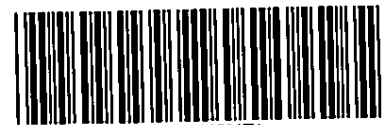


**BELGRAVIA PROPERTY COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2007**

TUESDAY



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24/06/2008  
COMPANIES HOUSE

# **BELGRAVIA PROPERTY COMPANY LIMITED**

## **DIRECTORS AND ADVISERS**

### **Directors**

MR Turner  
PC O'Driscoll  
DJ Collins  
JL Tuckey

### **Secretary**

E L Services Limited

### **Registered Office**

25 Harley Street  
London  
W1G 9BR

### **Registered Auditors**

KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB

# **BELGRAVIA PROPERTY COMPANY LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31 December 2007

### **Principal activity**

The company's activity is property investment. The last investment property held by the company was sold during 2006 and the company is currently not pursuing any further investments.

### **Review of business**

During the year the company paid dividends to its parent company and incurred expenses relating to properties that have been sold in prior years, 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 £243,541 (2006 - profit of £197,485) has been transferred from reserves.

During the year the company paid dividends of £7,661,468 (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:

MR Turner	
PC O'Driscoll	(appointed 13 <sup>th</sup> December 2007)
DJ Collins	(appointed 13 <sup>th</sup> February 2008)
JL Tuckey	(appointed 15 <sup>th</sup> February 2008)
SA Nahum	(resigned 13 <sup>th</sup> December 2007)
RA McDiven	(resigned 13 <sup>th</sup> February 2008)
JE McGivern	(resigned 15 <sup>th</sup> February 2008)

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



DJ Collins  
Director

16 May 2008

## **BELGRAVIA PROPERTY COMPANY 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 BELGRAVIA PROPERTY COMPANY LIMITED**

We have audited the financial statements of Belgravia Property Company 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*

**KPMG LLP**  
Chartered Accountants  
Registered Auditor  
London

15 May 2008

**BELGRAVIA PROPERTY COMPANY LIMITED**

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

	Notes	2007 £	2006 £
Gross rent receivable		-	76,760
Property outgoings		-	(38,443)
<b>Net property income</b>		-	38,317
Administrative expenses	2	(120)	(15,170)
<b>Operating (loss)/profit</b>		(120)	23,147
(Loss)/profit on disposal of investment properties	3	(243,551)	176,121
Other income		20	-
Net interest receivable/(payable)	4	110	(1,783)
<b>(Loss)/profit on ordinary activities before taxation</b>		(243,541)	197,485
Taxation	5	-	-
<b>(Loss)/profit for the year</b>		(243,541)	197,485

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

**BELGRAVIA PROPERTY COMPANY LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Notes	2007 £	2006 £
<b>Current assets</b>			
Debtors	6	43,614,984	51,577,008
Cash at bank		7,438	6,802
		<u>43,622,422</u>	<u>51,583,810</u>
<b>Current liabilities</b>			
Creditors	7	(60,836)	(117,215)
<b>Net assets</b>		<u>43,561,586</u>	<u>51,466,595</u>
<b>Capital and reserves</b>			
Called up share capital	8	32,000	32,000
Revaluation reserve	9	-	-
Profit and loss account	10	43,529,586	51,434,595
<b>Equity shareholders' funds</b>	11	<u>43,561,586</u>	<u>51,466,595</u>

Approved by the board of directors on 16 May 2008 and signed on its behalf by



DJ Collins  
Director

# **BELGRAVIA PROPERTY COMPANY 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 company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to produce group accounts

#### **Turnover**

Turnover, which is wholly generated within the United Kingdom, represents the amounts derived from the company's investment properties during the year, and is stated net of value added tax

#### **Properties**

Properties held as investment properties are stated in the balance sheet at the lower of cost and net realisable value. Cost includes interest capitalised in respect of borrowings related to the purchase and development of properties. Profits on sales of properties are recognised on completion of the sale.

#### **Taxation**

The charge for taxation is based on the results for the year 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, except that

- (i) provision is not made in respect of property revaluation surpluses unless an unconditional sales agreement has been signed and rollover relief is not available to cover any gain arising, and
- (ii) deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the relevant timing differences can be deducted

Deferred tax is measured on a non discounted basis at the tax rates which apply at the balance sheet date

#### **Cash flow 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 12.



**BELGRAVIA PROPERTY COMPANY LIMITED**

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

<b>2 ADMINISTRATIVE EXPENSES</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Group management charge	-	14,659
Other	120	511
	<u>120</u>	<u>15,170</u>

None of the directors received any remuneration from the company during the year (2006 - nil)

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 Belgravia Property Company Limited are estimated to be £2,000 (2006 - £2,000)

<b>3 (LOSS)/PROFIT ON DISPOSAL OF INVESTMENT PROPERTIES</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Sale proceeds	-	200,000
Cost of sales	-	(200,000)
Recovery of costs on prior year sales	-	176,121
Costs relating to properties sold in prior years	(243,551)	-
	<u>(243,551)</u>	<u>176,121</u>

<b>4 NET INTEREST RECEIVABLE/(PAYABLE)</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Interest payable to banks	(16)	(1,783)
Interest receivable from banks	126	-
	<u>110</u>	<u>(1,783)</u>

<b>5 TAXATION</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>(i) Analysis of charge for the year</b>		
<b>Current tax.</b>		
UK Corporation tax on profit for the year	-	-
	<u>-</u>	<u>-</u>

**BELGRAVIA PROPERTY COMPANY LIMITED**

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

<b>5</b>	<b>TAXATION (continued)</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	<b>(ii) Factors affecting tax charge for the year</b>		
	(Loss)/profit on ordinary activities before tax	<b>(243,541)</b>	<b>197,485</b>
		<u></u>	<u></u>
	(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30 per cent (2006 - 30 per cent)	<b>(73,062)</b>	<b>59,245</b>
	Effects of		
	Capital loss transferred to/(from) other group companies for which no compensation will be received/paid	<b>73,065</b>	<b>-</b>
	Losses transferred to/(from) other group companies for which no compensation will be received/paid	<b>(3)</b>	<b>(59,245)</b>
		<u></u>	<u></u>
	Current tax charge for the year	<b>-</b>	<b>-</b>
		<u></u>	<u></u>
<b>6</b>	<b>DEBTORS</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Amounts due from other group undertakings	<b>43,258,285</b>	<b>51,220,309</b>
	Amounts due from related parties	<b>100,000</b>	<b>100,000</b>
	Other debtors	<b>38,387</b>	<b>38,387</b>
	Prepayments and accrued income	<b>218,312</b>	<b>218,312</b>
		<u></u>	<u></u>
		<b>43,614,984</b>	<b>51,577,008</b>
		<u></u>	<u></u>
<b>7</b>	<b>CREDITORS: amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Trade creditors	<b>60,836</b>	<b>117,215</b>
		<u></u>	<u></u>
		<b>60,836</b>	<b>117,215</b>
		<u></u>	<u></u>
<b>8</b>	<b>CALLED UP SHARE CAPITAL</b>		
		<b>Authorised</b>	<b>Allotted, called</b>
		<b>£</b>	<b>up and fully paid</b>
			<b>£</b>
	Ordinary shares of £1 each	<b>32,000</b>	<b>32,000</b>
		<u></u>	<u></u>

**BELGRAVIA PROPERTY COMPANY LIMITED**

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

<b>9</b>	<b>REVALUATION RESERVE</b>	<b>2007 £</b>	<b>2006 £</b>
	At 1 January	-	199,216
	Revaluation surplus realised on sale of investment properties	-	(199,216)
		<u>-----</u>	<u>-----</u>
	At 31 December	-	-
		<u>=====</u>	<u>=====</u>

<b>10</b>	<b>PROFIT AND LOSS ACCOUNT</b>	<b>2007 £</b>	<b>2006 £</b>
	At 1 January	51,434,595	51,037,894
	Revaluation surplus realised on sale of investment properties	-	199,216
	(Loss)/profit for the year	(243,541)	197,485
	Dividends paid	(7,661,468)	-
		<u>-----</u>	<u>-----</u>
	At 31 December	43,529,586	51,434,595
		<u>=====</u>	<u>=====</u>

<b>11</b>	<b>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS</b>	<b>2007 £</b>	<b>2006 £</b>
	At 1 January	51,466,595	51,269,110
	(Loss)/profit for the year	(243,541)	197,485
	Dividends paid	(7,661,468)	-
		<u>-----</u>	<u>-----</u>
	At 31 December	43,561,586	51,466,595
		<u>=====</u>	<u>=====</u>

**12 HOLDING COMPANIES**

The immediate holding and controlling company is Belgravia Acquisitions Limited and the ultimate holding and controlling company is DGL Acquisitions Limited. Both companies are registered in England and Wales and the accounts of the ultimate parent undertaking, 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.