

EVANS ROW PROPERTY COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2005



EVANS ROW PROPERTY COMPANY LIMITEDDIRECTORS' REPORT

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

Principal activity

The company's principal activity is property dealing.

Results and dividend

The results for the year are shown in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (2004 - £nil). The retained profit for the year of £6,390,233 (2004 - £373,900) has been transferred to reserves.

Directors and directors' interests

The directors who held office during the year were as follows:

RS Barrott	(appointed 17 January 2005; resigned 6 April 2005)
RE Butler	(resigned 29 June 2005)
WN Hugill	(resigned 29 June 2005)
RA McDiven	(appointed 16 May 2005)
SA Nahum	(appointed 17 January 2005)
TP Nathan	(appointed 16 May 2005; resigned 24 October 2005)
KM Pedersen	(appointed 24 October 2005; resigned 26 January 2006)
D Phillips	(resigned 20 May 2005)
JC Shaw	(appointed 17 January 2005; resigned 6 April 2005)
MR Turner	(appointed 17 January 2005)

None of the directors had any interest in the share capital of the company during the year. Their interests in the share capital of DGL Acquisitions Limited, the ultimate holding company at 31 December 2005, are disclosed in that company's financial statements.

Subsequent to the balance sheet date, on 26 January 2006, JE McGivern was appointed as a director.

Auditors

KPMG Audit plc have resigned as auditors. KPMG LLP have been appointed to fill the casual vacancy. In accordance with Section 384 of the Companies Act 1985, a resolution for the appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Director JE McGivern

26 October 2006

25 Harley Street
London
W1G 9BR

EVANS ROW PROPERTY COMPANY LIMITEDSTATEMENT 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.

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 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 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 its financial statements comply with the Companies Act 1985. 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.

EVANS ROW PROPERTY COMPANY LIMITEDINDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVANS ROW PROPERTY COMPANY LIMITED

We have audited the financial statements of Evans Row Property Company Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the 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 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 described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK 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 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

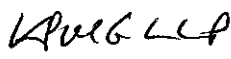
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP
Chartered Accountants
Registered Auditor
London

31 October 2006

EVANS ROW PROPERTY COMPANY LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31 December 2005

	Notes	2005 £	2004 £
Income from properties	1	6,275,413	443,725
Administrative expenses	2	(226,826)	(511,639)
Operating profit/(loss)		6,048,587	(67,914)
Net interest receivable	3	341,646	441,814
Profit on ordinary activities before taxation		6,390,233	373,900
Taxation	4	-	-
Retained profit for the year		6,390,233	373,900

The above results relate entirely to continuing operations.

There were no gains or losses during the year other than those disclosed above.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

Details of reserve movements are set out in notes 10 and 11 to these accounts.

EVANS ROW PROPERTY COMPANY LIMITEDBALANCE SHEETAt 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Other tangible fixed assets	5	199,025	199,025
Current assets			
Stock	6	-	4,220,860
Debtors	7	16,808,454	6,311,527
Cash at bank		62,482	-
		<u>16,870,936</u>	<u>10,532,387</u>
Creditors - amounts falling due within one year	8	<u>(81,998)</u>	<u>(133,682)</u>
Net current assets		<u>16,788,938</u>	<u>10,398,705</u>
Net assets		<u>16,987,963</u>	<u>10,597,730</u>
Equity capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	16,987,863	10,597,630
Equity shareholders' funds		<u>16,987,963</u>	<u>10,597,730</u>

Approved by the board of directors on 26 October 2006 and signed on its behalf by:


 Director J E McGivern

EVANS ROW PROPERTY COMPANY LIMITED

ACCOUNTING POLICIES

Basis of accounting

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

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to produce consolidated financial statements.

Properties

Properties held as stock are stated in the balance sheet at the lower of cost and net realisable value; cost includes interest capitalised in respect of borrowings related to the purchase and development of properties. Profits on sales of properties are recognised on completion of the sale.

Deferred tax

Deferred tax is provided in respect of 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

A consolidated cashflow is published in the group accounts of DGL Acquisitions Limited, the ultimate holding company. The company is exempt under FRS 1 from publishing its own cashflow statement.

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 FRS 8 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 12.

EVANS ROW PROPERTY COMPANY LIMITEDNOTES TO THE ACCOUNTS

1	<u>INCOME FROM PROPERTIES</u>	2005 £	2004 £
	Gross rents receivable	208,397	490,242
	Direct property outgoings	(3,079)	(33,287)
	Net rents receivable	205,318	456,955
	Profit on sale of trading properties (see below)	6,065,257	54,601
	Provision against trading properties	4,838	(67,831)
		<u>6,275,413</u>	<u>443,725</u>

The profit on sale of trading properties comprises:

Sale proceeds	10,520,000	1,692,347
Cost of sales	(4,454,743)	(1,637,746)
Profit on disposal	<u>6,065,257</u>	<u>54,601</u>

2 ADMINISTRATIVE EXPENSES

Group management charge	226,590	486,112
Other administrative expenses	236	25,527
	<u>226,826</u>	<u>511,639</u>

None of the directors received any remuneration from the company during the year (2004 - £nil).

The company has no employees.

Audit fees are paid by Duelguide Management Services Limited (formerly Chelsfield Management Services Limited) and accounted for on a group basis.

3 NET INTEREST RECEIVABLE

Bank interest receivable	-	397
Interest receivable from other group undertakings	341,533	441,450
Other interest receivable	113	27
	<u>341,646</u>	<u>441,874</u>
Bank interest payable	-	(60)
	<u>341,646</u>	<u>441,814</u>

EVANS ROW PROPERTY COMPANY LIMITED**NOTES TO THE ACCOUNTS (continued)**

4	<u>TAXATION</u>	2005 £	2004 £
	(i) Analysis of charge for the year		
	Current tax:		
	UK Corporation tax on profit of the year (note 4(ii))	-	-
		<u> </u>	<u> </u>
	(ii) Factors affecting tax charge for the year		
	Profit on ordinary activities before tax	6,390,233	373,900
		<u> </u>	<u> </u>
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30 per cent (2004 - 30 per cent)	1,917,070	112,170
	Effects of:		
	Receipt of losses from other group companies for which no compensation will be paid	(1,917,070)	(112,170)
		<u> </u>	<u> </u>
	Current tax charge for the year	-	-
		<u> </u>	<u> </u>
5	<u>FIXED ASSETS</u>		
	Tangible assets		
	Cost		
	At 1 January and 31 December	199,025	199,025
		<u> </u>	<u> </u>
6	<u>STOCK</u>		
	Dealing properties	-	4,220,860
		<u> </u>	<u> </u>
7	<u>DEBTORS</u>		
	Trade debtors	4,711	108,409
	Amounts due from other group undertakings	16,667,748	6,094,272
	Other debtors	135,995	38,698
	Prepayments and accrued income	-	70,148
		<u> </u>	<u> </u>
		16,808,454	6,311,527
		<u> </u>	<u> </u>

EVANS ROW PROPERTY COMPANY LIMITEDNOTES TO THE ACCOUNTS (continued)

8	<u>CREDITORS: amounts falling due within one year</u>	2005	2004
		£	£
	Bank loans and overdrafts	-	32,241
	Trade creditors	-	21,005
	VAT	81,998	-
	Accruals and deferred income	-	80,436
		81,998	133,682

9	<u>CALLED UP SHARE CAPITAL</u>	Authorised	Allotted, Called up and fully paid
		£	£
	Ordinary shares of £1 each	100	100

There were no changes during the year in either the authorised or called up share capital.

10	<u>PROFIT AND LOSS ACCOUNT</u>	2005	2004
		£	£
	At 1 January	10,597,630	10,223,730
	Retained profit for the year	6,390,233	373,900
	At 31 December	16,987,863	10,597,630

11	<u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
	At 1 January	10,597,730	10,223,830
	Retained profit for the year	6,390,233	373,900
	At 31 December	16,987,963	10,597,730

12 HOLDING COMPANIES

The immediate holding and controlling company is Duelguide (UK) Limited (formerly Chelsfield (UK) plc) and the ultimate holding and controlling company is DGL Acquisitions Limited. Both companies are registered in England and Wales and the accounts of that ultimate holding company, which is both the largest and smallest group in which these results of the company are consolidated, are available from 40 Berkeley Square, London, W1J 5AL.