

Avanta Victoria Street Limited

REPORT AND FINANCIAL STATEMENTS

Year ended
31 March 2007



Company Registration No. 5081019

Avanta Victoria Street Limited

DIRECTORS, OFFICERS AND ADVISORS

DIRECTORS

DAV Alberto
AD Pepper
RWM Brook
S Dempsey

SECRETARY

P Alexander

REGISTERED OFFICE

1 Hammersmith Grove
London
W6 ONB

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Avanta Victoria Street Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Avanta Victoria Street Limited for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of managed office space.

REVIEW OF THE BUSINESS

The directors are satisfied with the results for the year and the financial position of the company at the year end.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office since 1 April 2006.

DAV Alberto

A D Pepper

RWM Brook (appointed 15 January 2007)

S Dempsey (appointed 15 January 2007)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

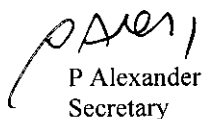
AUDITORS

During the year Mojabi & Co resigned as auditors and Baker Tilly UK Audit LLP were appointed.

A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be put to the members at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


P Alexander
Secretary

29 October 2007

Avanta Victoria Street Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVANTA VICTORIA STREET LIMITED

We have audited the financial statements on pages 5 to 11.

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 auditors' 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 opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and 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

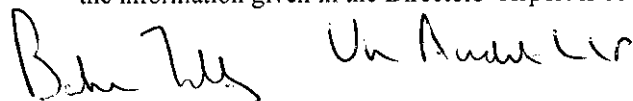
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 at 31 March 2007 and of its profit for the year then ended and 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.



BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST

29 October 2007

Avanta Victoria Street Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2007

	Note:	2007 £	2006 £
TURNOVER	1	3,293,438	1,777,312
Cost of sales		(248,800)	(199,621)
Gross profit		3,044,638	1,577,691
Administrative expenses		(2,295,487)	(2,158,575)
OPERATING PROFIT/(LOSS)		749,151	(580,884)
Interest receivable	4	11,493	6,566
Interest payable	5	(80,813)	(96,647)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		679,831	(670,965)
Taxation	6	-	(18,792)
RETAINED PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	14	679,831	(689,757)

The operating profit/(loss) for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Avanta Victoria Street Limited

BALANCE SHEET

31 March 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	585,222	428,246
CURRENT ASSETS			
Debtors	8	1,909,922	856,075
Cash at bank and in hand		317,077	389,852
		<u>2,226,999</u>	<u>1,245,927</u>
CREDITORS: Amounts falling due within one year	9	(1,425,994)	(1,827,548)
NET CURRENT ASSETS/(LIABILITIES)		<u>801,005</u>	<u>(581,621)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,386,227	(153,375)
CREDITORS: Amounts falling due after more than one year	10	(2,067,732)	(1,207,961)
PROVISION FOR LIABILITIES AND CHARGES	12	(46,078)	(46,078)
NET LIABILITIES		<u>(727,583)</u>	<u>(1,407,414)</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	(727,683)	(1,407,514)
EQUITY SHAREHOLDER'S FUNDS	15	<u>(727,583)</u>	<u>1,407,414</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board and authorised for issue on 29 October 2007


Director

Avanta Victoria Street Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

The company's ultimate parent company, Avanta Managed Offices Limited, has indicated its intention to continue to support the working capital requirements of the company and has also stated its intention not to demand repayment of the amount due to it to the detriment of other third party creditors.

The financial statements do not include any adjustments that would result if the company's ultimate parent company was to withdraw its financial support.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

TURNOVER

Turnover represents occupancy fees receivable and income from the provision of other services in the period.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at annual rates in order to write off each asset down to its estimated residual value evenly over its estimated useful life as follows:

Long leasehold	10% on cost
Improvements to property	10% on cost
Fixtures and fittings	20% on cost
Computer equipment	33.3% on cost

LEASE COMMITMENTS

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Avanta Victoria Street Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

1 TURNOVER

The company's turnover and profit/(loss) on ordinary activities before taxation was made in the United Kingdom.

2	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2007 £	2006 £
	Profit/(loss) on ordinary activities before taxation is stated after Charging:		
	Auditors' remuneration	4,200	3,882
	Depreciation on owned assets	123,000	79,308
	Loss on disposal of fixed assets	-	19,490
	Operating lease rental		
	land and building	576,583	869,802
	other	7,386	8,707
		<u>576,583</u>	<u>869,802</u>

3 EMPLOYEES

No director received any remuneration from the company during the year (2006: Nil). Apart from the director, the company had no other employees during the year (2006: Nil).

4	INTEREST RECEIVABLE	2007 £	2006 £
	Deposit account interest	1,119	6,566
	Other interest receivable	10,374	-
		<u>11,493</u>	<u>6,566</u>

5	INTEREST PAYABLE	2007 £	2006 £
	Finance charges	1,908	-
	Bank interest	440	1
	Other interest	78,465	96,646
		<u>80,813</u>	<u>96,647</u>

6	TAXATION	2007 £	2006 £
	Current tax:		
	UK corporation tax on losses of the period	-	-
	Adjustments in respect of previous periods	-	-
	Total current tax	<u>-</u>	<u>-</u>
	Deferred taxation:		
	Origination and reversal of timing differences	-	18,792
	Total deferred tax	<u>-</u>	<u>18,792</u>
	Tax on loss on ordinary activities	<u>-</u>	<u>18,792</u>

Avanta Victoria Street Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

6	TAXATION (<i>continued</i>)	2007 £	2006 £
	Factors affecting tax charge for period:		
	The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:		
	Profit/(loss) on ordinary activities before tax	679,831	(670,965)
	(Profit)/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006: 30%)	203,949	(201,290)
	Effects of:		
	Losses carried forward	-	201,290
	Capital allowances in excess of depreciation	16,619	-
	Group relief	(220,565)	-
	Tax charge for period	-	-

The company has unrelieved tax losses of £670,965 (2006: £670,965) which, subject to agreement with the Inland Revenue, are available to carry forward and offset against future profits of the same trade.

A deferred tax asset of £201,290 (2006: £201,290) has not been provided in respect of those losses as the recoverability is uncertain for the foreseeable future.

7	TANGIBLE FIXED ASSETS	Long leasehold £	Fixtures and fittings £	Computer equipment £	Total £
	COST				
	At 1 April 2006	100,493	402,961	26,241	529,695
	Additions	195,523	84,056	397	279,976
	At 31 March 2007	296,016	487,017	26,638	809,671
	DEPRECIATION				
	At 1 April 2006	11,812	80,772	8,865	101,449
	Charge for year	24,714	89,538	8,748	123,000
	At 31 March 2007	36,526	170,310	17,613	224,449
	NET BOOK VALUE				
	At 31 March 2007	259,490	316,707	9,025	585,222
	At 31 March 2006	88,681	322,189	17,376	428,246

8	DEBTORS	2007 £	2006 £
	Trade debtors	29,757	10,490
	Amounts owed by group undertakings	1,720,479	803,615
	Other debtors	50	100
	Prepayments and accrued income	159,636	41,870
		1,909,922	856,075

Avanta Victoria Street Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

9	CREDITORS: Amounts falling due within one year	2007 £	2006 £
	Trade creditors	200,311	302,069
	Other tax and social security	41,314	27,663
	Other creditors	522,565	418,783
	Accruals and deferred income	661,804	1,079,033
		<u>1,425,994</u>	<u>1,827,548</u>
10	CREDITORS: Amounts falling due after more than one year	2007 £	2006 £
	Amounts due to group undertakings	1,286,426	-
	Loan	-	1,207,961
	Accruals and deferred income	781,306	-
		<u>2,067,732</u>	<u>1,207,961</u>
11	OPERATING LEASE COMMITMENTS	2007 £	2006 £
	The company has annual commitments under non-cancellable operating leases as follows:		
	Land and buildings		
	In more than five years	985,000	245,575
12	PROVISIONS FOR LIABILITIES AND CHARGES		£
	Deferred tax		
	1 April 2006		46,078
	Charge to profit and loss account		-
	31 March 2007		<u>46,078</u>
	The above provision relates to timing differences on accelerated capital allowances.		
13	SHARE CAPITAL	2007 £	2006 £
	Authorised:		
	1,000 ordinary shares of £1 each	1,000	1,000
	Allotted, issued and fully paid:		
	100 ordinary shares of £1 each	100	100
14	PROFIT AND LOSS ACCOUNT	2007 £	2006 £
	1 April 2006	(1,407,514)	(717,757)
	Profit/(loss) for the financial year	679,831	(689,757)
	31 March 2007	<u>(727,683)</u>	<u>(1,407,514)</u>

Avanta Victoria Street Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

15	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2007 £	2006 £
	Profit/(loss) for the financial year	679,831	(689,757)
	Net increase/(reduction) in shareholders' funds	<u>679,831</u>	<u>(689,757)</u>
	Opening shareholders' funds	(1,407,414)	(717,657)
	Closing shareholders' funds	<u>(727,583)</u>	<u>(1,407,414)</u>

16 IMMEDIATE AND ULTIMATE PARENT COMPANY

The company's immediate parent company is AMOL (IOM) Limited, a company incorporated on the Isle of Man.

The immediate parent company of AMOL (IOM) Limited is Avanta Managed Offices Limited and this is the ultimate parent company of the group.

17 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group.

18 CONTROL

The group is controlled by Kenmore Private Equity Limited.