

DUELGUIDE PADDINGTON LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2006

TUESDAY



AEL8OT20

A36

18/09/2007

497

COMPANIES HOUSE

DUELGUIDE PADDINGTON LIMITED

DIRECTORS AND ADVISERS

Directors

RA McDiven
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 PADDINGTON 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. The last investment held by the company was sold in 2006 and the company is currently not pursuing any further investments.

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 £23,215,923 (2005 – loss of £3,400,515) has been transferred from reserves.

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

Directors and directors' interests

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

RA McDiven	
SA Nahum	
MR Turner	
RS Barrot	(resigned 16 May 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



RA McDiven
Director

20 August 2007

DUELGUIDE PADDINGTON 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

DUELGUIDE PADDINGTON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DUELGUIDE PADDINGTON LIMITED

We have audited the financial statements of Duelguide Paddington Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet 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
London

31 August 2007

DUELGUIDE PADDINGTON LIMITED

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

	Notes	2006 £	2005 £
Administrative expenses	2	(117,942)	(102,386)
Operating loss		<u>(117,942)</u>	<u>(102,386)</u>
Profit/(loss) on disposal of investments	3	-	-
Investment income	4	25,000,000	-
Net finance costs	5	(1,666,135)	(3,298,129)
Profit/(loss) on ordinary activities before taxation		<u>23,215,923</u>	<u>(3,400,515)</u>
Taxation	6	-	-
Profit/(loss) for the financial year		<u><u>23,215,923</u></u>	<u><u>(3,400,515)</u></u>

The above results relate entirely to continuing operations

There is no material difference between the result as disclosed in the profit and loss account and the retained profit/(loss) for the year stated above and their historical equivalents

DUELGUIDE PADDINGTON LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Notes	2006 £	2005 £
Fixed assets			
Investments	7	-	40,000,000
		<hr/>	<hr/>
Current assets			
Debtors	8	55,516,086	17,587,081
Current liabilities			
Creditors	9	(6,208,858)	(31,495,776)
		<hr/>	<hr/>
Net current (liabilities)/assets		49,307,228	(13,908,695)
		<hr/>	<hr/>
Net assets		49,307,228	26,091,305
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	49,307,227	26,091,304
		<hr/>	<hr/>
Equity shareholders' funds	12	49,307,228	26,091,305
		<hr/>	<hr/>

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



RA McDiven
Director

DUELGUIDE PADDINGTON 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

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

Fixed asset investments

Fixed asset investments are stated in the balance sheet at cost less any provision to reflect a permanent diminution in value

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 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

Related party transactions

As the company is a wholly owned subsidiary of DGL Acquisitions 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 13

2 ADMINISTRATIVE EXPENSES

	2006 £	2005 £
Intercompany management fees	73,292	90,636
Other administrative expenses	44,650	11,750
	<u>117,942</u>	<u>102,386</u>

None of the directors received any remuneration from the company during the period

The company has no employees

Audit fees are paid by Duelguide Management Services Limited and accounted for on a group basis

DUELGUIDE PADDINGTON LIMITED

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

3	PROFIT/(LOSS) ON DISPOSAL OF INVESTMENTS	2006 £	2005 £
	Disposal proceeds	32,000,000	-
	Less cost of sales	(32,000,000)	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
4	INVESTMENT INCOME	2006 £	2005 £
	Dividend from joint venture investment	33,000,000	-
	Impairment of investment as a result of the dividend	(8,000,000)	-
		<u>-</u>	<u>-</u>
	Net investment income	25,000,000	-
		<u>-</u>	<u>-</u>
5	NET FINANCE COSTS	2006 £	2005 £
	Interest payable to group undertakings	(1,666,135)	(609,338)
	Interest payable to related parties	-	(182,048)
	Bank interest payable	-	(1,347,594)
	Other finance costs	-	(2,188,000)
		<u>(1,666,135)</u>	<u>(4,326,980)</u>
	Interest receivable from group undertakings	-	741,058
	Interest receivable from joint ventures	-	287,749
	Bank interest receivable	-	44
		<u>-</u>	<u>-</u>
	Net finance costs	(1,666,135)	(3,298,129)
		<u>-</u>	<u>-</u>

DUELGUIDE PADDINGTON LIMITED

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

6	TAXATION	2006 £	2005 £
	Analysis of tax charge for the year		
	Profit/(loss) on ordinary activities before tax	23,215,923	(3,400,515)
	Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in UK of 30 per cent (2005 - 30 per cent)	6,964,777	(1,020,155)
	Effects of		
	Non assessable income	(9,900,000)	-
	Non deductible amount	2,400,000	
	Transfer of losses to/from other group companies for which no compensation will be received/paid	535,223	1,020,155
	Current tax charge	-	-

	2006 £	2005 £
7	FIXED ASSET INVESTMENT	
	Investment in joint ventures	40,000,000
	Impairment in investment as a result of the dividend	-
	Disposal of investment	-
	<hr/>	<hr/>
	-	40,000,000
	<hr/>	<hr/>

On 29 December 2006 the company sold its 50% holding in Paddington Development Corporation Limited, a company registered in Great Britain whose principal activity is the development of a site at Paddington Basin, London, W2

8	DEBTORS	2006 £	2005 £
	Amounts due from other group undertakings	17,568,650	17,568,650
	Amounts due from joint venture undertakings	-	18,431
	Amounts due from related parties	37,947,436	-
		55,516,086	17,587,081

DUELGUIDE PADDINGTON LIMITED

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

9	CREDITORS amounts falling due within one year	2006 £	2005 £
	Amounts due to related parties	-	25,759,359
	Amounts due from other group undertakings	5,867,564	5,736,417
	Accruals and deferred income	341,294	-
		6,208,858	31,495,776
10	CALLED UP SHARE CAPITAL	Authorised £	Allotted, called up and fully paid £
	Ordinary shares of £1 each	1,000	1
11	PROFIT AND LOSS ACCOUNT	2006 £	2005 £
	At 1 January	26,091,304	29,491,819
	Retained profit/(loss) for the year	23,215,923	(3,400,515)
	At 31 December	49,307,227	26,091,304
12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2006 £	2005 £
	At 1 January	26,091,305	29,491,820
	Retained profit/(loss) for the year	23,215,923	(3,400,515)
	At 31 December	49,307,228	26,091,305
13	HOLDING COMPANIES		

The immediate holding and controlling company is Duelguide Holdings 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.