

**DUELGUIDE MANAGEMENT SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2009**

Registered in England and Wales 1999376



# **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**

KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB

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

The directors present their report and the audited financial statements for the year ended 31 December 2009

### **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 £247,408 (2008-loss of £55,764) has been transferred from reserves.

During the year the Directors do not recommend the payment of a dividend (2008: £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	

None of the directors had any interest in the share capital of the company or any other company within the DGL Acquisitions Limited group

### **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**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



JG Draper  
Director

16 September 2010

## **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 2009 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 2009 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



**Shaun Kirby (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London E14 5GL

16 September 2010

**DUELGUIDE MANAGEMENT SERVICES LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £	2008 £
Turnover	2	200,000	1,152,500
Administrative expenses	3	(414,529)	(1,022,555)
Operating (Loss) / Profit		<u>(214,529)</u>	<u>129,945</u>
Movement in provisions against loans	4	-	(31,018)
(Loss)/profit on ordinary activities before finance costs		<u>(214,529)</u>	<u>98,927</u>
Net finance costs	5	(8,308)	(49,187)
(Loss)/profit on ordinary activities before taxation		<u>(222,837)</u>	<u>49,740</u>
Taxation	6	(24,571)	(105,504)
Loss for the year		<u><u>(247,408)</u></u>	<u><u>(55,764)</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 11 form part of these audited financial statements

# DUELGUIDE MANAGEMENT SERVICES LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	7	<u>3,953</u>	<u>9,898</u>
<b>Current assets</b>			
Debtors	8	85,302,921	85,127,530
Cash at bank		320,751	716,386
		<u>85,623,672</u>	<u>85,843,916</u>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	9	(85,302,580)	(85,281,361)
		<u>321,092</u>	<u>562,555</u>
<b>Net current assets</b>			
		<u>325,045</u>	<u>572,453</u>
<b>Net assets</b>			
		<u>325,045</u>	<u>572,453</u>
<b>Capital and reserves</b>			
Called up share capital	11	500,000	500,000
Profit and loss account	12	(174,955)	72,453
		<u>325,045</u>	<u>572,453</u>
<b>Equity shareholders' funds</b>	13	<u>325,045</u>	<u>572,453</u>

Approved by the board of directors on 16 September 2010 and signed on its behalf by



JG Draper  
Director

The notes on pages 7 to 11 form part of these audited financial statements

## **DUELGUIDE MANAGEMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **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

##### **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 small company as defined by the Companies Act 2006

##### **Related party transactions**

As the company is a wholly owned subsidiary of DGL Acquisitions Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group( or investees of the group qualifying as related parties). The consolidated financial statements of DGL Acquisitions Limited, within which this company is included, can be obtained from the address given in note 14



# DUELGUIDE MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)

<b>2</b>	<b>TURNOVER</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Management services charged to group and related companies	<b>200,000</b>	1,152,500
		<b><u>200,000</u></b>	<b><u>1,152,500</u></b>
<b>3</b>	<b>ADMINISTRATIVE EXPENSES</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Employee costs	<b>209,771</b>	200,894
	Professional fees	<b>46,477</b>	595,800
	Other administrative expenses	<b>152,336</b>	220,507
	Depreciation	<b>5,945</b>	4,460
	Hire of Plant and Machinery	<b>-</b>	894
		<b><u>414,529</u></b>	<b><u>1,022,555</u></b>
	Employee costs comprise		
	Salaries and wages	<b>188,250</b>	181,628
	Social Security costs	<b>21,521</b>	19,266
		<b><u>209,771</u></b>	<b><u>200,894</u></b>
	Amounts receivable by auditors and their associates in respect of		
	Audit of these financial statements	<b>7,500</b>	8,000
	Audit of financial statements of other group companies	<b>43,000</b>	51,000
	Other services	<b>-</b>	92,120
		<b><u>50,500</u></b>	<b><u>151,120</u></b>

None of the directors received any remuneration from the company during the year ( 2008 £nil)

At 31 December 2009 there were 4 employees (2008 - 4) of the company

# **DUELGUIDE MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)**

### **4 MOVEMENT IN PROVISIONS AGAINST LOANS**

	2009	2008
Provision against loan to group undertaking	-	8,347
Movement in provision of loan to related parties	-	22,671
	<u>-</u>	<u>31,018</u>

### **5 NET FINANCE COSTS**

	2009 £	2008 £
Interest payable on bank borrowings	20	(3)
Interest payable to related parties	-	(49,184)
Bank Charges	(8,328)	-
	<u>(8,308)</u>	<u>(49,187)</u>

### **6 TAXATION**

	2009 £	2008 £
Tax Charge for the year	<u>(24,571)</u>	<u>(105,504)</u>
<b>Factors affecting tax charge for the year :</b>		
Loss on ordinary activities before taxation	<u>247,408</u>	<u>49,740</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%( 2008 28.5%)	(56,505)	14,175
Effects of		
Expenses not deductible for tax	-	1,271
Movement in loan provision not deductible for tax purposes	-	8,840
Tax expense from prior year assessments	-	105,504
Expected transfer of losses to/from other group companies for which no compensation will be received/paid	56,505	(24,286)
Current tax charge for the year	<u>-</u>	<u>(105,504)</u>
Deferred tax charge for the year	<u>(24,571)</u>	<u>-</u>
Total tax charge for the year	<u>(24,571)</u>	<u>(105,504)</u>

**DUELGUIDE MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)**

**7 TANGIBLE FIXED ASSETS**

	<b>Furniture and equipment</b>
<u>Cost</u>	
At January 2009 and december 2009	<u>23,784</u>
<u>Accumulated depreciation</u>	
At January 2009	(13,886)
Depreciation charge for the year	<u>(5,945)</u>
At December 2009	<u>(19,831)</u>
<u>Net book value</u>	
At December 2009	<u>3,953</u>
At December 2008	<u>9,898</u>

<b>8 DEBTORS: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts due from related parties	49,669,887	49,909,642
Amounts due from other group undertakings	35,568,460	34,851,903
Other debtors	37,887	331,510
Prepayments and accrued income	26,687	9,904
Deferred taxation (See note 10)	-	24,571
	<u>85,302,921</u>	<u>85,127,530</u>

<b>9 CREDITORS: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts owed to other group undertakings	48,500,675	48,448,677
Amounts owed to related parties	36,597,308	36,302,452
Trade creditors	60,113	134,834
VAT and other taxes payable	1,883	49,464
Accruals and deferred income	142,601	345,934
	<u>85,302,580</u>	<u>85,281,361</u>

<b>10 DEFERRED TAXATION</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
At 1 January	24,571	33,800
Movement for the year	(24,571)	(9,229)
At 31 December	<u>-</u>	<u>24,571</u>
Analysis of balances		
Accelerated capital allowances	<u>-</u>	<u>24,571</u>

# **DUELGUIDE MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 (continued)**

### **11 CALLED UP EQUITY SHARE CAPITAL**

	2009 £	2008 £
Allotted, called up and fully paid Ordinary shares of £1 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

### **12 PROFIT AND LOSS ACCOUNT**

	2009 £	2008 £
At 1 January	72,453	128,217
Loss for the year	(247,408)	(55,764)
At 31 December	<u>(174,955)</u>	<u>72,453</u>

### **13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
At 1 January	572,453	628,217
Loss for the year	(247,408)	(55,764)
At 31 December	<u>325,045</u>	<u>572,453</u>

### **14 HOLDING COMPANIES**

As at 31 December 2009, the immediate holding and controlling company is Duelguide Holdings Limited and is indirectly owned by DGL Acquisitions Limited. Both companies are registered in England and Wales and the accounts of DGL Acquisitions Ltd, which is both the largest and smallest group in which the results of the company are consolidated, are available from 23 Hanover Square London W15 1JB. DGL Acquisitions Limited is ultimately controlled by Brookfield Asset Management Inc, registered in Canada as to 50% and Landal Worldwide Corp Ltd, registered in the British Virgin Isles as to 50% in respect of this company.

On 30 June 2010, the ownership of the Company was transferred to R&M Holdings (UK) Limited.