

BELGRAVIA ACQUISITIONS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2003



LD4 #LJ2885XRG* 0049
COMPANIES HOUSE 18/08/04

BELGRAVIA ACQUISITIONS LIMITEDDIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activity

The company's principal activity is property investment.

Results and dividend

The results for the year are shown in the profit and loss account on page 3. The retained profit for the year of £45,130 (2002 - £1,821) has been transferred to reserves.

The directors do not recommend the payment of a dividend (2002 - £nil).

Directors and directors' interests

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

WN Hugill
D Phillips
RE Butler

None of the directors had any interest in the share capital of the company during the year. Their interests in the share capital of Chelsfield plc, the ultimate holding company at 31 December 2003, are disclosed in the financial statements of that company.

Auditors

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

By order of the board



K A Cook
Secretary
19 July 2004

67 Brook Street
London
W1K 4NJ

BELGRAVIA ACQUISITIONS LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BELGRAVIA ACQUISITIONS LIMITED

We have audited the financial statements on pages 3 to 7.

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

The directors are responsible for preparing the directors' report and, as described above, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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 financial statements. It also includes an assessment of the significant estimates and judgements 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 of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor

LONDON

21 July 2004

BELGRAVIA ACQUISITIONS LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31 December 2003

	Notes	2003 £	2002 £
Administrative expenses	1	(7)	(25)
Operating loss		(7)	(25)
Other income	2	78	240
Interest receivable	3	64,400	3,177
Profit on ordinary activities before taxation		64,471	3,392
Taxation	4	(19,341)	(1,571)
Profit for the year	9	45,130	1,821

The above results relate entirely to continuing operations.

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

Details of reserve movements are set out in notes 9 to 10 to the accounts.

BELGRAVIA ACQUISITIONS LIMITEDBALANCE SHEETAt 31 December 2003

	Notes	2003 £	2002 £
Fixed assets			
Investments	5	43,591,606	43,594,648
Current assets			
Debtors	6	1,440,113	1,371,682
Cash at bank		987	1,810
		<u>1,441,100</u>	<u>1,373,492</u>
Creditors - amounts falling due within one year	7	<u>(58,060,081)</u>	<u>(58,040,645)</u>
Net current liabilities		<u>(56,618,981)</u>	<u>(56,667,153)</u>
Net liabilities		<u>(13,027,375)</u>	<u>(13,072,505)</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	(13,028,375)	(13,073,505)
Equity shareholders' deficit		<u>(13,027,375)</u>	<u>(13,072,505)</u>

Approved by the board of directors on 19 July 2004 and signed on its behalf by:

WN Hugill, Director



BELGRAVIA ACQUISITIONS LIMITEDACCOUNTING POLICIESBasis of accounting

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

Properties

Properties held as investments are shown as fixed assets and are stated at cost in the year of acquisition and at valuation on the basis of open market value in subsequent years. If, in the opinion of the directors, a property has been subject to a material change in value as a result of a change in circumstances in the year of acquisition, then it is stated at valuation on the basis of open market value.

In accordance with Statement of Standard Accounting Practice No. 19 (as amended):

- (i) investment properties are revalued annually at open market value. All surpluses and deficits arising on valuation are taken directly to the revaluation reserve, except that any permanent diminution in the value of an investment property is taken to the profit and loss account for the year; and
- (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the property valuations and the amount which might otherwise have been shown cannot be separately identified or quantified.

Profit on sales of investment properties is recognised in the profit and loss account on completion of the sale and by reference to carrying value.

Depreciation

Depreciation is calculated to write off the cost of the other tangible fixed assets by equal instalments over their estimated economic lives as follows:

Computer	-	25 per cent
Fixtures and fittings	-	10 per cent

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.

Cashflow statement

A consolidated cashflow is published in the group accounts of Chelsfield plc, the ultimate holding company. The company is exempt under Financial Reporting Standard No. 1 from publishing its own cashflow statement.

Related party transactions

As the company is a wholly owned subsidiary of Chelsfield plc, 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 Chelsfield plc, within which this company is included, can be obtained from the address given in note 11.

BELGRAVIA ACQUISITIONS LIMITEDNOTES TO THE ACCOUNTS

1	<u>ADMINISTRATIVE EXPENSES</u>		2003	2002
			£	£
	Other administrative expenses		7	25
			<hr/>	<hr/>
	None of the directors received any remuneration from the company during the year (2002 - £nil).			
2	<u>OTHER INCOME</u>			
	Dividends from listed investments		120	240
	Loss on disposal of investments (see below)		(42)	-
			<hr/>	<hr/>
			78	240
			<hr/>	<hr/>
	Loss on disposal of investments comprises:			
	Sales proceeds		3,000	-
	Cost of sales		(3,042)	-
			<hr/>	<hr/>
			(42)	-
			<hr/>	<hr/>
3	<u>INTEREST RECEIVABLE</u>			
	Interest receivable from group undertakings		64,400	-
	Bank interest receivable		-	3,177
			<hr/>	<hr/>
			64,400	3,177
			<hr/>	<hr/>
4	<u>TAXATION</u>			
	Corporation tax at 30% (2002 - 30%)		19,341	1,018
	Under-provision in previous year		-	553
			<hr/>	<hr/>
			19,341	1,571
			<hr/>	<hr/>
5	<u>FIXED ASSETS</u>			
		Listed	Subsidiary	Total
		investments	undertaking	
		£	£	£
	Fixed asset investments			
	Cost			
	At 1 January 2003	3,042	43,591,606	43,594,648
	Disposals	(3,042)	-	(3,042)
		<hr/>	<hr/>	<hr/>
	At 31 December 2003	-	43,591,606	43,591,606
		<hr/>	<hr/>	<hr/>

The subsidiary undertaking is Belgravia Property Company Limited which is wholly owned and registered in England and Wales. Its principal activity is property investment.

The listed investments were disposed of during the year. Their market value at 31 December 2002 was £3,042.

BELGRAVIA ACQUISITIONS LIMITEDNOTES TO THE ACCOUNTS (continued)

6	<u>DEBTORS</u>	2003 £	2002 £
	Amount due from group undertaking	1,439,938	1,371,538
	Other debtors	175	144
		<u>1,440,113</u>	<u>1,371,682</u>
7	<u>CREDITORS</u> - amounts falling due within one year		
	Amount owed to subsidiary undertaking	58,039,628	58,039,627
	Group relief payable	20,359	1,018
	Corporation tax	92	-
	Accruals and deferred income	2	-
		<u>58,060,081</u>	<u>58,040,645</u>
8	<u>CALLED UP SHARE CAPITAL</u>		Authorised, allotted and fully paid £
	Ordinary shares of £1 each		1,000
	There were no changes during the year in either the authorised or allotted share capital.		
9	<u>PROFIT AND LOSS ACCOUNT</u>	2003 £	2002 £
	At 1 January	(13,073,505)	(13,075,326)
	Retained profit for the year	45,130	1,821
	At 31 December	<u>(13,028,375)</u>	<u>(13,073,505)</u>
10	<u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
	Total recognised gains and losses, as above	45,130	1,821
	Opening shareholders' funds	(13,072,505)	(13,074,326)
	Closing shareholders' funds	<u>(13,027,375)</u>	<u>(13,072,505)</u>

11 HOLDING COMPANY

At 31 December 2003, the immediate and ultimate holding and controlling company was Chelsfield plc, a company registered in England and Wales. The accounts of that company, which is both the largest and smallest group in which these results of the company are consolidated, are available from 67 Brook Street, London W1K 4NJ.

Subsequent to the balance sheet date, on 28 April 2004, an offer for Chelsfield plc by Duelguide plc was declared unconditional in all respects and Chelsfield plc has since become a subsidiary of Duelguide plc.