

EVANS ROW PROPERTY COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2006

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COMPANIES HOUSE

EVANS ROW PROPERTY COMPANY LIMITED

DIRECTORS AND ADVISERS

Directors

RA McDiven
JE McGivern
SAJ Nahum
MR Turner

Secretary

E L Services Limited

Registered Office

25 Harley Street
London
W1G 9BR

Registered Auditors

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

EVANS ROW PROPERTY COMPANY LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2006

Principal activity

The company's principal activity is investment in property. The last investment property held by the company was sold during 2005 and the company is currently not pursuing any further investments.

Review of business

The directors have reviewed the activities of the company for the reporting period and the position as at 31 December 2006 and consider them to be satisfactory.

Results and dividend

The results for the year are shown in the profit and loss account on page 5. The retained loss for the year of £866 (2005 – profit of £6,390,233) has been transferred from reserves.

The directors do not recommend the payment of a final dividend (2005 - £nil).

Directors and directors' interests

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

RA McDiven	
SA Nahum	
MR Turner	
KM Pedersen	(resigned 26 January 2006)
JE McGivern	(appointed 26 January 2006)

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

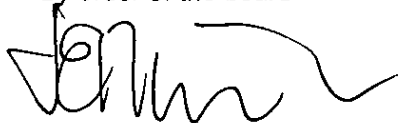
Disclosure of information to auditors

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 the 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 aware of that information.

Auditors

The auditors, KPMG LLP, will continue in office as the company has passed an elective resolution to dispense with their annual re-appointment.

By order of the board



JE McGivern
Director

20 August 2007

EVANS ROW PROPERTY COMPANY 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)

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

INDEPENDENT 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 2006 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 3, 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 2006 and of its loss for the year then ended,
- 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.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
London

21 August 2007

EVANS ROW PROPERTY COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2006 £	2005 £
Income from properties	2	-	6,275,413
Administrative expenses	3	(866)	(226,826)
Operating (loss)/profit		<u>(866)</u>	<u>6,048,587</u>
Net interest receivable	4	-	341,646
(Loss)/profit on ordinary activities before taxation		<u>(866)</u>	<u>6,390,233</u>
Taxation	5	-	-
(Loss)/profit for the year		<u>(866)</u>	<u>6,390,233</u>

The above results relate entirely to continuing operations

There is no material difference between the result as disclosed in the profit and loss account and the retained (loss)/profit for the year stated above and their historical equivalents

EVANS ROW PROPERTY COMPANY LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

		2006 £	2005 £
	Notes		
Fixed assets			
Tangible fixed assets	6	199,025	199,025
		<hr/>	<hr/>
Current assets			
Debtors	7	16,788,075	16,808,454
Cash at bank		-	62,482
		<hr/>	<hr/>
		16,788,075	
Current liabilities			
Creditors	8	(3)	16,870,936 (81,998)
		<hr/>	<hr/>
Net current assets		16,788,072	16,788,938
		<hr/>	<hr/>
Net assets		16,987,097	16,987,963
		<hr/>	<hr/>
Equity capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	16,986,997	16,987,863
		<hr/>	<hr/>
Equity shareholders' funds	11	16,987,097	16,987,963
		<hr/>	<hr/>

Approved by the board of directors on 20 August 2007 and signed on its behalf by


JE McGivern
Director

EVANS ROW PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 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

Fixed assets and depreciation

Fixed assets are stated at cost less depreciation which is provided to write off the cost by equal instalments over the estimated useful lives of the assets. No depreciation is charged on antiques as the remaining useful economic life of these assets is expected to be greater than 50 years

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

Taxation

The charge for taxation is based on the results for the year. 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 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)**

2	INCOME FROM PROPERTIES	2006	2005
		£	£
	Gross rents receivable	-	208,397
	Direct property outgoings	-	(3,079)
	Net rents receivable	-	205,318
	Profit on sale of trading properties (see below)	-	6,065,257
	Provision against trading properties	-	4,838
		-	6,275,413

The profit on sale of trading properties comprises

Sale proceeds	-	10,520,000
Cost of sales	-	(4,454,743)
Profit on disposal	-	6,065,257

3	ADMINISTRATIVE EXPENSES	2006	2005
		£	£
	Group management charge	-	226,590
	Other administrative expenses	866	236
		866	226,826

None of the directors received any remuneration from the company during the year (2005 - £nil)

The company has no employees

Audit fees are paid by Duelguide Management Services Limited and accounted for on a group basis

4	NET INTEREST RECEIVABLE	2006	2005
		£	£
	Interest receivable from other group undertakings	-	341,533
	Other interest receivable	-	113
		-	341,646

EVANS ROW PROPERTY COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)**

5	TAXATION	2006 £	2005 £
	(i) Analysis of charge for the year		
	Current tax:		
	UK Corporation tax on profit of the year	-	-
		<u>-</u>	<u>-</u>
	(ii) Factors affecting tax charge for the year		
	(Loss)/profit on ordinary activities before tax	(866)	6,390,233
		<u>(866)</u>	<u>6,390,233</u>
	(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30 per cent (2005 - 30 per cent)	(260)	1,917,070
	Effects of		
	Transfer/(receipt) of losses from other group companies for which no compensation will be received/paid	260	(1,917,070)
		<u>260</u>	<u>(1,917,070)</u>
	Current tax charge for the year	-	-
		<u>-</u>	<u>-</u>
6	FIXED ASSETS	2006 £	2005 £
	Tangible assets - Antiques		
	Cost		
	At 1 January and 31 December	199,025	199,025
		<u>199,025</u>	<u>199,025</u>
7	DEBTORS	2006 £	2005 £
	Trade debtors	-	4,711
	Amounts due from other group undertakings	16,652,214	16,667,748
	Other debtors	135,861	135,995
		<u>16,788,075</u>	<u>16,808,454</u>
8	CREDITORS. amounts falling due within one year	2006 £	2005 £
	Bank loans and overdrafts	3	-
	Other taxes and social security costs	-	81,998
		<u>3</u>	<u>81,998</u>
		<u>3</u>	<u>81,998</u>

EVANS ROW PROPERTY COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)**

9 CALLED UP SHARE CAPITAL

	Authorised £	Allotted, Called up and fully paid £
Ordinary shares of £1 each	100	100

10 PROFIT AND LOSS ACCOUNT

	2006 £	2005 £
At 1 January	16,987,863	10,597,630
Retained (loss)/profit for the year	(866)	6,390,233
At 31 December	16,986,997	16,987,863

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
At 1 January	16,987,963	10,597,730
Retained (loss)/profit for the year	(866)	6,390,233
At 31 December	16,987,097	16,987,963

12 HOLDING COMPANIES

The immediate holding and controlling company is Duelguide (UK) Limited 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.