

COMPANY REGISTRATION NUMBER 3672893

**EVANS RANDALL INVESTMENT MANAGEMENT
LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2007

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EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

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EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

M D Evans
J O Anwell

COMPANY SECRETARY

M S Mughal

REGISTERED OFFICE

Chobham Park
Chobham Park Lane
Chobham
Woking
Surrey
GU24 8HQ

AUDITOR

Menzies
Chartered Accountants
& Registered Auditors
1st Floor, Midas House
62 Goldsworth Road
Woking
GU21 6LQ

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is arranging financing on behalf of leading corporate clients in the UK and overseas, specialising in structuring and arranging high value, tax effective, domestic and cross border structured finance transactions. The company is regulated by the Financial Services Authority.

The company reported an operating loss for the year of £341,215 (2006 £258,333) which was covered by net interest income to create a £nil profit in both 2007 and 2006.

The directors look forward to the future with confidence.

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the entity.

RESULTS AND DIVIDENDS

The profit for the year amounted to £nil. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

DIRECTORS

The directors who served the company during the year were as follows:

M D Evans
J O Anwell

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements 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,
- 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2007

AUDITOR

A resolution to re-appoint Menzies as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Registered office
Chobham Park
Chobham Park Lane
Chobham
Woking
Surrey
GU24 8HQ

Signed on behalf of the directors



M D Evans

Director

Approved by the directors on *29 May 08*

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Evans Randall Investment Management Limited for the year ended 31 December 2007 on pages 5 to 10, which have been prepared on the basis of the accounting policies set out on page 7

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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.

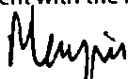
OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended,
- the financial statements 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.

1st Floor, Midas House
62 Goldsworth Road
Woking
GU21 6LQ

17 June 2008


MENZIES
Chartered Accountants
& Registered Auditors

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2007

		2007	2006 (restated)
	Note	£	£
TURNOVER	2	7,842,943	6,063,737
Administrative expenses		8,184,158	7,322,070
OPERATING LOSS	3	(341,215)	(1,258,333)
(Profit)/loss on participating interests		-	1,000,000
		(341,215)	(258,333)
Interest receivable		344,288	275,463
Interest payable and similar charges	5	(3,073)	(17,130)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities		-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

BALANCE SHEET

31 DECEMBER 2007

		2007		2006 (restated)	
	Note	£	£	£	£
CURRENT ASSETS					
Debtors	7	908,278		1,722,674	
Cash at bank		1,767,981		187,965	
		<u>2,676,259</u>		<u>1,910,639</u>	
CREDITORS: Amounts falling due within one year	8	<u>2,626,259</u>		<u>1,860,639</u>	
NET CURRENT ASSETS			50,000		50,000
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>50,000</u>		<u>50,000</u>
CAPITAL AND RESERVES					
Called-up equity share capital	10		50,000		50,000
SHAREHOLDERS' FUNDS	11		<u>50,000</u>		<u>50,000</u>

These financial statements were approved by the directors and authorised for issue on 29/5/08, and are signed on their behalf by


M D Evans

The notes on pages 7 to 10 form part of these financial statements

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover comprises the total amount receivable in respect of services provided during the year (excluding value added tax), where the company has a right to consideration

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2007	2006 (restated)
	£	£
United Kingdom	99,975	3,095
Overseas	7,742,968	6,060,642
	<u>7,842,943</u>	<u>6,063,737</u>

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

3. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2007	2006 (restated)
	£	£
Directors' emoluments	-	-
Net (profit)/loss on foreign currency translation	(54,276)	6,136
Auditor's remuneration - audit of the financial statements	4,500	3,500
Auditor's remuneration - other fees	1,000	500
	<u>2007</u>	<u>2006</u>
	£	£
Auditor's remuneration - audit of the financial statements	<u>4,500</u>	<u>3,500</u>
Auditor's remuneration - other fees		
- Taxation services	<u>1,000</u>	<u>500</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2007	2006 (restated)
	No	No
Number of management staff	<u>2</u>	<u>2</u>

No salaries or wages have been paid to employees, including the directors, during the year

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006 (restated)
	£	£
Interest payable on bank borrowing	<u>3,073</u>	<u>17,130</u>

6. PRIOR YEAR ADJUSTMENT

The company was previously recognising £2,438 of investments which represented shareholdings in various Jersey entities. These shareholdings were not significant enough to be classified as participating interests. It has been identified that these shareholdings were only being held by the company as nominee and bare trustee on behalf of the director M D Evans and as such, should not have been recognised. The prior year adjustment has had no effect on the the company's net assets or profit for the year.

7. DEBTORS

	2007	2006 (restated)
	£	£
Other debtors	908,278	484,587
Prepayments and accrued income	-	1,238,087
	<u>908,278</u>	<u>1,722,674</u>

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

8. CREDITORS: Amounts falling due within one year

	2007	2006 (restated)
	£	£
Trade creditors	58,000	60,978
Other taxation	14,568	-
Accruals and deferred income	2,553,691	1,799,661
	<u>2,626,259</u>	<u>1,860,639</u>

9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard 8 from reporting related party transactions with its parent undertaking as the company is included within the consolidated financial statements of the parent company and these statements are publicly available

During the year, the company were charged £2,322,801 (2006 - £50,000) in management and consultancy costs by Evans Randall International LLP, a limited liability partnership in which the director M D Evans is a partner. During the year, the company made a loan of £435,000 to Evans Randall International LLP and this amount was still outstanding at the year end

During the year, the company recognised turnover of £1,564,875 (2006 - £1,828,000) from 25 North Colonnade (Holdings) Limited, a company incorporated in Jersey in which M D Evans is a director, in respect of services provided

During the year, the company recognised turnover of £409,213 (2006 - £2,022,880) from 250 Bishopsgate (Holding) Limited, a company incorporated in Jersey in which M D Evans is a director, in respect of services provided

During the year, the company recognised turnover of £37,328 (2006 - £382,615) from Haagse Poort (Holdings) Limited, a company incorporated in Jersey in which M D Evans is a director, in respect of services provided

During the year, the company recognised turnover of £335,947 (2006 - 1,013,397) from Haagse Poort Limited, a company incorporated in Jersey in which M D Evans is a director, in respect of services provided

During the year, the company recognised turnover of £2,301,240 (2006 - £nil) from 33 Old Broad Street (Holdings) Limited, a company incorporated in Jersey in which M D Evans is a director, in respect of services provided

During the year, the company recognised turnover of £1,475,083 (2006 - £nil) from Bedfont Lakes (Holdings) Limited, a company incorporated in Jersey in which M D Evans is a director, in respect of services provided

During the year, the company recognised turnover of £1,089,714 (2006 - £nil) from Bracknell (Amen Corner) Investment Company Limited, a company incorporated in Jersey in which M D Evans is a director, in respect of services provided

During the year, the company made a loan of £150,000 to Hardwick Investment Company Limited, a company incorporated in Guernsey in which M D Evans is a director. This amount was still outstanding at the year end

During the year the company made a loan of £176,524 to European Property Fund (Holdings) Limited Sarl, a company incorporated in Luxembourg in which M D Evans is a director. This amount is still outstanding at the year end

During the year, the company recognised turnover of £629,544 (2006 - £nil) from Seleno GmbH, a company incorporated in Germany in which M D Evans is a director, in respect of services provided

EVANS RANDALL INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

10. SHARE CAPITAL

Authorised share capital:

	2007	2006 (restated)
	£	£
500,000 Ordinary shares of £1 each	500,000	500,000

Allotted, called up and fully paid:

	2007		2006 (restated)	
	No	£	No	£
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total share- holders' funds £
Balance brought forward	50,000	—	50,000
Balance brought forward	50,000	—	50,000
Balance carried forward	50,000	—	50,000

12. ULTIMATE PARENT COMPANY

The ultimate holding company is considered to be Evans Randall Limited, a company registered in the United Kingdom. Evans Randall Limited is a company controlled by M D Evans, a director of the company.

The consolidated financial statements are available to the public from Companies House, Crown Way, Cardiff CF4 3UZ.