

**DUELGUIDE (NEWCASTLE) LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2006**

WEDNESDAY



LD4 "L1Q71SBN" 22/08/2007 474  
COMPANIES HOUSE

**DUELGUIDE (NEWCASTLE) 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

## **DUELGUIDE (NEWCASTLE) 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

#### **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 profit for the year of £1,290,420 (2005 – loss of £201,463) has been transferred to reserves

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

#### **Directors and directors' interests**

The directors who held office during the year were as follows

RA McDiven	
SAJ 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

## **DUELGUIDE (NEWCASTLE) 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 DUELGUIDE (NEWCASTLE) LIMITED**

We have audited the financial statements of Duelguide (Newcastle) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Reconciliation of Movements in Shareholders' Funds 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 profit 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

21 August 2007

**DUELGUIDE (NEWCASTLE) LIMITED**

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

	Notes	2006 £	2005 £
Gross rent receivable		<b>2,008,560</b>	1,932,894
Property outgoings		<b>(149,678)</b>	(155,101)
Net property income		<b>1,858,882</b>	1,777,793
Administrative expenses	2	<b>(448,246)</b>	(658,695)
Other operating income		<b>428</b>	-
Operating profit		<b>1,411,064</b>	1,119,098
Loss on investment properties	3	-	(207,196)
Net interest payable	4	<b>(506)</b>	(1,130,101)
Profit/(loss) on ordinary activities before taxation		<b>1,410,558</b>	(218,199)
Taxation	5	<b>(120,138)</b>	16,736
Profit/(loss) for the year		<b>1,290,420</b>	(201,463)

The above results relate entirely to continuing operations

**DUELGUIDE (NEWCASTLE) LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2006**

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Tangible assets	6	50,000,000	40,755,000
Investments	7	2	2
		<u>50,000,002</u>	<u>40,755,002</u>
<b>Current assets</b>			
Debtors	8	1,493,944	218,373
Cash at bank		-	553,373
		<u>1,493,944</u>	<u>771,746</u>
<b>Current liabilities</b>			
Creditors	9	(42,572,050)	(38,930,977)
<b>Net current liabilities</b>		<u>(41,078,106)</u>	<u>(38,159,231)</u>
<b>Total assets less current liabilities</b>		<b>8,921,896</b>	<b>2,595,771</b>
<b>Provision for liabilities and charges</b>	10	<u>(1,159,155)</u>	<u>(1,039,017)</u>
<b>Net assets</b>		<u><b>7,762,741</b></u>	<u><b>1,556,754</b></u>
<b>Capital and reserves</b>			
Called up share capital	11	100,000	100,000
Revaluation reserve	12	9,521,654	4,606,087
Profit and loss account	13	(1,858,913)	(3,149,333)
<b>Equity shareholders' funds</b>		<u><b>7,762,741</b></u>	<u><b>1,556,754</b></u>

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



JE McGivern  
Director

**DUELGUIDE (NEWCASTLE) LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year	<b>1,290,420</b>	(201,463)
Surplus on revaluation of investment properties	<b>4,915,567</b>	2,706,038
Total recognised gains and losses for the year	<b><u>6,205,987</u></b>	<b><u>2,504,575</u></b>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before taxation	<b>1,410,558</b>	(218,199)
Historical cost profit/(loss) on ordinary activities before taxation	<b><u>1,410,558</u></b>	<b><u>(218,199)</u></b>
Historical cost profit/(loss) for the year retained after taxation	<b><u>1,290,420</u></b>	<b><u>(201,463)</u></b>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS'  
FUNDS/(DEFICIT)  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Total recognised gains and losses, as above	<b>6,205,987</b>	2,504,575
Opening shareholders' funds/(deficit)	<b>1,556,754</b>	(947,821)
Closing shareholders' funds	<b><u>7,762,741</u></b>	<b><u>1,556,754</u></b>



## **DUELGUIDE (NEWCASTLE) 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, as modified for the revaluation of land and buildings

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to produce group accounts

##### **Tangible Fixed Assets**

Properties held as investments are shown as fixed assets and are stated at cost in the period 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 period of acquisition, then it is stated at valuation on the basis of open market value

Other investment properties are revalued annually on the basis of open market value in accordance with Statement of Standard Accounting Practice number 19 and accordingly

- (i) the aggregate surplus or deficit on revaluation of properties is transferred to a revaluation reserve, 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

##### **Investments**

The company's investments in subsidiary undertakings are stated at cost or, where the directors consider an impairment in value has taken place, at that lower valuation

##### **Taxation**

The charge for taxation is based on the results for the period 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 statement is published in the group accounts of DGL Acquisitions Limited, the ultimate holding company. The company is exempt under Financial Reporting Standard No 1 from publishing its own cashflow statement

# DUELGUIDE (NEWCASTLE) LIMITED

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

### 1 ACCOUNTING POLICIES (continued)

#### Related party transactions

As the company is a wholly owned subsidiary of Duelguide (UK) 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 14.

#### Turnover

Turnover, which is wholly generated within the United Kingdom, represents the amounts derived from the company's investment properties during the year, and is stated net of value added tax.

2	ADMINISTRATIVE EXPENSES	2006 £	2005 £
	Group management charge	425,093	657,110
	Other administrative expenses	23,153	1,585
		<u>448,246</u>	<u>658,695</u>

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.

3	LOSS ON INVESTMENT PROPERTIES	2006 £	2005 £
	Write off of expenses on investment property	-	207,196
		<u>-</u>	<u>207,196</u>

4	NET INTEREST PAYABLE	2006 £	2005 £
	Interest payable to group undertakings	-	(1,138,323)
	Bank interest payable	(506)	(1)
		<u>(506)</u>	<u>(1,138,324)</u>
	Bank interest receivable	-	23
	Interest receivable from group undertakings	-	8,200
		<u>(506)</u>	<u>(1,130,101)</u>

No interest has been charged or received on the company's inter group loans since 9 August 2005 when the DGL Acquisition Limited group repaid substantially all of its external debt.

**DUELGUIDE (NEWCASTLE) LIMITED**

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

<b>5</b>	<b>TAXATION</b>	<b>2006 £</b>	<b>2005 £</b>
	<b>(i) Analysis of (charge)/credit for the year</b>		
	<b>Current tax</b>		
	UK corporation tax credit on results	-	-
	<b>Deferred tax:</b>		
	Accelerated capital allowances	(120,138)	16,736
	Tax (credit)/charge on ordinary activities	(120,138)	16,736
	<b>(ii) Factors affecting the tax credit for the year</b>		
	Profit/(loss) on ordinary activities before tax	1,410,558	(218,199)
	Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in UK of 30 per cent (2005 - 30 per cent)	423,167	(65,460)
	Effect of Transfer/(receipt) of losses from other group companies for which no charge will be received/paid	(423,167)	65,460
	Current tax credit for the year	-	-
<b>6</b>	<b>FIXED ASSETS - TANGIBLE ASSETS</b>	<b>2006 £</b>	<b>2005 £</b>
	<b>Property</b>		
	At 1 January	40,755,000	38,119,012
	Additions	4,329,433	137,146
	Write off	-	(207,196)
	Revaluation	4,915,567	2,706,038
	At 31 December	50,000,000	40,755,000

The investment property consists of freehold property which was valued by the directors of the company at 31 December 2006 at open market value for existing use

The cost of the buildings held at valuation was £40,478,346 (2005 - £36,148,912)

**DUELGUIDE (NEWCASTLE) LIMITED**

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

**7 FIXED ASSETS – INVESTMENTS**

Subsidiary  
undertakings  
£

At 1 January and 31 December 2006

2

Details of the subsidiary undertaking are as follows

Name of company	Country of Incorporation	Proportion of shares held	Nature of business
Newcastle Properties Limited	Jersey	100%	Non trading company

**8 DEBTORS**

2006  
£

2005  
£

Trade debtors	355,864	-
Rent debtors	528,481	132,825
Amounts due from other group undertakings	551,222	72,645
Other debtors	58,377	12,903
	<u>1,493,944</u>	<u>218,373</u>

**9 CREDITORS amounts falling due within one year**

2006  
£

2005  
£

Bank overdraft	2,662	-
Trade creditors	138,927	180,152
Amount owed to other group undertakings	41,405,149	38,676,972
Amounts owed to related parties	146,124	-
VAT	146,902	64,937
Other creditors	218,423	6,552
Accruals and deferred income	513,863	2,364
	<u>42,572,050</u>	<u>38,930,977</u>

**10 PROVISION FOR LIABILITIES AND CHARGES**

2006  
£

2005  
£

Deferred tax provision		
At 1 January	1,039,017	1,055,753
Charge/(credit) for year		
Accelerated capital allowances	120,138	(16,736)
	<u>1,159,155</u>	<u>1,039,017</u>
At 31 December		

**DUELGUIDE (NEWCASTLE) LIMITED**

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

**11 CALLED UP SHARE CAPITAL**

	Authorised £	Allotted, called up and fully paid £
Ordinary shares of £1 each		
At 1 January and 31 December 2006	100,000	100,000

**12 REVALUATION RESERVE**

	2006 £	2005 £
At 1 January	4,606,087	1,900,049
Revaluation surplus for the year	4,915,567	2,706,038
At 31 December	9,521,654	4,606,087

**13 PROFIT AND LOSS ACCOUNT**

	2006 £	2005 £
At 1 January	(3,149,333)	(2,947,870)
Retained profit/(loss) for the year	1,290,420	(201,463)
At 31 December	(1,858,913)	(3,149,333)

**14 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.