

ACON INVESTMENTS LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2005

Registered no. 2511396

MERCERS' HALL  
IRONMONGER LANE  
LONDON  
EC2V 8HE

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29/06/2006

## ACON INVESTMENTS LIMITED

### REPORT OF THE DIRECTORS

The Directors submit their report and audited accounts for the year ended 31 August 2005.

#### Principal activity

The principal activity of the Company is the provision of a music school at the St Paul's School, Barnes, and a sports hall at the St Paul's Girls' School, Brook Green.

#### Results and dividends

The loss after adjusting for tax for the financial year is £132,000 (2004: £133,000) and has been set against reserves. The Company has no distributable reserves and therefore no dividend is proposed.

The rental income, £170,000 has again been gifted to the Schools during the year.

#### Directors

The Directors of the Company during the year were :

C S Clayton

M K Collins

Sir Alexander Graham, GBE

(retired 1 September 2005)

The Lord Lucas of Crudwell & Dingwall

C H Parker

The Earl of Selborne

(Chairman)

S W J Wathen

(retired 1 September 2005)

J A Watney

P R Withers Green

The Company has a directors' and officers' insurance policy which indemnifies the Directors and Officers of the Company against breach of fiduciary duty.

#### Directors' interests

None of the Directors had any beneficial interest in the Company during the year.

#### Review of the business and future developments

The Company receives rental income from its buildings. In addition, it purchased wines until February 2005 which it resold to the Mercers' Company, the Trustee for the St Paul's Schools Foundation and principal shareholder. Since February 2005, the company provided maintenance contract services at Becket House to the Mercers' Company.

**ACON INVESTMENTS LIMITED****REPORT OF THE DIRECTORS (continued)****Auditors**

Horwath Clark Whitehill LLP retire as auditors and their re-appointment will be proposed at the Annual General Meeting.

**Directors' responsibilities**

The Directors are responsible for preparing financial statements in accordance with applicable United Kingdom accounting standards. United Kingdom company law requires directors to prepare financial statements for each financial year that give a true and fair view of the Company's state of affairs at the end of the year and of its profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are prudent and reasonable;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (iv) prepare the financial statements on the 'going concern' basis unless it is not appropriate 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

C H Parker  
Director

A handwritten signature in black ink, appearing to be 'C H Parker', is written over a horizontal line. The signature is stylized and cursive.

## ACON INVESTMENTS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACON INVESTMENTS LIMITED

We have audited the accounts of Acon Investments Limited for the year ended 31 August 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These accounts have been prepared under the historical cost convention and 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 member as a body, for our audit work, for this report, or for the opinion we have formed.

#### Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the accounts in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Acts 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, 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 the information specified by law regarding directors' remuneration and 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.

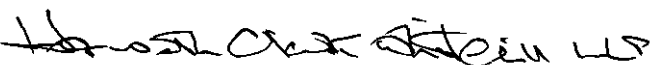
#### Basis of audit opinion

We conducted our audit in accordance United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

#### Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 August 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Horwath Clark Whitehill LLP

Chartered Accountants and Registered Auditors 12 May 2006

St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

## ACON INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

	Notes	Year ended 31 August 2005 £'000	Year ended 31 August 2004 £'000
Turnover	2	260	240
Cost of wines		(90)	(70)
<b>Gross profit</b>		<u>170</u>	<u>170</u>
Administration expenses	3	(1)	(2)
Premises expenses - depreciation	4	(131)	(131)
<b>Operating profit</b>		<u>38</u>	<u>37</u>
Gift Aid payments		(170)	(170)
<b>Loss on ordinary activities before taxation</b>		<u>(132)</u>	<u>(133)</u>
Tax on profit on ordinary activities		-	-
<b>Retained loss for the year</b>		<u>(132)</u>	<u>(133)</u>
Revenue reserves brought forward		(620)	(487)
<b>Revenue reserves carried forward</b>		<u>(752)</u>	<u>(620)</u>

All of the Company's activities are derived from continuing operations.

The Company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

The attached notes form an integral part of these financial statements.

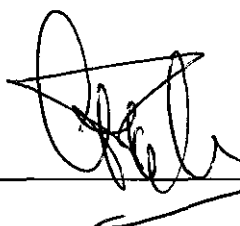
## ACON INVESTMENTS LIMITED

## BALANCE SHEET

	Notes	31 August 2005		31 August 2004	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>	<b>4</b>		5,926		6,057
<b>Current assets and liabilities</b>					
Trade debtor		1		-	
Creditors - amounts falling due within one year	5	(102)		(100)	
<b>Net current liabilities</b>			(101)		(100)
<b>Total assets less current liabilities</b>			5,825		5,957
Creditors - amounts falling due after more than one year	6		(197)		(296)
			5,628		5,661
<b>Capital and reserves</b>					
Share capital	7		6,380		6,281
Revenue reserves			(752)		(620)
<b>Shareholders' funds</b>	<b>9</b>		5,628		5,661

The attached notes form an integral part of these financial statements.

The financial statements were approved by the Directors and are signed on their behalf by:

Sene. 

Date:

12<sup>th</sup> May 2006

# ACON INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST 2005

### 1 ACCOUNTING POLICIES

(i) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(ii) Tangible fixed assets and depreciation

The full amount payable for construction costs has been included in fixed assets. Depreciation is charged at 2% on cost, based on estimated useful lives of the buildings of 50 years.

(iii) Turnover

Turnover represents rent due on the Music School and Sports Hall, plus the sale of wines and provision of certain engineering services.

(iv) Cashflow

The Company has taken advantage of the exemption permitted by FRS1 for smaller companies and has not provided a cashflow statement.

### 2 TURNOVER

Turnover comprises rental income from the property leases to St Paul's School and St Paul's Girls' School of £170,000 per annum and sales of £90,000.

### 3 ADMINISTRATION EXPENSES

The Directors did not receive emoluments in respect of their services for the period. The Company does not employ any staff. Apart from auditor's fees of £1,200 (2004 - £1,200) which are borne by its parent, the St Paul's Schools Foundation, all administrative costs are borne by the Trustee of the St Paul's Schools Foundation, the Mercers' Company.

### 4 FIXED ASSETS

	<b>Leasehold land and buildings £'000</b>
<u>Historical cost</u>	
Balance at 1 September 2004 and 31 August 2005	6,720
<u>Depreciation</u>	
Balance brought forward at 1 September 2004	(663)
Charge for the period	(131)
Balance carried forward at 31 August 2005	(794)
Net book value at 31 August 2005	<u>5,926</u>
Net book value at 31 August 2004	<u>6,057</u>

All fixed assets are held for charitable purposes.

Leasehold land and buildings comprise the historical construction costs of a music school and a sports hall at the Boys School and Girls School respectively.

### 5 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2005 £'000</b>	<b>2004 £'000</b>
VAT arising under the "Capital Goods" scheme	99	99
Other creditors	3	1
	<u>102</u>	<u>100</u>

# ACON INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST 2005 (continued)

### 6 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £'000	2004 £'000
VAT arising under the "Capital Goods" scheme	296	395
Less: disclosed as due within less than one year	(99)	(99)
	<u>197</u>	<u>296</u>

### 7 SHARE CAPITAL

The share capital is made up of ordinary £1 shares each as follows:

	2005 £	2004 £
Authorised	<u>100,000,000</u>	<u>100,000,000</u>
Allotted:		
Mercers' Company	50	50
First Mercer Trustee Limited	50	50
St Paul's Schools Foundation	7,000,000	7,000,000
	<u>7,000,100</u>	<u>7,000,100</u>
Uncalled	(620,170)	(718,925)
Called up and fully paid	<u>6,379,930</u>	<u>6,281,175</u>

### 8 ULTIMATE PARENT

The ultimate parent is the St Paul's Schools Foundation, a charity registered in England and Wales, number 312749, whose Trustee is the Mercers' Company.

### 9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
Shareholders' funds at 1 September	5,661	5,694
Proceeds on issue of share capital	99	100
Loss for the year	(132)	(133)
Shareholders' funds at 31 August	<u>5,628</u>	<u>5,661</u>

### 10 CAPITAL COMMITMENTS

The Company had no commitments at 31 August 2005, (2004: nil).

### 11 CONTINGENT LIABILITIES

The Company had no contingent liabilities at the 31 August 2005, (2004: nil).

### 12 TRANSACTIONS WITH RELATED PARTIES

During the year the Company made sales, at nil profit, totalling £97,000 to the Mercers' Company, which is the Trustee of its ultimate parent.