

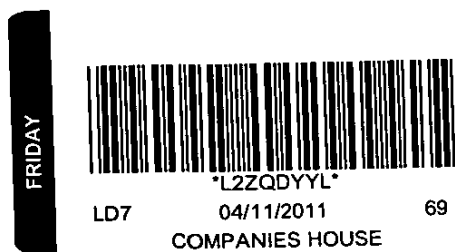
**Vasella Holdings Limited**

Report and Financial Statements

Year Ended

24 March 2011

Company number 02393741



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**Vasella Holdings Limited**  
**Report and financial statements for the year ended 31 December 2009**

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**Directors**

Trafalgar Officers Limited  
M Benady  
C White

**Secretary and registered office**

F&C REIT (Corporate Services) Limited, 5 Wigmores Street, London, W1U 1PB

**Company number**

02393741

**Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

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**Vasella Holdings Limited**  
**Report of the directors for the year ended 24 March 2011**

The directors present their report together with the audited financial statements for the year ended 24 March 2011

**Results and dividends**

The profit and loss account is set out on page 5 and shows the result for the year

The directors do not recommend the payment of a dividend (2010- £Nil)

**Principal activities, trading review and future developments**

The company's principal activity is property investment

After consideration of the ongoing discussions with the Trustees of the parent company's debenture stock and its inability to meet all of its interest payments, the directors have concluded that the company is no longer a going concern. In view of this, the directors are looking to realise the investment properties at a value that the Trustees of the debenture stock find acceptable. The directors believe that the carrying value of £1,485,000 reflects the value they can achieve from the market. The directors intend to cease trading after the properties have been sold. The financial statements have been prepared on a basis other than on a going concern basis and the effect of this is explained in note 1.

**Directors**

The directors of the company during the year were

Trafalgar Officers Limited  
M Benady  
C White

**Directors' responsibilities**

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 the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

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**Vasella Holdings Limited****Report of the directors for the year ended 24 March 2011 (*Continued*)**

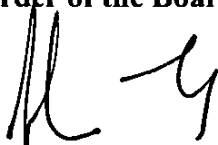
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

**By order of the Board**

A Jacobs on behalf of  
F&C REIT (Corporate Services) Limited  
**Secretary**

Date 03/11/11

**Vasella Holdings Limited**  
**Independent auditors report**

**To the members of Vasella Holdings Limited**

We have audited the financial statements of Vasella Holdings Limited for the year ended 24 March 2011 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 24 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Vasella Holdings Limited**  
**Independent auditors report (Continued)**

**Emphasis of matter – financial statements prepared on a basis other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the use of a basis of preparation other than on a going concern basis. The basis of preparation adopted reflects the company's inability to meet all its interest payments and the absence of continued financial support from the Trustees of the debenture stock, and as a result, the company is unable to continue as a going concern and has to realise its assets and discharge its liabilities in other than the normal course of trade. Given the significance of the adoption of accounting policies specific to these circumstances we consider they should be brought to the attention of the members.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



*Michael Goldstein, (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*London*  
*United Kingdom*

Date 04/11/11

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**Vasella Holdings Limited**  
**Profit and loss account for the year ended 24 March 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Rental income</b>	<b>2</b>	<b>29,188</b>	<b>14,438</b>
Administrative expenses		<u><b>370,621</b></u>	<u><b>6,005</b></u>
<b>Operating (loss) / profit</b>	<b>5</b>	<b>(341,433)</b>	<b>8,433</b>
Interest payable and similar charges	<b>6</b>	<u><b>136,735</b></u>	<u><b>171,607</b></u>
<b>Loss for the year on ordinary activities after taxation</b>	<b>7</b>	<u><b>(478,168)</b></u>	<u><b>(163,174)</b></u>

All amounts relate to discontinuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 11 form part of these financial statements

**Vasella Holdings Limited**  
**Balance sheet at 24 March 2011**

**COMPANY NUMBER 02393741**

	Note	2011 £	2011 £	2010 £	2010 £
<b>Fixed assets</b>					
Investment Property	8		1,485,000		1,855,581
<b>Current assets</b>					
Debtors	9	<u>51,570</u>		<u>451</u>	
		51,570		451	
<b>Creditors: amounts falling due within one year</b>	10	<u>2,188,679</u>		<u>2,163,929</u>	
<b>Net current liabilities</b>			<u>(2,137,109)</u>		<u>(2,163,478)</u>
<b>Total assets less current liabilities</b>			(652,109)		(307,897)
<b>Creditors: amounts falling due after more than one year</b>	11		<u>2,652,940</u>		<u>2,518,984</u>
<b>Net liabilities</b>			<u>(3,305,049)</u>		<u>(2,826,881)</u>
<b>Capital and reserves</b>					
Called up share capital	12		6,590,002		6,590,002
Profit and loss account	13		<u>(9,895,051)</u>		<u>(9,416,883)</u>
<b>Shareholders' deficit</b>	14		<u>(3,305,049)</u>		<u>(2,826,881)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved by the Board and authorised for issue on 03/11/11



L Bersch on behalf of  
Trafalgar Officers Limited  
**Director**

The notes on pages 7 to 11 form part of these financial statements.



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**Vasella Holdings Limited****Notes forming part of the financial statements for the year ended 24 March 2011****1 Accounting policies**

The financial statements have been prepared under the historical cost convention and, except as indicated below, are in accordance with applicable accounting standards. The following principal accounting policies have been applied.

*Changes in accounting policy and compliance with accounting standards*

The directors have reviewed the company's accounting policies and have decided to apply the requirement of Statement of Standard Accounting Practice No. 19 ("SSAP 19") to include investment property in the balance sheet at year end open market value. This has been applied at 24 March 2011 but not at 24 March 2010 as no valuations were performed at that date.

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards except in respect of the requirement to show a prior year adjustment following the change in accounting policy to include investment properties in the financial statements at their period end open market value. The directors have included investment properties at 24 March 2011 at open market value but have not restated the comparative figures to open market valuation at 24 March 2010 because no valuation was performed at that date. Investment properties at 24 March 2010 are included in the financial statements at cost less provision for any permanent diminution in value.

*Compliance with accounting standards*

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards except in respect of the requirement of Statement of Standard Accounting Practice No. 19 ("SSAP 19") that investment properties are included in the financial statements at their year end open market value at 24 March 2010. The directors do not believe the additional information this would provide justifies the cost of the valuations and have therefore included investment properties in the financial statements at cost less provision for any permanent diminution in value at 24 March 2010.

*Going concern*

After consideration of the ongoing discussions with the Trustees of the parent company's debenture stock and its inability to meet all of its interest payments, the directors have concluded that the company is no longer a going concern. The directors are looking to realise the investment properties for a value of £1,485,000 and intend to cease trading after the properties have been sold. As a result the directors consider it inappropriate to adopt the going concern basis of preparation. Accordingly the financial statements have been prepared on the basis that assets are stated at their estimated recoverable amounts and liabilities at their current book amounts.

*Investment properties*

In accordance with Statement of Standard Accounting Practice No. 19 ("SSAP 19") investment properties at 24 March 2011 are revalued annually to open-market value. Investment properties at 24 March 2010 are shown at cost less any impairment provision required.

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**Vasella Holdings Limited**

**Notes forming part of the financial statements for the year ended 24 March 2011 (*Continued*)**

**1 Accounting policies (*Continued*)**

No depreciation is provided on investment property. This treatment is a departure from the Companies Act 2006 concerning depreciation of fixed assets. However, these properties are not held for consumption but investment and therefore the directors consider that systematic annual depreciation would be inappropriate. Therefore the accounting policy adopted is necessary for the accounts to give a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

*Cash flow statements*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Ashpol Plc and the company is included in consolidated financial statements.

*Rental income*

Rental income represents rent receivable from the letting of property in the United Kingdom, net of value added tax.

*Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

**2 Rental income**

Rental income is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

**3 Employees**

The company had no employees during the current or preceding year.

**4 Directors**

No remuneration was paid to the directors during the current or preceding year in respect of their services in relation to the company.

**Vasella Holdings Limited****Notes forming part of the financial statements for the year ended 24 March 2011 (Continued)****5 Operating profit**

	2011 £	2010 £
This has been arrived at after charging		
Auditor's remuneration	3,000	3,000
Impairment	370,581	-
	<u>          </u>	<u>          </u>

**6 Interest payable and similar charges**

	2011 £	2010 £
Amounts owed to parent undertaking	136,735	121,610
Amounts owed to related undertakings	-	49,997
	<u>          </u>	<u>          </u>
	136,735	171,607
	<u>          </u>	<u>          </u>

**7 Taxation on loss from ordinary activities**

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	(478,168)	(163,174)
Tax on ordinary activities at the standard rate of corporation tax in the UK of 28% (2010 - 30%)	(133,887)	(45,689)
	<u>          </u>	<u>          </u>
Effects of		
Expenses not deductible for tax	103,762	-
Unrecognised tax losses utilised	(8,161)	-
Current year tax losses not utilised	38,286	45,689
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

**8 Investment Property**

	£
At 25 March 2010	1,855,581
Impairment	(370,581)
	<u>          </u>
At 24 March 2011	1,485,000
	<u>          </u>

The company's investment property is charged as security for loans help by other group companies

**Vasella Holdings Limited**Notes forming part of the financial statements for the year ended 24 March 2011 (*Continued*)**9 Debtors**

	2011 £	2010 £
Trade Debtors	51,000	-
Other debtors	570	451
	<u>51,570</u>	<u>451</u>

All amounts shown under debtors fall due for payment within one year

**10 Creditors Amounts falling due within one year**

	2011 £	2010 £
Accruals and deferred income	22,225	5,975
Corporation tax	1,483,000	1,483,000
Other Creditors	8,500	-
Amounts owed to related undertakings	674,954	674,954
	<u>2,188,679</u>	<u>2,163,929</u>

**11 Creditors: amounts falling due in more than one year**

	2011 £	2010 £
Amounts owed to parent undertaking	2,652,940	2,518,984
	<u>2,652,940</u>	<u>2,518,984</u>

**12 Share capital**

	2011 Number	2010 Number	Authorised 2011 £'000	2010 £'000
Ordinary shares of £1 each	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>

**Vasella Holdings Limited**Notes forming part of the financial statements for the year ended 24 March 2011 (*Continued*)**12 Share capital (*continued*)**

	2011 Number	Allotted, called and fully paid 2010 Number	2011 £'000	2010 £'000
Ordinary shares of £1 each	6,590,002	6,590,002	6,590,002	6,590,002

**13 Profit and loss account**

	£
At 25 March 2010	(9,416,883)
Loss for year	(478,168)
At 24 March 2011	(9,895,051)

**14 Reconciliation of movements in shareholders' deficit**

	2011 £	2010 £
Loss for the year	(478,168)	(163,174)
Opening shareholders' deficit	(2,826,881)	(2,663,707)
Closing shareholders' deficit	(3,305,049)	(2,826,881)

**15 Contingent liabilities and guarantees**

The company's investment property is charged as security for loans held by other group companies. At the period end the liabilities covered by the security totalled £75,000,000 (2010 - £75,000,000)

**16 Related party disclosures**

Included in amounts owed to related undertakings is an amount of £675,954 (2010 - £674,954) owed to Vasella Limited (in administrative receivership), a fellow subsidiary of Trafalgar Overseas Limited. Interest of £nil (2010 - £49,997) was payable to Vasella Limited during the year.

**17 Ultimate parent company**

The smallest group in which the accounts of the company are consolidated is that headed by Ashpol Plc, a company registered in England and Wales, whose ultimate controlling party, in the opinion of the directors, is Trafalgar Overseas Limited, a company registered in Gibraltar.

Copies of the financial statements of Ashpol Plc can be obtained from Companies House.