

Report and Financial Statements

 ERNST & YOUNG

226
23/06/2006

Registered No: 05378137

Directors

G D de Jager
G J de Jager
A D Gilfillan

Secretary

A D Gilfillan

Auditors

Ernst & Young LLP
One Bridewell Street
Bristol
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Bankers

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City of London Office
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Registered Office

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Directors' report

The directors present their report and financial statements for the period ended 31 March 2006.

Principal activities

The company was incorporated on 28 February 2005, and has prepared its first set of financial statements for the 13 months ended 31 March 2006. The company is a wholly owned subsidiary of Anglo Suisse Investment Holdings Limited and is managed on a divisional basis.

The company's principal activities are the ownership and management of industrial property. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Business Review

During the course of the period the company acquired the portfolio of land and buildings occupied by Sharp Interpack Limited, which is a fellow subsidiary and a trading entity involved in the manufacture of plastic packaging. The initial acquisition of the freehold title to the land and buildings housing Sharp Interpack's extrusion factory was acquired at auction in March 2005. The company subsequently acquired the leasehold interest in these premises from Sharp Interpack.

The balance of Sharp Interpack's portfolio of land and buildings in both Bridgwater and Aylesham were acquired by the company in September 2005. These properties were purchased on the basis of an external valuation conducted by Colliers CRE, a third-party valuation practice. During the course of the period building extensions were made to the extrusion factory and the main warehouse in Bridgwater and a new warehouse was constructed in Aylesham.

In early March 2006, the company acquired additional warehouse facilities in Phoenix Road, Bridgwater from Goldstream Estates Limited. These premises had been occupied by Sharp Interpack on a long-term lease. Sharp Interpack continues to occupy the Phoenix Road warehouses.

Results and dividends

As shown in the company's profit and loss account on page 7, the company generated rental income of £750,530 and a profit before tax of £433,659. The directors do not recommend a payment of a dividend.

The balance sheet on page 8 of the financial statements shows the company's financial position at the period-end in both net assets and cash terms. Details of amounts owed to its parent company are shown in note 15 on page 14. There have been no significant events since the balance sheet date.

Principal risks and uncertainties

The company currently has only one tenant, Sharp Interpack Limited. The income of the company is currently wholly dependent upon its fellow subsidiary Sharp Interpack Limited.

The company is financed by way of an €11.6m loan from the Royal Bank of Scotland, and a £10.6m intercompany loan from its immediate parent company. The company's treasury manages this risk.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its principal activities.

Directors' report

Directors and their interests

The directors who served during the course of the period are as listed below:

London Law Services Limited	(appointed 28 February 2005; resigned 28 February 2005)
Brechin Place Directors Limited	(appointed 28 February 2005; resigned 7 June 2005)
G.J. de Jager	(appointed 7 June 2005)
A.D. Gilfillan	(appointed 7 June 2005)
G.D. de Jager	(appointed 15 August 2005)
D.V. de Jager	(appointed 2 March 2006; resigned 30 March 2006)

G.J. de Jager has a beneficial interest in the company by virtue of a 50% interest in Anglo Suisse Investment Holdings Limited, the immediate parent company. None of the other directors have any beneficial interest in the company during the period.

Employees

The company has no employees.

Directors' statement as to disclosure of information to Auditors.


The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the annual general meeting.

By order of the Board


Secretary
Date 21/6/2006

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 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 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 One Tone Drive Property Limited

We have audited the company's financial statements for the period ended 31 March 2006 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of 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 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 opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 and that the information given in the Directors' Report is consistent with the financial statements.

We also 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 transactions with the company is not disclosed.

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.

Independent auditors' report

to the members of One Tone Drive Property Limited

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 March 2006 and of its profit for the period then ended.
- the financial statement 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.



Registered Auditor

Bristol

Date

21 June 2006

Profit and loss account

for the period ended 31 March 2006

	Notes	13 months to 31 March 2006 £
Rental income		750,530
Administrative costs		(8,007)
Depreciation	7	(147,100)
Operating profit	2	595,423
Interest payable and similar charges	5	(161,764)
Profit on ordinary activities before tax		433,659
Tax on profit on ordinary activities	6	(145,869)
Retained profit for the period	14	287,790

Statement of total recognised gains and losses

for the period ended 31 March 2006

The company has no recognised gains and losses other than the profit for the financial period. Accordingly a statement of total recognised gains and losses has not been prepared.

Balance sheet

at 31 March 2006

	Notes	2006 £
Fixed assets		
Tangible assets	7	18,482,927
Current assets		
Debtors	8	515,996
Cash at bank and in hand		387,385
		903,381
Creditors: amounts falling due within one year	9	(919,181)
		(15,800)
Net current liabilities		
		18,467,127
Total assets less current liabilities		
Creditors: amounts falling due after more than one year	10	(6,923,459)
Provisions for liabilities and charges	12	(100,788)
Net assets		11,442,880
Capital and reserves		
Called up share capital	13	1
Revaluation reserve	14	576,308
Profit and loss account	14	297,558
		873,867
Equity shareholder's funds		
Shareholder's loans	15	10,569,013
		11,442,880
Total shareholder's funds		

Director

Date


21st June 2006

Notes to the financial statements

at 31 March 2006

1. Accounting policies

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

Cash flow statement

The company has taken advantage of the exemption available under FRS 1 (Revised) from preparing a cash flow statement as it is a small company under section 247 and 247A of the Companies Act 1985.

Turnover

Turnover, which excludes VAT, represents the invoiced value of goods and services supplied, all of which is within the United Kingdom.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rate for freehold land and buildings is 2%.

The interests in certain land and buildings are stated at valuation, the basis of valuation is explained in note 7.

Deferred taxation

Provision is made for deferred tax on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

2. Operating profit

*13 months to
31 March
2006
£*

Operating profit is stated after charging:

Depreciation of owned tangible fixed assets	147,100
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Auditor's remuneration	
- audit services	2,000

3. Directors' emoluments

The directors did not receive any remuneration from the company during the period.

4. Employee information

The company did not directly employ any staff during the period.

Notes to the financial statements

at 31 March 2006

5. Interest payable and similar charges

13 months to
31 March
2006
£

Interest payable on bank loan	161,764
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6. Tax on profit on ordinary activities

a) The tax charge for the period comprises:

13 months to
31 March
2006
£

Current tax

UK corporation tax on profit for the period (note 6b)	45,081
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Deferred tax

Deferred tax charge (note 12)	100,788
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	145,869
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b) Factors affecting the current tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

13 months to
31 March
2006
£

Profit on ordinary activities before tax	433,659
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Tax on ordinary activities at the standard rate of corporation tax (30%)	130,098
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Factors affecting the above charge:

Expenses not deductible for tax purposes	22,051
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Capital allowances for the period in excess of depreciation	(94,938)
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Other short term timing differences	(5,850)
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Marginal relief for small company rate	(6,280)
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Current tax charge for the period (note 6a)	45,081
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Notes to the financial statements

at 31 March 2006

6. Tax on profit on ordinary activities (continued)

c) Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £175,000. At present, it is not envisaged that any tax will become payable in the foreseeable future.

7. Tangible assets

	<i>Freehold land and buildings £</i>
Cost:	
On incorporation	-
Additions	18,043,951
Revaluations	586,076
At 31 March 2006	<u>18,630,027</u>
Depreciation:	
On incorporation	-
Charge for period	147,100
Net book value:	
At 31 March 2006	<u>18,482,927</u>
On incorporation	<u>-</u>

The freehold land and buildings which the company occupies were valued on an open market value for existing use basis on 27 May 2005. The professional valuations were undertaken by Colliers CRE Chartered Surveyors.

The directors believe that all the valuations are still applicable at 31 March 2006 and that subsequent additions are fairly stated at cost.

The properties were valued as follows:

	£
Bridgwater – Unit M	1,950,000
Bridgwater – Unit K	2,600,000
Bridgwater – Unit L	3,450,000
Aylesham	5,400,000
	<u>13,400,000</u>
Subsequent additions at cost	5,230,027
	<u>18,630,027</u>

Notes to the financial statements

at 31 March 2006

7. Tangible assets (continued)

On the historical cost basis freehold land and buildings would have been included as follows:

	£
Cost	18,043,951
Cumulative depreciation	(141,878)
Net book value	17,902,073

8. Debtors

	2006
	£
VAT debtor	515,996

9. Creditors: amounts falling due within one year

	2006
	£
Loans and other borrowing (note 11)	801,208
Other creditors	47,750
Accruals	25,142
Corporation tax	45,081
	919,181

10. Creditors: amounts falling due after more than one year

	2006
	£
Bank loan (note 11)	6,923,459

Notes to the financial statements

at 31 March 2006

11. Loans and other borrowings

	2006 £
Bank loan	7,724,667
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	2006 £
Maturity of debt	
In one year or less, or on demand	801,208
In more than one year, but not more than two years	801,208
In more than two years, but not more than five years	2,403,624
In more than five years	3,718,627
	<hr/>
	7,724,667
	<hr/>

A bank loan for €11,600,000 was advanced under an agreement dated 2 August 2005 by The Royal Bank of Scotland Plc. The loan bears interest at the rate of 0.875% above EUROLIBOR and is repayable in equal quarterly instalments commencing 30 November 2005.

12. Provisions for liabilities and charges

The movements in deferred taxation during the current period are as follows:

	2006 £
On incorporation	-
Charged to profit and loss account (note 6)	100,788
	<hr/>
At 31 March 2006	100,788
	<hr/>
	2006 £
Provision for deferred tax:	
Accelerated capital allowances	94,938
Other timing differences	5,850
	<hr/>
	100,788
	<hr/>

Notes to the financial statements

at 31 March 2006

13. Called up share capital

	<i>Authorised 2006</i>
<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	100
	100
	<i>Allotted, called up and fully paid</i>
<i>No.</i>	
Ordinary shares of £1 each	1
	1

14. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds 2006</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
On incorporation	-	-	-	-
Share issue	1	-	-	1
Profit for the period	-	-	287,790	287,790
Revaluation during period	-	586,076	-	586,076
Transfer of revaluation element of depreciation charge	-	(9,768)	9,768	-
At 31 March 2006	1	576,308	297,558	873,867

15. Related party transactions

- On 28 August the company entered into a sale and leaseback arrangement of the freehold land and buildings of Sharp Interpack Limited, a company owned by Anglo Suisse Investment Holdings Limited, in which G J de Jager, a director of the company, has a 50% interest. The sale was for £11,450,000 and the leases are for 15 years with a review every 5 years. Annual rental is £1,146,000. £736,000 was received during the period.
- During the period, the company purchased three property extensions which had been constructed by Sharp Interpack Limited on behalf of the company at a cost of £2,130,000. Sharp Interpack Limited was reimbursed in full for these costs.
- During the period the company received a loan from the immediate parent undertaking, Anglo Suisse Investment Holdings Limited, of £10,569,013. The shareholders loans are unsecured, have no fixed repayment terms and bear interest at 0.75% above the bank's base rate, they have therefore been shown separately from "Creditors: amounts falling due after more than one year" and below "Equity shareholders' funds" on the face of the Balance sheet. No interest has been charged by the immediate parent undertaking or paid by the company during the period.

Notes to the financial statements

at 31 March 2006

16. Parent undertaking and controlling party

The company's immediate parent undertaking is Anglo Suisse Investment Holdings Limited, a company incorporated in the British Virgin Islands, which owns 100% of the share capital of the company. This is the smallest and largest group of companies for which group financial statements are prepared and for which this company is a member. Copies of its group financial statements are available from Rue Kleberg No. 6, 1201, Geneva, Switzerland.

In the directors' opinion, the company's ultimate parent undertaking is Anglo Swiss Finance Limited, a company incorporated in the British Virgin Islands, by virtue of its 50% shareholding in Anglo Suisse Investment Holdings Limited. Copies of its financial statements are available from Rue Kleberg No. 6, 1201, Geneva, Switzerland.

In the director's opinion, control of the company is split equally between G J de Jager and Anglo Swiss Finance Limited, by virtue of respective 50% interests in Anglo Suisse Investment Holdings Limited, the immediate parent company.