

Company Registration No: 1885199

ADAMHILL LIMITED

Report and Financial Statements

31 December 2007

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REPORT AND FINANCIAL STATEMENTS 2007

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REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M H Marx
C J Barwick

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Bressenden Place
London SW1E 5DS

BANKERS

Barclays Bank PLC
50 Pall Mall
London SW1A 1QB

SOLICITORS

Linklaters
1 Silk Street
London EC2Y 8HQ

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was the collection of licence fees and commissions for market stalls.

Following a review of the business in November 2007, the directors have decided to discontinue the company's principal activity. Accordingly, all fixed assets relating to this business were written off in 2006 as the Directors do not believe they have a residual value. Additionally, debtor balances have been reviewed for recoverability and provision made where these are not recoverable.

Payments for amounts owing in relation to staff redundancies and settlement to stall holders were made during the year.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, was £269,659 (2006: £424,119). The directors are unable to recommend the payment of a dividend (2006: £nil).

DIRECTORS

The directors who held office throughout the year and to date were as follows:

M H Marx
C J Barwick

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains Directors' and officers' liability insurance, which is reviewed annually and is considered to be adequately insured. Such qualifying third party indemnity provisions remain in place at the date of approving the Directors' report.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

A resolution concerning the appointment of PricewaterhouseCoopers LLP as auditors is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board



S A Lanes
Secretary
2 December 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 for that year. 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;
- state whether applicable United Kingdom 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 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 ADAMHILL LIMITED

We have audited the financial statements of Adamhill Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. 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 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' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ADAMHILL LIMITED (continued)**

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 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.

Ernst & Young LLP

Ernst & Young LLP

Registered auditor

London

3 December 2008

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2007

	Notes	2007 £	2006 £
TURNOVER – discontinued operations	2	893,539	1,043,857
Administrative expenses		<u>(1,163,198)</u>	<u>(971,644)</u>
OPERATING (LOSS) / PROFIT- discontinued operations	3	(269,659)	72,213
Provision for impairment of fixed assets		-	(473,178)
Provision for impairment of investments		-	(100)
Provision for impairment of stock		-	(7,565)
Provision for bad debt		<u>-</u>	<u>(15,489)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION - discontinued operations		(269,659)	(424,119)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION - discontinued operations	9	<u>(269,659)</u>	<u>(424,119)</u>

All amounts relate to discontinued operations.

There are no recognised gains or losses or movements in shareholders' funds for the current and preceding financial years other than as stated in the profit and loss account. Consequently, no statement of total recognised gains and losses is presented.

BALANCE SHEET
As at 31 December 2007

	Notes	2007 £	2006 £
CURRENT ASSETS			
Debtors	6	1,281,075	1,048,213
Cash at bank and in hand		<u>12,329</u>	<u>4,940</u>
		1,293,404	1,053,153
CREDITORS: amounts falling due within one year	7	<u>(1,270,924)</u>	<u>(761,014)</u>
NET CURRENT ASSETS		<u>22,480</u>	<u>292,139</u>
NET ASSETS		<u>22,480</u>	<u>292,139</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,000,100	1,000,100
Profit and loss account – deficit	9	<u>(977,620)</u>	<u>(707,961)</u>
EQUITY SHAREHOLDERS' FUNDS		<u>22,480</u>	<u>292,139</u>

These financial statements were approved by the Board of Directors on **2** December 2008.

Signed on behalf of the Board of Directors


M H Marx
Director

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention. The accounting policies adopted are consistent with the prior year.

Going concern

The Directors have prepared the financial statements on the going concern basis, on the grounds that it is the intention of the Board of Development Securities PLC, the ultimate Parent Company, to continue to support the Company for a period of at least twelve months from the date of approval of the financial statements so that it can meet its liabilities as and when they fall due.

Cash flow statement

The Company has taken advantage of the exemption given in FRS 1 (revised 1996) 'Cash Flow Statements', from preparing a cash flow statement on the basis that it is a wholly owned subsidiary of Development Securities PLC. The consolidated financial statements of Development Securities PLC are publicly available.

Taxation

Current tax, including UK corporation tax and foreign tax where applicable, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 TURNOVER

	2007 £	2006 £
Licensed stall holders income	893,539	1,042,891
Other miscellaneous income	-	966
	<u>893,539</u>	<u>1,043,857</u>

Turnover, which is stated net of Value Added Tax, represents licence stall holders income. All turnover is attributable to discontinued operations undertaken in the United Kingdom.

NOTES TO THE ACCOUNTS
Year ended 31 December 2007

3 OPERATING (LOSS) / PROFIT

Operating (loss) / profit is stated after charging:

	2007 £	2006 £
Depreciation	<u>-</u>	<u>73,607</u>

The auditors' remuneration of £2,210 (2006: £2,210) for the current and preceding financial year has been borne by Development Securities PLC, the ultimate parent company.

4 STAFF COSTS

	2007 £	2006 £
Wages and salaries	147,889	138,567
Social security costs	<u>14,660</u>	<u>13,974</u>
	<u>162,459</u>	<u>152,541</u>

None of the Directors received any emoluments in respect of qualifying services provided to the company during the year (2006: £nil).

	No.	No.
The average monthly number of employees during the year was:		
Office, management and sales	<u>6</u>	<u>6</u>

5 TAXATION

Tax charge

There is no tax charge in the current year (2006: £nil).

Factors affecting the current tax charge for the year

	2007 £	2006 £
Loss on ordinary activities before tax	<u>(269,659)</u>	<u>(424,119)</u>
Tax at 30% thereon	(80,898)	(127,236)
Effect of:		
Expenses not deductible for tax purposes	71,723	-
Permanent differences	-	80,472
Capital allowances in excess of depreciation	(65,918)	(2,164)
Group relief surrendered for nil consideration	<u>75,093</u>	<u>48,928</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

Factors affecting the future tax charges

The UK Corporation tax rate has decreased from 30% to 28% from 1 April 2008. This rate change will affect the amounts of future cash tax payments to be made by the company.

NOTES TO THE ACCOUNTS
Year ended 31 December 2007

6 DEBTORS

	2007 £	2006 £
Amounts owed by fellow subsidiary undertakings	1,281,075	1,025,541
Prepayments	<u>-</u>	<u>22,672</u>
	<u>1,281,075</u>	<u>1,048,213</u>

In November 2007, the directors of Golden Leisure (North West) Limited, a fellow subsidiary undertaking, decided to discontinue the company's principal activity. No provision has been made against the balance due from that company of £1,250,702 included above as Golden Leisure (North West) Limited has the support of the ultimate parent company to enable it to meet its outstanding liabilities.

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	3,986	4,908
Amounts owed to ultimate parent undertaking	741,601	219,270
Amounts owed to group undertakings	519,767	519,767
Other taxation and social security	4,867	17,069
Accruals and deferred income	<u>703</u>	<u>-</u>
	<u>1,270,924</u>	<u>761,014</u>

There is neither a set date nor terms for repayment of the outstanding amount due to the ultimate parent undertaking and group undertakings and interest is not charged on these balances.

8 SHARE CAPITAL

	2007 £	2006 £
Authorised:		
1,000,100 ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>
Allotted, called up and fully paid:		
1,000,100 ordinary shares of £1 each	<u>1,000,100</u>	<u>1,000,100</u>

9 PROFIT AND LOSS ACCOUNT

	£
At 1 January 2007	(707,961)
Loss for the year	<u>(269,659)</u>
At 31 December 2007	<u>(977,620)</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2007

10 RELATED PARTY DISCLOSURE

The company is a wholly owned subsidiary undertaking and, in accordance with the exemption provided by Financial Reporting Standard No. 8, "Related Party Disclosures", transactions with other undertakings within the Development Securities PLC group have not been disclosed within these financial statements.

11 ULTIMATE AND IMMEDIATE CONTROLLING PARTIES

The ultimate parent, controlling company and parent company of the largest group of undertakings of which the company is a member and for which consolidated accounts are produced is Development Securities PLC.

The immediate parent company is Development Securities (No 1) Limited. The parent company of the smallest group of which Adamhill Limited is a member and for which consolidated accounts are produced is Development Securities (Investments) PLC. All of these companies are registered in England and Wales and incorporated in Great Britain.

Copies of the Annual Report and Financial Statements of Development Securities PLC, Development Securities (No 1) Limited and Development Securities (Investments) PLC can be obtained from Portland House, Bressenden Place, London SW1E 5DS.