

ACON INVESTMENTS LIMITED
ACCOUNTS
YEAR ENDED 31 AUGUST 2007



Registered no. 2511396

**MERCERS' HALL
IRONMONGER LANE
LONDON
EC2V 8HE**

ACON INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and audited accounts for the year ended 31 August 2007

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

Principal activity

Until May 2007, the principal activity of the Company was the provision of a music school at the St Paul's School, Barnes, and a sports hall at the St Paul's Girls' School, Brook Green. As part of the restructuring of the parent, the St Paul's Schools Foundation, the leases on the above land and buildings were surrendered to the landlord, the parent. This resulted in a loss being recognised amounting to the net book value at surrender, £5,697,000, which is shown in the Profit and Loss Account. The company subsequently settled its remaining liabilities, the most significant of which was the deferred VAT liability and has since become dormant.

Results and dividends

The loss after adjusting for tax for the financial year is £5,792,000 (2006 £132,000). The Company has no distributable reserves and therefore no dividend is proposed. The rental income, £121,250 was gifted to the Schools during the year (2006 £170,000).

Directors

The Directors of the Company during the year were

The Earl of Selborne	(Chairman)
C S Clayton	
The Lord Lucas of Crudwell & Dingwall	
C H Parker	
J A Watney	
P R Withers Green	

The Company has a directors' and officers' insurance policy which indemnifies the Directors and Officers of the Company against breach of fiduciary duty.

Review of the business and future developments

The Company received rental income from its buildings. In addition, it provided maintenance contract services at Becket House to the Mercers' Company. These activities ceased in May 2007 and the Company is now dormant.

ACON INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (continued)

Auditors

Horwath Clark Whitehill LLP retire as auditors at the Annual General Meeting. Since the company is now dormant, the company will propose not to re-appoint auditors at the Annual General Meeting.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires directors to prepare financial statements for each financial year that give a true and fair view of the Company's state of affairs at the end of the year and of its profit or loss for that period. In preparing these financial statements, the directors are required to

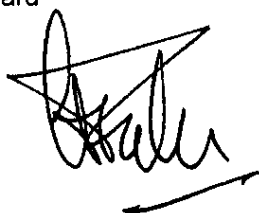
- (i) select suitable accounting policies and then apply them consistently
- (ii) make judgements and estimates that are prudent and reasonable
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- (iv) prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Company will continue to operate

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.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have each taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

C H Parker
Director



12 February 2008

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ACON INVESTMENTS LIMITED

We have audited the financial statements of Acon Investments Limited for the year ended 31 August 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with 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 opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing 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, the financial statements are properly prepared in accordance with the Companies Act 1985 and 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 in 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 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 provided in the directors' report is consistent with the financial statements.


Horvath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
St Bride's House, 10 Salisbury Square, London EC4Y 8EH



ACON INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

		Year ended 31 August 2007 £'000	Year ended 31 August 2006 £'000
	Notes		
Turnover	2	210	301
Cost of services provided		(89)	(131)
Gross profit		121	170
Administration expenses	3	3	(1)
Premises expenses - depreciation	5	(98)	(131)
Loss on lease surrenders	5	(5,697)	-
Operating profit		(5,671)	38
Gift Aid payments		(121)	(170)
Loss on ordinary activities before taxation		(5,792)	(132)
Tax on loss on ordinary activities		-	-
Retained loss for the year		(5,792)	(132)
Revenue reserves brought forward		(884)	(752)
Revenue reserves carried forward		(6,676)	(884)

All of the Company's activities are derived from discontinued operations

The Company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

The attached notes form an integral part of these financial statements

ACON INVESTMENTS LIMITED

BALANCE SHEET

	Notes	31 August 2007		31 August 2006	
		£'000	£'000	£'000	£'000
Fixed assets	5		-		5,795
Current assets and liabilities					
Trade debtor		-		9	
Cash at bank		-		1	
Creditors - amounts falling due within one year	6	-		(112)	
Net current liabilities			-		(102)
Total assets less current liabilities			-		5,693
Creditors - amounts falling due after more than one year	7	-		(98)	
			-		5,595
Capital and reserves					
Share capital	8		6,676		6,479
Revenue reserves			(6,676)		(884)
Shareholders' funds	10		-		5,595

The attached notes form an integral part of these financial statements

The financial statements were approved by the Directors and authorised for issue on 1 February 2008 and are signed on their behalf by





Date 12 February 2008

ACON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST 2007

1 ACCOUNTING POLICIES

- (i) **Accounting convention**
The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards
- (ii) **Tangible fixed assets and depreciation**
The full amount payable for construction costs has been included in fixed assets. Depreciation is charged at 2% on cost, based on estimated useful lives of the buildings over 50 years
- (iii) **Turnover**
Turnover represents rent due on the Music School and Sports Hall, plus the provision of certain engineering services
- (iv) **Cashflow**
The Company has taken advantage of the exemption permitted by FRS1 for smaller companies and has not provided a cashflow statement

2 TURNOVER

Turnover comprises rental income from the property leases to St Paul's School and St Paul's Girls' School of £121,250 per annum and sales of £88,346

3 ADMINISTRATION EXPENSES

The Directors did not receive emoluments in respect of their services for the year. The Company does not employ any staff. Apart from auditor's fees of £1,350 (2006 - £1,350) which are borne by its parent, the St Paul's Schools Foundation, all administrative costs are borne by the Trustee of the St Paul's Schools Foundation, the Mercers' Company. Prior to cessation of trading, sundry write-backs were taken to Administrative Expenses.

4 CESSATION OF TRADE

Subsequent to the surrender of the Music School and Sports Hall leases to its parent and settlement of its remaining liabilities during the year, the Company ceased to trade and has since then been dormant.

ACON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST 2007 (continued)

5 FIXED ASSETS

<u>Historical cost</u>	Leasehold land and buildings £'000
Balance at 1 September 2006	6,720
Disposal by Surrender	<u>(6,720)</u>
Balance at 31 August 2007	<u>-</u>
<u>Depreciation</u>	
Balance brought forward at 1 September 2006	(925)
Charge for the period	<u>(98)</u>
	(1,023)
Disposal by Surrender	<u>1,023</u>
Balance at 31 August 2007	<u>-</u>
Net book value at 31 August 2007	<u>-</u>
Net book value at 31 August 2006	<u>5,795</u>

All fixed assets are held for charitable purposes

Leasehold land and buildings comprised the historical construction costs of a music school and a sports hall at the Boys School and Girls School respectively. These were surrendered back to the parent, the St Paul's School Foundation, in May 2007, creating a loss of £5,697,000

6 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
VAT arising under the "Capital Goods" scheme	-	99
Other creditors	-	13
	<u>-</u>	<u>112</u>

7 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £'000	2006 £'000
VAT arising under the "Capital Goods" scheme	-	197
Less disclosed as due within less than one year	-	(99)
	<u>-</u>	<u>98</u>

ACON INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 AUGUST 2007 (continued)

8 SHARE CAPITAL

The share capital is made up of ordinary £1 shares each as follows

	2007 £	2006 £
Authorised	<u>100,000,000</u>	<u>100,000,000</u>
Allotted		
Mercers' Company	50	50
First Mercer Trustee Limited	50	50
St Paul's Schools Foundation	7,000,000	7,000,000
	<u>7,000,100</u>	<u>7,000,100</u>
Uncalled	(324,100)	(521,415)
	<u>6,676,000</u>	<u>6,478,685</u>

9 ULTIMATE PARENT

The ultimate parent is the St Paul's Schools Foundation, a charity registered in England and Wales, number 312749, whose Trustee is the Mercers' Company

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £'000	2006 £'000
Shareholders' funds at 1 September	5,595	5,628
Proceeds on call-up of share capital	197	99
Loss for the year	(5,792)	(132)
Shareholders' funds at 31 August	<u>-</u>	<u>5,595</u>

11 CAPITAL COMMITMENTS

The Company had no commitments at 31 August 2007, (2006 nil)

12 CONTINGENT LIABILITIES

The Company had no contingent liabilities at 31 August 2007, (2006 nil)

13 TRANSACTIONS WITH RELATED PARTIES

During the year the Company made sales, at nil profit, totalling £88,346 to the Mercers' Company, which is the trustee of its ultimate parent