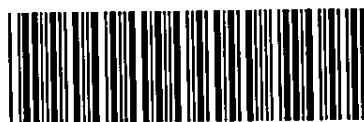


DUELGUIDE PADDINGTON LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2007

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COMPANIES HOUSE

DUELGUIDE PADDINGTON LIMITED

DIRECTORS AND ADVISERS

Directors

RA McDiven
MR Turner
PC O'Driscoll

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 2007.

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

During the year the company paid dividends to the parent company, but did not actively trade.

Results and dividend

The results for the year are shown in the profit and loss account on page 5. The loss for the year of £35,450 (2006 – profit of £23,215,923) has been transferred from reserves.

During the year the company paid dividends of £49,273,477 (2006 - nil). The directors do not recommend the payment of a final dividend (2006 - nil).

Directors and directors' interests

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

RA McDiven
MR Turner
PC O'Driscoll (appointed 13th December 2007)
SA Nahum (resigned 13th December 2007)

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



PC O'Driscoll
Director

22 May 2008

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.

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 2007 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 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 2007 and of its loss 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.



KPMG LLP
Chartered Accountants
Registered Auditor
London

22 May 2008

DUELGUIDE PADDINGTON LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
Administrative expenses	2	(30,000)	(117,942)
Operating loss		(30,000)	(117,942)
Profit/(loss) on disposal of investments	3	-	-
Investment income	4	-	25,000,000
Net finance costs	5	(5,450)	(1,666,135)
(Loss)/profit on ordinary activities before taxation		(35,450)	23,215,923
Taxation	6	-	-
(Loss)/profit for the financial year		(35,450)	23,215,923

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 (loss)/profit for the year stated above and their historical equivalents.

DUELGUIDE PADDINGTON LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Notes	2007 £	2006 £
Fixed assets			
Investments	7	-	-
Current assets			
Debtors	8	37,838,637	55,516,086
Current liabilities			
Creditors	9	(37,840,336)	(6,208,858)
Net current liabilities		(1,699)	49,307,228
Net liabilities		(1,699)	49,307,228
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(1,700)	49,307,227
Equity shareholders' funds	12	(1,699)	49,307,228

Approved by the board of directors on 22 May 2008 and signed on its behalf by:



PC O'Driscoll
Director

DUELGUIDE PADDINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 financial statements have been prepared on a going concern basis as the directors have been assured of continuing support from R&M Investments (BVI) Limited, a company that has an indirect 100% holding in the company.

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

	2007 £	2006 £
Intercompany management fees	30,000	73,292
Other administrative expenses	-	44,650
	<u>30,000</u>	<u>117,942</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. Audit fees attributable to Duelguide Paddington Limited are estimated to be £1,000 (2006 - £2,000).

DUELGUIDE PADDINGTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)**

3	PROFIT/(LOSS) ON DISPOSAL OF INVESTMENTS	2007	2006
		£	£
	Disposal proceeds	-	32,000,000
	Less: cost of sales	-	(32,000,000)
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
4	INVESTMENT INCOME	2007	2006
		£	£
	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	2007	2006
		£	£
	Interest payable to group undertakings	-	(1,666,135)
	Other finance costs	(5,450)	-
		<u>(5,450)</u>	<u>-</u>
	Net finance costs	(5,450)	(1,666,135)
		<u>(5,450)</u>	<u>(1,666,135)</u>
6	TAXATION	2007	2006
		£	£
	(i) Analysis of charge for the year		
	Current tax:		
	UK corporation tax charge on results	-	-
		<u>-</u>	<u>-</u>
	Tax charge on ordinary activities	-	-
		<u>-</u>	<u>-</u>
	(ii) Analysis of tax charge for the year		
	(Loss)/profit on ordinary activities before tax	(35,450)	23,215,923
		<u>(35,450)</u>	<u>23,215,923</u>
	(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30 per cent (2006 - 30 per cent)	(10,635)	6,964,777
		<u>(10,635)</u>	<u>6,964,777</u>
	Effects of:		
	Non assessable income	-	(9,900,000)
	Non deductible amount	-	2,400,000
	Transfer of losses to other group companies for which no compensation will be received	10,635	535,223
		<u>10,635</u>	<u>535,223</u>
	Current tax charge	-	-
		<u>-</u>	<u>-</u>

DUELGUIDE PADDINGTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)**

	2007 £	2006 £
7 FIXED ASSET INVESTMENT		
Investment in joint ventures	-	40,000,000
Impairment in investment as a result of the dividend	-	(8,000,000)
Disposal of investment	-	(32,000,000)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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.

	2007 £	2006 £
8 DEBTORS		
Amounts due from other group undertakings	-	17,568,650
Amounts due from related parties	37,838,637	37,947,436
	<u>37,838,637</u>	<u>55,516,086</u>
	<u>37,838,637</u>	<u>55,516,086</u>

	2007 £	2006 £
9 CREDITORS: amounts falling due within one year		
Amounts due to other group undertakings	37,612,808	5,867,564
Other creditors	227,528	341,294
	<u>37,840,336</u>	<u>6,208,858</u>
	<u>37,840,336</u>	<u>6,208,858</u>

	Authorised £	Allotted, called up and fully paid £
10 CALLED UP SHARE CAPITAL		
Ordinary shares of £1 each	1,000	1
	<u>1,000</u>	<u>1</u>
	<u>1,000</u>	<u>1</u>

	2007 £	2006 £
11 PROFIT AND LOSS ACCOUNT		
At 1 January	49,307,227	26,091,304
(Loss)/profit for the year	(35,450)	23,215,923
Dividend paid	(49,273,477)	-
	<u>(1,700)</u>	<u>49,307,227</u>
At 31 December	<u>(1,700)</u>	<u>49,307,227</u>
	<u>(1,700)</u>	<u>49,307,227</u>

DUELGUIDE PADDINGTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)**

12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2007 £	2006 £
	At 1 January	49,307,228	26,091,305
	(Loss)/profit for the year	(35,450)	23,215,923
	Dividend paid	(49,273,477)	-
		<hr/>	<hr/>
	At 31 December	(1,699)	49,307,228
		<hr/>	<hr/>

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.