u>
Net finance costs	4	(401,033)	(8,308)
(Loss) on ordinary activities before taxation		<u>(897,943)</u>	<u>(222,837)</u>
Taxation	5	-	(24,571)
Loss for the year		<u><u>(897,943)</u></u>	<u><u>(247,408)</u></u>

The above results relate entirely to continuing operations

There is no difference between the results as disclosed in the profit and loss account and the retained results for the year stated above and their historical equivalents

The notes on pages 7 to 14 form part of these audited financial statements

# **DUELGUIDE MANAGEMENT SERVICES LIMITED**

## **BALANCE SHEET AS AT 31 DECEMBER 2010**

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	6	<u>10,818</u>	<u>3,953</u>
<b>Current assets</b>			
Debtors	7	53,989,629	85,302,921
Cash at bank		1,176,597	320,751
		<u>55,166,226</u>	<u>85,623,672</u>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	8	(55,749,942)	(85,302,580)
<b>Net current assets</b>		<u>(583,716)</u>	<u>321,092</u>
<b>Net liabilities</b>		<u>(572,898)</u>	<u>325,045</u>
<b>Capital and reserves</b>			
Called up share capital	10	500,000	500,000
Profit and loss account	11	(1,072,898)	(174,955)
<b>Equity shareholders' deficit</b>	12	<u>(572,898)</u>	<u>325,045</u>

The financial statements were approved by the board of directors on 10 August 2011 and were signed on its behalf by



P C O' Driscoll  
Director

Company Registration Number 01999376

The notes on pages 7 to 15 form part of these audited financial statements

## **DUELGUIDE MANAGEMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

#### **1 ACCOUNTING POLICIES**

##### **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules

##### **Turnover**

Turnover represents the amounts receivable for services supplied to group companies and to other clients net of VAT

##### **Going Concern**

The Company is dependent for its working capital on funds provided to it by other group companies. Another group company has provided the Company with an undertaking that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for repayment. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

##### **Fixed Assets and depreciation**

Fixed assets are stated at cost less depreciation which is provided to write off the cost by equal installments over the estimated useful lives of the assets as follows

Furniture, fixtures and fittings - 4 years

##### **Taxation**

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax on all timing differences that have originated but not reversed at the balance sheet date, where an event has occurred that results in an obligation to pay more or less tax in the future, except that

- (i) provision is not made in respect of property revaluation surpluses unless an unconditional sales agreement has been signed and rollover relief is not available to cover any gain arising, and
- (ii) deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the relevant timing differences can be deducted

Deferred tax is measured on a non discounted basis at the tax rates which apply at the balance sheet date

##### **Cashflow statement**

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement because it is a small company as defined by the Companies Act 2006

**DUELGUIDE MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)**

<b>2</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Management services charged to group and related companies	-	200,000
Other Income	<u>64,200</u>	<u>-</u>
	<u><b>64,200</b></u>	<u><b>200,000</b></u>

<b>3</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Employee costs	(214,844)	209,771
Professional fees	(37,572)	46,477
Other administrative expenses	(300,241)	152,336
Depreciation	(7,559)	5,945
Hire of Plant and Machinery	(894)	
	<u><b>(561,110)</b></u>	<u><b>414,529</b></u>

Employee costs comprise		
Salaries and wages	192,749	188,250
Social Security costs	22,095	21,521
	<u><b>214,844</b></u>	<u><b>209,771</b></u>

Amounts receivable by auditors and their associates in respect of		
Audit of these financial statements	5,000	7,500
Audit of financial statements of other group companies	20,775	43,000
	<u><b>25,775</b></u>	<u><b>50,500</b></u>

None of the directors received any remuneration from the company during the year ( 2009 £nil)

At 31 December 2011 there were 4 employees (2009 - 4) of the company

**DUELGUIDE MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)**

<b>4</b>	<b>NET FINANCE COSTS</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Interest Received	431	20
	Interest payable and similar charges	(9,160)	(8,328)
	Interest payable - Group Loans	(382,865)	-
	Foreign Exchange -losses	(9,439)	-
		<u>(401,033)</u>	<u>(8,308)</u>
<b>5</b>	<b>TAXATION</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Tax Charge for the year	<u>-</u>	<u>(24,571)</u>
	<b>Factors affecting tax charge for the year :</b>		
	Loss on ordinary activities before taxation	<u>(897,943)</u>	<u>247,408</u>
	Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%( 2009 28%)	(251,424)	(56,505)
	Effects of		
	Expenses not deductible for tax	2,116	-
	Expected transfer of losses to/from other group companies for which no compensation will be received/paid	249,308	56,505
	Current tax charge for the year	<u>-</u>	<u>-</u>
	Deferred tax charge for the year	<u>-</u>	<u>(24,571)</u>
	Total tax charge for the year	<u>-</u>	<u>(24,571)</u>

# **DUELGUIDE MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)**

### **6 TANGIBLE FIXED ASSETS**

	2010 1st January		2010 31 December
	Cost	Current year Additions	Total
	£	£	£
<b>Furniture and Equipment</b>	<u>23,784</u>	<u>14,424</u>	<u>38,208</u>
		Current year Charges	
	£	£	£
<b>Accumulated depreciation</b>	<u>(19,831)</u>	<u>(7,559)</u>	<u>(27,390)</u>
<b>Net Book Value</b>	<u>3,953</u>	<u>6,865</u>	<u>10,818</u>

### **7 DEBTORS: amounts falling due within one year**

	2010 £	2009 £
Amounts due from other group undertakings	30,650,431	61,960,488
Amounts due from related parties	23,299,288	23,277,859
Other debtors	24,298	37,887
VAT and other taxes payable	608	-
Prepayments and accrued income	15,004	26,687
	<u>53,989,629</u>	<u>85,302,921</u>

### **8 CREDITORS: amounts falling due within one year**

	2010 £	2,009 £
Amounts owed to other group undertakings	29,992,062	64,663,459
Amounts owed to related parties	25,593,670	20,434,524
Trade creditors	77,453	60,113
VAT and other taxes payable	-	1,883
Other Creditors	49,966	-
Accruals and deferred income	36,791	142,601
	<u>55,749,942</u>	<u>85,302,580</u>

### **9 DEFERRED TAXATION**

	2010 £	2009 £
At 1 January	-	24,571
Movement for the year	-	(24,571)
At 31 December	<u>-</u>	<u>-</u>

**DUELGUIDE MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)**

**10 CALLED UP EQUITY SHARE CAPITAL**

	2010 £	2009 £
Allotted, called up and fully paid 500,000 Ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

**11 PROFIT AND LOSS ACCOUNT**

	2010 £	2009 £
At 1 January	(174,955)	72,453
Loss for the year	(897,943)	(247,408)
At 31 December	<u>(1,072,898)</u>	<u>(174,955)</u>

**12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	2010 £	2009 £
At 1 January	325,045	572,453
Loss for the year	(897,943)	(247,408)
At 31 December	<u>(572,898)</u>	<u>325,045</u>

# DUELGUIDE MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

### 13 GROUP AND RELATED PARTY TRANSACTIONS

			2010	2009
			£	£
<b>GROUP</b>				
<b>Profit &amp; Loss</b>				
Duelguide Acquisitions Limited	Management Fee		-	200,000
<b>Group Balances</b>				
		<b>Relationship</b>		
Duelguide AG	Debtors	Foreign subsidiary		3,144
Duelguide Properties Holdings BV	Debtors	Foreign subsidiary		9,089
Duelguide Properties BV	Debtors	Foreign subsidiary	-	1,682
Duelguide Holdings NV	Debtors	Foreign subsidiary	87,611	
Duelguide Barbados	Debtors	Foreign subsidiary		-
Duelguide MH Phase 1 Limited	Debtors	Former subsidiary	-	1,756,330
Duelguide MH Investments Limited	Debtors	Former subsidiary	-	57,238
St Catherine's House Limited Partnership	Debtors	Former subsidiary	-	1,497,806
Stratford City Developments	Debtors	Former subsidiary	-	237,502
Duelguide Merry Hill Limited	Debtors	Former subsidiary	-	8,665,090
Duelguide MH Acquisitions Limited	Debtors	Former subsidiary	-	409,963
Azote Brentford Investments BV	Debtors	Foreign subsidiary	3,053	1,765
London Fields Limited	Debtors	Fellow subsidiary	17,654	4,570
Merry Hill Trading	Debtors	Former subsidiary	-	9,383
White City Acquisitions	Debtors	Former subsidiary	-	998,817
Duelguide Paddington Limited	Debtors	Fellow subsidiary	3,868,417	3,868,417
Duelguide Mezzanine Limited	Debtors	Fellow subsidiary	-	13,346,487
Duelguide Acquisitions Limited	Debtors	Fellow subsidiary	216,434	581,586
Kingsyard Management Limited	Debtors	Fellow subsidiary	56,357	56,357
Duelguide (MH) Finance Limited	Debtors	Foreign subsidiary	9,010	4,628
Duelguide (MH) Bermuda	Debtors	Foreign subsidiary	17,847	12,156
White City Developments Limited	Debtors	Former subsidiary	-	46,888
Stannifer Developments Limited	Debtors	Former subsidiary	30,100	43,185
Duelguide Stannifer Holdings Limited	Debtors	Fellow subsidiary	23,915	23,915
Duelguide(RL) Limited	Debtors	Former subsidiary	1,472,810	-
GS Finco Limited	Debtors	Former subsidiary	24,779,877	24,779,877
Stannifer Limited	Debtors	Fellow subsidiary	1,767	-
Brentford Investments BV	Debtors	Foreign subsidiary	18,989	10,517
High Wycombe(Western) House Limited	Debtors	Fellow subsidiary	46,590	46,590
			<u>30,650,431</u>	<u>56,472,981</u>
<b>Related Party</b>				
R&M Investments ( BVI) Limited	Debtors	Holding Company	<u>23,299,288</u>	<u>23,277,859</u>

# **DUELGUIDE MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)**

### **13 GROUP AND RELATED PARTY TRANSACTIONS**

- continued

			2010	2009
			£	£
Group Balances	Relationship			
Duelguide Property BV	Creditors	Foreign subsidiary	6,597,334	
Duelguide Holdings Limited	Creditors	Former Subsidiary		27,216,909
Duelguide(MH) Waterfront	Creditors	Former Subsidiary	-	414,441
Duelguide(Merry Hill) Limited	Creditors	Former Subsidiary	-	3,279,189
Duelguide Commercial Investments Limited	Creditors	Fellow subsidiary	-	2,985,812
Crossmane Limited	Creditors	Former Subsidiary	-	146,165
Cable Plaza Limited	Creditors	Former Subsidiary	-	146,165
Duelguide Brompton Limited	Creditors	Fellow subsidiary	-	411
Duelguide Limited	Creditors	Fellow subsidiary	-	3,873,584
White City Shepherds Bush Limited	Creditors	Former Subsidiary	-	700,917
Duelguide ( GS ) Limited	Creditors	Fellow subsidiary	50,466	50,466
Duelguide( Commercial Investments) Limited	Creditors	Fellow subsidiary	2,985,812	-
Belgravia Property Company Limited	Creditors	Fellow subsidiary	3,801,005	3,801,005
Kirkcaldy( No 2 Limited	Creditors	Fellow subsidiary	8,295	8,295
Stannifer Group Limited	Creditors	Fellow subsidiary	184,873	184,873
Duelguide (UK) Limited	Creditors	Fellow subsidiary	271,735	5,692,443
St Catherine's Limited House Partnership	Creditors	Former subsidiary	2,268	-
Duelguide Property Investments Limited	Creditors	Former Subsidiary	3,417,871	3,417,871
Duelguide ( Brompton Road) Limited	Creditors	Fellow subsidiary	411	-
Duelguide ( Newcastle) Limited	Creditors	Fellow subsidiary	831,904	827,420
Duelguide (Bond Street) Limited	Creditors	Former Subsidiary	4,173,136	4,173,136
Oranje Staete BV	Creditors	Foreign subsidiary	33,357	38,103
Stannifer Group Holdings	Creditors	Fellow subsidiary	7,297,020	7,369,680
Stannifer Ventures Limited	Creditors	Fellow subsidiary	336,575	336,575
			<b>29,992,062</b>	<b>64,663,459</b>
<b>Related Party</b>				
R&M Investments ( BVI) Limited	Creditors	Holding company	1,186,053	-
R&M Holdings (UK) Ltd	Creditors	Holding company	4,133,544	-
Brookfield( Developments) UK Limited	Creditors	Joint Venture Investor	10,307,841	10,495,361
Motcomb Estates Limited	Creditors	Joint Venture Investor	9,966,232	9,939,163
			<b>25,593,670</b>	<b>20,434,524</b>

**DUELGUIDE MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)**

**14 HOLDING COMPANY**

On 30 June 2010, the immediate UK holding company's ownership was transferred to R&M Holdings (UK) Limited

**15 POST BALANCE SHEET EVENT**

On 4th February 2011, the Holding company was fully acquired by R&M Investments (BVI) Ltd, incorporated in the British Virgin Islands and is ultimately owned by Brookfield Asset Management Inc, registered in Canada as to 50% and Landal Worldwide Corp , registered in the British Virgin Islands as to 50% in respect of this company