A.L.I.H. (PROPERTIES) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Registered in England, No. 1343356

Financial statements for the year ended 31 December 2010

Contents

Financial Statements for the year ended 31 December 2010

Directors and Officers

Directors	J M Brady	(resigned 01/10/2010)
	D R Jenkins	(resigned 01/10/2010)
	H L Richards	
	R M Pilkington	(resigned 10/05/2010)
	K P J Moriarty	(appointed 26/02/2010)
	C M Hodson	(appointed 10/05/2010)
Secretary	Jordan Company Secretaries Limited	(appointed 01/10/2010)
Registered office	1 Buckingham Place London SW1E 6HR	
Registered number	Registered in England, No 1343356	
Bankers	National Westminster Bank PLC 208 Piccadilly, London, W1A 2DG	
Auditors	PricewaterhouseCoopers LLP Chartered Accountants 7 More London Riverside London SE1 2RT	

Directors' Report for the year ended 31 December 2010

The Directors present their Report and the Audited Annual Financial Statements for the year ended 31 December 2010

Principal activity

The principal activity of the Company is to invest in land appropriate for development

A L I H (Properties) Limited is a UK based Limited company

Registered Office	1 Buckingham Place London SWE 6HR
Registered number	Registered in England, No 1343356
Parent Company	The company is a wholly owned subsidiary of Lands Improvement Holdings plc The ultimate parent company is MGPA Europe Fund III, L P which is also the parent undertaking of the largest group of undertakings for which group financial statements are prepared and of which the company is a member

Results for the year

The profit for the year, after taxation, but before dividends amounted to £46,860 (2009 - £241,009) During the year £2,000,000 of dividends were paid (2009 - £Nil)

Directors

During 2010 the Directors of the Company were as follows

J M Brady	(resigned 01/10/2010)
D R Jenkins	(resigned 01/10/2010)
H L Richards	
R M Pilkington	(resigned 10/05/2010)
K P J Moriarty	(appointed 26/02/2010)
C M Hodson	(appointed 10/05/2010)

Disclosure of information to the 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 Auditors are unaware, and each Director has taken all the steps that they ought to have taken as Director to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

Directors' Report for the year ended 31 December 2010 (continued)

Auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the Annual General Meeting

By order of the Board

Director K. Moriarty

Date 25 July 2011

Statement of Directors' Responsibilities in respect of the Directors' Report and 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 the Directors have prepared the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Under company law 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 Company and 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 judgements and accounting estimates that are reasonable and prudent,

- state whether applicable IFRS's as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements and

- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that company will continue in business

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

Independent Auditors' Report to the members of A.L.I.H. (Properties) Limited

We have audited the financial statements of A L I H (Properties) Limited for the year ended 31 December 2010 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes The financial reporting framework has been applied in the preparation is applicable law and the International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 the International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosure in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the companies circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

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 31 December 2010 and of the company's profit and cash flows for the period then ended,

- the company's financial statements have been prepared in accordance with IFRSs as adopted by the European Union,

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

The information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent Auditors' Report to the members of A.L.I.H. (Properties) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following

Under the Companies Act 2006 we are required to report to you if, in our opinion

- adequate accounting records have not been kept by the company 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 from our audit

Sandra Dowling

Sandra Dowling (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date 25th July 2011

Statement of Financial Position at 31 December 2010

	Note	2010 £	2009 £
Assets			
Non current assets			
Investment properties	5	**1,265,000**	2,158,031
Current assets			
Trade and other receivables	6	**5,582**	-
Total current assets		**5,582**	-
Total assets		**1,270,582**	2,158,031
Equity and liabilities			
Equity attributable to owners of the parent			
Issued share capital	7	**100**	100
Retained earnings		**94,928**	2,048,068
Total equity		**95,028**	2,048,168
Liabilities			
Current liabilities			
Trade and other payables	8	**13,372**	96,672
Bank overdraft		**1,134,203**	1,951
Deferred tax	9	**27,979**	-
Current tax liabilities		-	11,240
Total liabilities		**1,175,554**	109,863
Total equity and liabilities		**1,270,582**	2,158,031

The notes on pages 12 to 22 are an integral part of these financial statements

The financial statements were approved for issue by the board of directors on 25 July 2011 and signed on its behalf by

H. L. Richards

Henry Richards

K. Moriarty

Kevin Moriarty

A L I H (Properties) Limited
Registered number 1343356

Statement of Comprehensive Income for the year ended 31 December 2010

	Note	Year ended 31 December 2010 £	2009 £
Continuing Operations			
Gross rental income		**52,583**	54,083
Direct property operating expenses		**(7,022)**	(118,833)
Gross profit		**45,561**	(64,750)
Profit on sale of investment property	5	**213,000**	-
Valuation (loss) / gain on investment property	5	**(170,966)**	227,338
Administrative expenses	10	**(8,501)**	(1,512)
Operating profit		**79,094**	161,076
Finance income	11	**7**	27
Finance expense	12	**(4,262)**	(365)
Profit before income tax		**74,839**	160,738
Tax (charge) / credit	13	**(27,979)**	80,271
Profit for the year from continuing operations attributable to owners		**46,860**	241,009

There is no difference between the profit for the year and the comprehensive profit for the year

Statement of Changes in Equity for the year ended 31 December 2010

	Share Capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2009	100	1,807,059	1,807,159
Total recognised income and expense	-	241,009	241,009
Balance at 31 December 2009	100	2,048,068	2,048,168
Balance at 1 January 2010	100	2,048,068	2,048,168
Total recognised income and expense	-	46,860	46,860
Dividends paid	-	(2,000,000)	(2,000,000)
Balance at 31 December 2010	100	94,928	95,028

Statement of Cash Flows for the year ended 31 December 2010

	Note	2010 £	2009 £
Cash flows from operating activities			
Cash generated from operations	14	**(51,822)**	30,566
Tax paid		**(11,240)**	-
Interest paid		**(4,262)**	(365)
Interest received		**7**	27
Net cash (used in) / generated from operating activities		**(67,317)**	30,228
Cash flows from investing activities			
Proceeds on the sale of investment property		**1,160,503**	-
Payment of overage on sale		**(225,438)**	-
Net cash generated from investing activities		**935,065**	-
Cash flows from financing activities			
Dividends paid to company's shareholders		**(2,000,000)**	-
Net cash used in financing activities		**(2,000,000)**	-
Net (decrease) / increase in cash and cash equivalents		**(1,132,252)**	30,228
Bank overdraft at the beginning of the year		**(1,951)**	(32,179)
Bank overdraft at the end of the year		**(1,134,203)**	(1,951)

Notes to the Financial Statements

1 General Information

A L I H (Properties) Limited is a company domiciled in the United Kingdom

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below There policies have been consistently applied to all the years presented unless otherwise stated

2.1 Basis of preparation

The financial statements of A L I H (Properties) Limited have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and other investment at fair value through the Statement of Comprehensive Income The Company has continued to adopt the going concern basis in preparing these financial statements

The preparation of financial statements in conformity with IFRS requires management to make use of critical accounting estimates It also requires management to exercise its judgement in the process of applying accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances The resulting accounting estimates will by definition, seldom equal the actual results

The areas involving a higher degree of judgement or complexity, are disclosed in "Critical accounting estimates or assumptions"

All references made to "net assets" throughout these Financial Statements refer to the net assets attributable to the share holders interests unless otherwise stated

(a) Standards, amendments and interpretations effective in 2010

The following standards, amendments and interpretations are effective for accounting periods beginning on or after 1 January 2010, have been adopted by the EU, have been adopted by the Company and are of relevance to the Company

IFRIC 15 'Agreements for construction of real estates' (effective from 1 January 2009, EU endorsed for 1 January 2010): The interpretation clarifies whether IAS 18, 'Revenue' or IAS 11 'Construction contracts' should be applied to particular transactions It is likely to result in IAS 18 being applied to a wider range of transactions The Company already applies IAS 18 for sale agreements for the property under development classified as inventories

Improvements to IFRSs 2009: The IASB's annual improvements project contains numerous amendments to IFRSs that the IASB considers non-urgent but necessary 'Improvements to IFRSs' comprises amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards Most of the amendments are effective for annual periods beginning on or after 1 January 2010

Notes to the Financial Statements (continued)

2.1 Basis of preparation (continued)

(b) Standards, amendments and interpretations effective in 2010, but not relevant

The following standards, amendments and interpretations are effective for accounting periods beginning on or after 1 January 2010, have been endorsed by the EU, but are not relevant to the Company's current operations

IFRS3 (revised) 'Business Combinations' (effective 1 July 2009)

IAS27 (revised) 'Consolidated and separate financial statements' (effective 1 July 2009)

IFRS2 (amended) 'Share based payments – Group cash-settled share-based payment transactions' (effective 1 January 2010)

IAS 32 (amended) 'Financial instruments Presentation' on 'Classification of rights issues' (effective 1 February 2010)

IAS 39 (amended) 'Financial instruments Recognition and measurement' on 'Eligible hedged items' (effective 1 July 2009)

Amendments to IFRS1 for additional exemptions (effective 1 January 2010)

IFRIC 12 'Service concession arrangements' (effective 30 March 2009)

IFRIC 16 'Hedges of a net investment in a foreign operation' (effective 1 October 2008, EU endorsed 1 July 2009)

IFRIC 17 'Distributions of non cash assets to owners' (effective 1 July 2009)

IFRIC 18 'Transfer of assets from customers' (effective 31 October 2009)

There are no interpretations, standards and amendments further to those detailed in (a) and (b) above that are mandatory for accounting periods beginning on or after 1 January 2011 There are therefore no further standards that have been early adopted or that are relevant to the Company

2.1.1 Investment property

Property that is held for long-term rental yields or capital appreciation or both, and that is not occupied by the company, is classified as investment property Investment properties comprise freehold land, freehold buildings, land held under operating leases and buildings held under finance leases Investment properties are measured initially at cost, including related transaction costs After initial recognition, investment properties are carried at fair value Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections

The fair value of each investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current conditions It also reflects, on a similar basis, any cash flows that could be expected in respect of the property

Subsequent expenditure is included in the asset's carrying cost amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably All other repairs and maintenance costs are charged to the Statement of Comprehensive Income during the period when they are incurred

All changes in the fair value of the investment properties are recognised in the Statement of Comprehensive Income

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.1.2 Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the interest method less provision for impairment

2.1.3 Cash and cash equivalents

Cash and cash equivalents comprise current bank account balances Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes in the statement of cash flows

2.1.4 Share capital

Ordinary shares are classified as equity Dividends on ordinary shares are recognised as a liability in the period in which they are declared

2.1.5 Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method

2.1.6 Revenue recognition

(i) Rental revenue from operating leases

Rental income from property let under operating leases is recognised in the Statement of Comprehensive Income on a straight line basis over the lease term Where the Company provides incentives to its customers, the cost of the incentives is recognised over the long-term, on a straight line basis, as a reduction to rental income

(ii) Finance income

Interest income is recorded on an accruals basis using the effective interest rate method

(iii) Disposal of investment properties

Profits or losses arising on sale of investment properties are included in the Statement of Comprehensive Income where the exchange of contracts has taken place under which any minor outstanding conditions not affecting the transfer of risks and rewards are entirely within the control of the Company Profits or losses arising from the sale of trading or investment properties are calculated by reference to their carrying value and are included in the operating profit

2.1.7 Current and deferred income tax

The tax expense for the period comprises current and deferred tax

The current income tax charge is calculated on the basis of the tax laws enacted or subsequently enacted at the Financial Position date Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation Its establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.1.7 Current and deferred income tax (continued)

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

2.1.8 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions an other factors

Management makes estimates and assumptions concerning the future The resulting accounting estimates will, by definition, seldom equal the actual results The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial period are addressed below

(i) Estimates of fair value of investment properties

The Company uses third party independent experts to assess the fair value of its investment properties The best evidence of fair value is current prices in an active market for properties with similar lease and other contracts In the absence of such information the Company using the third party independent experts determines the amounts within a range of reasonable fair value estimates In making its judgement the Company, Directors and its third party independent experts consider the information from a variety of sources including

- current prices in an active market for properties of different nature, condition, location or subject to different lease or other contracts, adjusted to reflect those differences

- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and

- discounted cash flow projections based on reliable estimates for future cash flows, derived from the terms of any lease and other contracts and, where possible, from the external evidence such as current market assessments of the uncertainty in the amount and timing of the cash flows

(ii) Principal assumptions supporting discounted cash flow projections

If information on current or recent prices or assumptions underlying the discounted cash flow approach for investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques The Company, the Directors and its third party independent experts use assumptions that are mainly based on the market conditions existing at each reporting date

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.1.8 Critical accounting estimates and assumptions

(ii) Principal assumptions supporting discounted cash flow projections (continued)

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals, void periods, maintenance requirements, appropriate discount rates or yields These valuations are regularly compared by the Company, the Directors and its third party independent experts, to actual market yield data and actual transactions and those reported by the market

The expected future market rentals are determined on the basis of current and projected market rentals for similar properties in the same location and condition

3 Related party transactions

The Company is a wholly owned subsidiary of Lands Improvement Holdings plc The group's ultimate controlling entity is MGPA Europe Fund III, L P

Transactions with Directors

The Company paid no remuneration to any of its Directors in the year ended 31 December 2010 (2009 - Nil)

Transactions with the parent company

The Company is a wholly owned subsidiary of MGP Empire S à r l which is the parent undertaking of the smallest group for which group accounts are drawn up During the year dividends of £2,000,000 were declared and paid to Lands Improvement Holdings plc (2009 Nil)

4 Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of risks including credit risk, liquidity risk and real estate market risk The Directors, who have overall responsibility for the establishment and oversight of the Company's risk management have put in place a risk management program that assesses such risk and seeks to minimise the potential effects on the Company's performance

For the purposes of this note, the Directors have taken into account current facts and circumstances and what they consider to be standard market practice and industry accepted levels of risk and exposure, given the nature of the Company's business

Actual outcomes and results may differ significantly in the future, which may result in a number of the risks outlined in this note having a materially adverse impact on the Company's performance However, the existence of these risks and exposures may also have a positive impact on the future performance of the Company The Directors do not guarantee the ultimate performance of the Company

Notes to the Financial Statements (continued)

4 Financial Risk Management (continued)

Financial risk factors

Categories of financial instruments	2010 Carrying value £	2010 Fair Value £	2009 Carrying value £	2009 Fair Value £
Financial assets				
Loans and Receivables				
Trade and other receivables	5,582	5,582	-	-
	5,582	5,582	-	-
Financial liabilities				
Amortised cost				
Trade and other payables	13,372	13,372	96,672	96,672
Bank overdraft	1,134,203	1,134,203	1,951	1,951
Net assets attributable to Shareholders	95,028	95,028	2,048,168	2,048,168
	1,242,603	1,242,603	2,146,791	2,146,791

(i) Credit risk

Credit risk is the risk of the Company's net asset value changing due to a counter party (debtor) defaulting on its obligations made to the Company

The Company is exposed to credit risk arising from the rental commitments made by tenants occupying investment properties Potential tenants are evaluated for credit worthiness, and where necessary, collateral is secured in the form of rental or parent company guarantees, where available

An analysis of the credit quality of financial assets is as follows

	2010 £	2009 £
Trade and other receivables gross	**5,582**	-
Neither past due nor impaired	**2,287**	-
Past due but not impaired		
more than 90 days overdue	**3,295**	-
Total past due but not impaired	**3,295**	-
Trade and other receivables	**5,582**	-

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

Notes to the Financial Statements (continued)

4 Financial Risk Management (continued)

(ii) Liquidity risk (continued)

The table below show the contractual undiscounted cash flows payable under financial liabilities

31 December 2009	Due within one year £	1-2 years £	2-5 years £	Over 5 years £	TOTAL £
Trade and other payables	96,672	-	-	-	96,672
Bank overdraft	1,951	-	-	-	1,951
Net assets attributable to shareholders	-	-	-	2,048,168	2,048,168
	98,623	-	-	2,048,168	2,146,791

31 December 2010	Due within one year £	1-2 years £	2-5 years £	Over 5 years £	TOTAL £
Trade and other payables	13,372	-	-	-	13,372
Bank overdraft	1,134,203	-	-	-	1,134,203
Net assets attributable to shareholders	-	-	-	95,028	95,028
	1,147,575	-	-	95,028	1,242,603

The Company monitors this risk and the liquidity position of the Company on a monthly basis through regular meetings to discuss and consider the potential timing of the maturity of its assets and liabilities and projected operating cash flows The Company currently has no external capital requirements

(iii) Real estate market risk

The Company's portfolio is subject to risks particular to real estate investments, including but not limited to

- changes in macro economic conditions
- changes in regional or local economic conditions
- the quality of the property and asset management
- competition from potential purchasers
- availability of debt and other financing
- potential liabilities under, changes in, environmental, planning and zoning, tax laws and practice and other impediments caused by changes in government regulations,
- uninsurable losses, and
- terrorism risk

outlined becoming material, which in turn could have a material impact on the Company's financial statements

Notes to the Financial Statements (continued)

	2010	2009
5 Investment properties	**£**	£
Balance at 1 January	**2,158,031**	1,995,000
Disposals	**(722,065)**	-
Revaluation (loss)/ gain	**(170,966)**	163,031
Balance at 31 December	**1,265,000**	2,158,031

Investment properties with a carrying value of £722,066 were disposed during the year for net proceeds of £935,065

Investment properties have been valued at 31 December 2010 by independent professionally qualified valuers with recent experience in the location and category of the investment property being valued Amongst other things this assumes that he properties have been properly marketed and that the exchange of contracts took place at that date

Total rental income for the year recognised in the Statement of Comprehensive Income arising from investment property amounted to £52,583

Direct property operating expenses recognised in the Statement of Comprehensive Income includes £7,022 in respect of investment properties which is generated rental income

	2010	2009
6 Trade and other receivables	**£**	£
Trade receivables	**3,295**	-
Other receivables	**2,287**	-
	5,582	-

	2010	2009
7 Share capital	**£**	£
Authorised		
100 Ordinary Shares of £1 00 each	**100**	100
Allotted and fully paid		
100 Ordinary Shares of £1 00 each	**100**	100

	2010	2009
8 Trade and other payables	**£**	£
Trade payables	**-**	90,270
Accruals and deferred income	**13,372**	6,402
	13,372	96,672

Notes to the Financial Statements (continued)

9 Deferred taxation

Deferred tax liabilities	£
As at 1 January 2009	-
Debited to the Statement of Comprehensive Income	-
Balance at 31 December 2009	-

	£
Balance at 1 January 2010	-
Originations and reversal of timing differences	**26,647**
Changes in tax rates and laws	**1,332**
Balance at 31 December 2010	**27,979**

	2010	2009
10 Administrative expenses	**£**	£
Administrative expenses include		
Auditors' remuneration	**8,500**	1,500
Other administrative expenses	**1**	12
	8,501	1,512

No Director received any remuneration in respect of his services to the Company in either year

The Company did not employ any staff during either year

	2010	2009
11 Finance income	**£**	£
Bank interest receivable	**7**	27

	2010	2009
12 Finance expense	**£**	£
Bank interest expense	**4,247**	365
Bank charges	**15**	-
	4,262	365

Notes to the Financial Statements (continued)

13 Income tax expense	2010 £	2009 £
Current tax	-	-
Deferred tax	27,979	(80,271)

Reconciliation of effective tax rate	2010 £	2009 £
Profit on ordinary activities before taxation	74,839	160,738
Profit on ordinary activities at UK tax rate (28%)	20,955	45,007
Effects of		
Expenses not deductible for tax purposes	194,372	(63,654)
Other timing differences	(20,800)	(61,624)
Group relief (claimed)	(166,548)	-
		-
Current tax charge / (credit)	27,979	(80,271)

14 Cash generated from operations	2010 £	2009 £
Profit before income tax	74,839	160,738
Adjustments for		
Fair value gains / (losses) on investment property	170,966	(227,338)
Profit on the sale of investment properties	(213,000)	-
Interest income	(7)	(27)
Interest expense	4,262	365
Net cash generated from operating activities	37,060	(66,262)
Changes in working capital		
(Increase) / decrease in trade and other receivables	(5,582)	13,041
(Decrease) / increase in trade and other payables	(83,300)	83,787
	(51,822)	30,566

Notes to the Financial Statements (continued)

15 Contingencies

The Company gives cross guarantees in favour of National Westminster Bank plc to secure all monies from time to time owing to the bank by individual companies in the Lands Improvements Holdings plc group ('Group' - comprising Lands Improvement Holdings plc and its subsidiaries) The Groups' accounts with the bank are subject to an offset arrangement The total overdraft balances within the offset arrangement at 31 December 2010 amounted to £15,819,344 (2009 - £14,702,000) Although the Company is in a net current liability position at 31 December 2010 of £1,169,972 (2009 - £109,863) The Group will be able to meet its obligations The net current assets of the Group at 31 December 2010 amounted to £14,372,808 (2009 - £9,430,000) The net cash position within the Group at 31 December 2010 amounted to £441,257 (2009 - £2,466,731) The overdraft facility, which was based on the net cash position of the Group, was withdrawn in June 2010, as the facility was not being utilised