

COMPANY REGISTRATION NUMBER 1948599

Stapleford Park Limited
Financial Statements
31 December 2008

MACINTYRE HUDSON LLP

Chartered Accountants & Registered Auditor
Lyndale House
Ervington Court
Meridian Business Park
Leicester
LE19 1WL



Stapleford Park Limited

Financial Statements

Year ended 31 December 2008

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Stapleford Park Limited

Officers and Professional Advisers

The Board of Directors

Mr R Tang
Mr S Hussain

Company Secretary

Mr R Tang

Registered Office

E3 The Premier Centre
Abbey Park
Romsey
Hampshire
SO51 9DG

Auditor

MacIntyre Hudson LLP
Chartered Accountants
& Registered Auditor
Lyndale House
Ervington Court
Meridian Business Park
Leicester
LE19 1WL

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Stapleford Park Limited

The Directors' Report

Year ended 31 December 2008

The directors present their report and the financial statements of the company for the year ended 31 December 2008.

Principal activities and business review

The company is principally engaged in running a luxury country house hotel, sporting estate and membership club.

The directors aim to present a fair and comprehensive review of the development and performance of the Company during the financial year and the position at the year end. The review is consistent with the size and nature of its business and written in context of the risks and uncertainties it faces.

The Company operates a country house hotel and sporting estate in Mid-England. Its revenue derives from room sales, restaurant, club membership, green fees, spa and other related leisure facilities.

The directors consider that the key financial performance indicators are levels of turnover, gross profit margin, averaged room rates, averaged day rates, revpar, and club-membership renewals.

The credit crunch has had a direct impact on the performance of our business. The Company has adopted cost saving measures in all business areas which have proven successful although the overall result was still in deficit. The market continues to be very competitive.

In the foreseeable future the efforts of the Company will continue to concentrate on maintaining good customer relationships, whilst faced with the aforementioned uncertainties. The Company is expected to make further losses for 2009 and 2010.

Results and dividends

The loss for the year amounted to £1,951,079. The directors have not recommended a dividend.

Financial instruments

The Company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources as well as other items such as trade debtors and creditors that arise directly from its operations.

Directors

The directors who served the company during the year were as follows:

Mr R Tang
Mr S Hussain

Stapleford Park Limited

The Directors' Report *(continued)*

Year ended 31 December 2008

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 of the company for that period. 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;
- 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Stapleford Park Limited

The Directors' Report *(continued)*

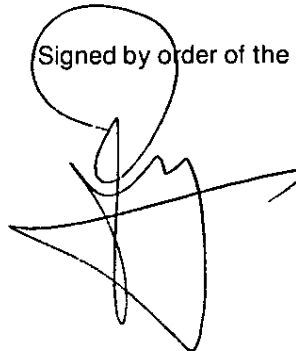
Year ended 31 December 2008

Auditor

MacIntyre Hudson LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
E3 The Premier Centre
Abbey Park
Romsey
Hampshire
SO51 9DG

Signed by order of the directors



Mr R Tang
Company Secretary

Approved by the directors on

18 December 2008

Stapleford Park Limited

Independent Auditor's Report to the Shareholders of Stapleford Park Limited

Year ended 31 December 2008

We have audited the financial statements of Stapleford Park Limited for the year ended 31 December 2008, which have been prepared on the basis of the accounting policies set out on pages 13 to 14.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 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 judgements 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.

Stapleford Park Limited

Independent Auditor's Report to the Shareholders of Stapleford Park Limited *(continued)*

Year ended 31 December 2008

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 2008 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.

Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss during the year ended 31 December 2008 of £1,951,079 and as of that date, the company's total liabilities exceeded its total assets by £4,854,052. These conditions along with other matters set out in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result from a failure to continue as a going concern. Details of the circumstances relating to this emphasis of matter are described in Note 1. Our opinion is not qualified in this respect.

Macintyre Hudson LLP

Lyndale House
Ervington Court
Meridian Business Park
Leicester
LE19 1WL

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MACINTYRE HUDSON LLP
Chartered Accountants
& Registered Auditor

Stapleford Park Limited

Profit and Loss Account

Year ended 31 December 2008

	Note	2008 £	2007 (restated) £
Turnover	2	3,750,008	5,456,978
Cost of sales		630,162	1,319,981
Gross profit		3,119,846	4,136,997
Administrative expenses		5,018,600	4,794,926
Other operating income	3	(6,000)	(6,000)
Operating loss	4	(1,892,754)	(651,929)
Interest payable and similar charges	6	58,325	79,338
Loss on ordinary activities before taxation		(1,951,079)	(731,267)
Tax on loss on ordinary activities		—	—
Loss on ordinary activities after taxation, being loss for the financial year		<u>£(1,951,079)</u>	<u>£(731,267)</u>

All of the activities of the company are classed as continuing.

The notes on pages 13 to 22 form part of these financial statements.

Stapleford Park Limited

Statement of Total Recognised Gains and Losses

Year ended 31 December 2008

	2008	2007 (restated)
	£	£
Loss for the financial year attributable to the shareholders	(1,951,079)	(731,267)
Total recognised gains and losses relating to the year	<u>(1,951,079)</u>	<u>(731,267)</u>
Prior year adjustment (see note 7)	260,511	-
Total gains and losses recognised since the last annual report	<u>£(1,690,568)</u>	<u>£(731,267)</u>

The notes on pages 13 to 22 form part of these financial statements.

Stapleford Park Limited

Balance Sheet

31 December 2008

	Note	2008 £	2007 (restated) £
Fixed assets			
Tangible assets	8	16,860,671	16,277,516
Current assets			
Stocks	9	212,350	173,871
Debtors	10	509,100	405,838
Cash at bank and in hand		3,732	3,809
		725,182	583,518
Creditors: amounts falling due within one year	11	2,393,343	1,629,659
Net current liabilities		(1,668,161)	(1,046,141)
Total assets less current liabilities		15,192,510	15,231,375
Creditors: amounts falling due after more than one year	12	19,882,012	17,963,798
Government Grant	14	164,550	170,550
		£(4,854,052)	£(2,902,973)
Capital and reserves			
Called-up equity share capital	18	3,798,067	3,798,067
Revaluation reserve	19	3,543,665	3,624,195
Profit and loss account	20	(12,195,784)	(10,325,235)
Deficit	21	£(4,854,052)	£(2,902,973)

These financial statements were approved by the directors and authorised for issue on 18.12.2009 and are signed on their behalf by:

Mr R Tang
Director

Company Registration Number: 1948599

The notes on pages 13 to 22 form part of these financial statements.

Stapleford Park Limited

Cash Flow Statement

Year ended 31 December 2008

	2008	2007 (restated)
	£	£
Net cash outflow from operating activities	(1,383,419)	(250,872)
Returns on investments and Servicing of finance		
Interest element of hire purchase	(58,325)	(18,704)
Net cash outflow from returns on investments and servicing of finance	(58,325)	(18,704)
Capital expenditure		
Payments to acquire tangible fixed assets	(645,496)	(338,696)
Receipts from sale of fixed assets	9,000	15,850
Net cash outflow from capital expenditure	(636,496)	(322,846)
Cash outflow before financing	(2,078,240)	(592,422)
Financing		
Increase in bank loans	460,000	—
Repayment of amounts owed to group undertakings	1,287,533	189,369
Capital element of hire purchase	(200,221)	(109,076)
Net cash inflow from financing	1,547,312	80,293
Decrease in cash	£(530,928)	£(512,129)

The notes on pages 13 to 22 form part of these financial statements.

Stapleford Park Limited

Cash Flow Statement

Year ended 31 December 2008

Reconciliation of operating loss to net cash outflow from operating activities

	2008	2007 (restated)
	£	£
Operating loss	(1,892,754)	(651,929)
Depreciation	758,311	624,878
Profit on disposal of fixed assets	(9,000)	(15,850)
Increase in stocks	(38,479)	(33,539)
Increase in debtors	(103,262)	(55,685)
Increase/(decrease) in creditors	7,822	(152,747)
Release of grants	(6,000)	(6,000)
Inter company management charge	40,000	40,000
Other inter company charges	(140,057)	—
Net cash outflow from operating activities	<u>£(1,383,419)</u>	<u>£(250,872)</u>

Reconciliation of net cash flow to movement in net debt

	2008	2007 (restated)
	£	£
Decrease in cash in the period	(530,928)	(512,129)
Net cash (inflow) from bank loans	(460,000)	—
Net cash (inflow) from amounts owed to group undertakings	(1,187,476)	(290,003)
Cash outflow in respect of hire purchase	<u>200,221</u>	<u>109,076</u>
Change in net debt resulting from cash flows	(1,978,183)	(693,056)
New finance leases	(695,970)	(127,739)
Movement in net debt in the period	<u>(2,674,153)</u>	<u>(820,795)</u>
Net debt at 1 January 2008	<u>(18,474,245)</u>	<u>(17,653,450)</u>
Net debt at 31 December 2008	<u>£(21,148,398)</u>	<u>£(18,474,245)</u>

The notes on pages 13 to 22 form part of these financial statements.

Stapleford Park Limited

Cash Flow Statement

Year ended 31 December 2008

Analysis of changes in net debt

	At 1 Jan 2008 £	Cash flows £	Other changes £	At 31 Dec 2008 £
Net cash:				
Cash in hand and at bank	3,809	(77)	—	3,732
Overdrafts	(441,271)	(530,851)	—	(972,122)
	<u>(437,462)</u>	<u>(530,928)</u>	<u>—</u>	<u>(968,390)</u>
Debt:				
Debt due within 1 year	—	(16,166)	—	(16,166)
Debt due after 1 year	(17,880,688)	(1,731,367)	100,057	(19,511,998)
Hire purchase agreements	(156,095)	200,221	(695,970)	(651,844)
	<u>(18,036,783)</u>	<u>(1,547,312)</u>	<u>(595,913)</u>	<u>(20,180,008)</u>
Net debt	<u>£(18,474,245)</u>	<u>£(2,078,240)</u>	<u>£(595,913)</u>	<u>£(21,148,398)</u>

The notes on pages 13 to 22 form part of these financial statements.

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

The directors have adopted a going concern basis in the preparation of these financial statements. Stapleford Park Limited has incurred losses for the year of £1,951,079. As a result of losses sustained in this and prior years, its ability to continue to trade and meet its liabilities is dependent upon the continued support of the group's investors. This in turn impacts on its ability to repay group indebtedness generally and on the resultant viability of the group.

The company's ability to continue as a going concern is dependent on the ongoing support of the company's shareholders and investors. The directors have received written confirmation from the shareholders that it is not their present intention to seek recovery of any amounts due to them by members of the group until at least 31st December 2010.

Turnover

The turnover shown in the profit and loss account represents the total value of sales made during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost. The freehold property is shown at market value.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant & Machinery	15% per annum on cost
Fixtures & Fittings	15% per annum on cost
Motor Vehicles	25% per annum on cost

On adoption of Financial Reporting Standard 15, the company has followed the transitional provisions to retain the book value of land which was revalued in 1996, but not to adopt a policy of revaluation in the future.

Freehold buildings and the cost of work done to the long leasehold golf course land are depreciated at 2% per annum.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

1. Accounting policies *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008 £	2007 (restated) £
United Kingdom	<u>3,750,008</u>	<u>5,456,978</u>

3. Other operating income

	2008 £	2007 (restated) £
Other operating income - government grants received	<u>6,000</u>	<u>6,000</u>

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

4. Operating loss

Operating loss is stated after charging/(crediting):

	2008	2007 (restated)
	£	£
Directors' emoluments	—	—
Depreciation of owned fixed assets	627,206	550,989
Depreciation of assets held under hire purchase agreements	131,105	73,889
Profit on disposal of fixed assets	(9,000)	(15,850)
Auditor's remuneration		
- as auditor	14,100	14,160
Operating lease costs:		
- Plant and equipment	7,896	10,820
- Other	113,288	112,773

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2008	2007 (restated)
	No	No
Management & administration	25	26
Hotel	100	102
General Estate	42	46
	167	174

The aggregate payroll costs of the above were:

	2008	2007 (restated)
	£	£
Wages and salaries	2,070,217	2,233,587
Social security costs	171,393	137,788
	£2,241,610	£2,371,375

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

6. Interest payable and similar charges

	2008 £	2007 (restated) £
Finance charges	58,325	18,704
Other similar charges payable	—	60,634
	<u>£58,325</u>	<u>£79,338</u>

7. Prior year adjustment

A prior year adjustment has taken place to amend the depreciation charged to the profit and loss account during the year ended 31 December 2007. This resulted in a reduction in the loss for the year by £260,511.

8. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Golf course land £	Total £
Cost or valuation						
At 1 Jan 2008	13,737,042	896,693	2,762,237	95,676	2,903,693	20,395,341
Additions	21,156	300,235	1,001,825	18,250	—	1,341,466
Disposals	—	(72,229)	—	—	—	(72,229)
At 31 Dec 2008	<u>£13,758,198</u>	<u>£1,124,699</u>	<u>£3,764,062</u>	<u>£113,926</u>	<u>£2,903,693</u>	<u>£21,664,578</u>
Depreciation						
At 1 Jan 2008	1,035,632	554,221	2,149,518	87,454	291,000	4,117,825
Charge for the year	208,350	126,498	358,086	7,303	58,074	758,311
On disposals	—	(72,229)	—	—	—	(72,229)
At 31 Dec 2008	<u>£1,243,982</u>	<u>£608,490</u>	<u>£2,507,604</u>	<u>£94,757</u>	<u>£349,074</u>	<u>£4,803,907</u>
Net book value						
At 31 Dec 2008	<u>12,514,216</u>	<u>516,209</u>	<u>1,256,458</u>	<u>19,169</u>	<u>2,554,619</u>	<u>16,860,671</u>
At 31 Dec 2007	<u>12,701,410</u>	<u>342,472</u>	<u>612,719</u>	<u>8,222</u>	<u>2,612,693</u>	<u>16,277,516</u>

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

8. Tangible fixed assets *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2008 £	2007 £
Net book value at end of year	15,068,835	15,314,103
Historical cost:		
At 1 Jan 2008	12,613,889	12,435,691
Cost of additions to revalued assets brought forward	21,156	178,198
At 31 Dec 2008	£12,635,045	£12,613,889
Depreciation:		
At 1 Jan 2008	923,982	738,511
Charge for year	185,894	185,471
At 31 Dec 2008	£1,109,876	£923,982
Net historical cost value:		
At 31 Dec 2008	11,525,169	11,689,907
At 1 Jan 2008	11,689,907	11,697,180

Hire purchase agreements

Included within the net book value of £16,860,671 is £708,668 (2007 - £225,353) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £131,105 (2007 - £73,889).

9. Stocks

	2008 £	2007 <i>(restated)</i> £
Raw materials	45,038	47,694
Finished goods	167,312	126,177
	£212,350	£173,871

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

10. Debtors

	2008	2007 (restated)
	£	£
Trade debtors	193,424	112,574
Other debtors	141,915	129,654
Prepayments and accrued income	173,761	163,610
	<u>£509,100</u>	<u>£405,838</u>

11. Creditors: amounts falling due within one year

	2008	2007 (restated)
	£	£
Bank loans and overdrafts	988,288	441,271
Trade creditors	376,547	470,637
Other creditors including taxation and social security:		
Other taxation and social security	167,044	114,935
Hire purchase agreements	281,830	72,985
Other creditors	26,919	38,236
	<u>£1,840,628</u>	<u>£1,138,064</u>
Accruals and deferred income	552,715	491,595
	<u>£2,393,343</u>	<u>£1,629,659</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008	2007 (restated)
	£	£
Bank loans and overdrafts	<u>988,288</u>	<u>441,271</u>

The bank overdraft is secured by fixed and floating charges over all property and assets of the company.

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

12. Creditors: amounts falling due after more than one year

	2008 £	2007 (restated) £
Bank loans and overdrafts	443,834	–
Amounts owed to group undertakings	19,068,164	17,880,688
Other creditors:		
Hire purchase agreements	370,014	83,110
	<u>£19,882,012</u>	<u>£17,963,798</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008 £	2007 (restated) £
Bank loans and overdrafts	<u>443,834</u>	<u>–</u>

13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2008 £	2007 (restated) £
Amounts payable within 1 year	281,830	72,985
Amounts payable between 2 to 5 years	370,014	83,110
	<u>£651,844</u>	<u>£156,095</u>

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

14. Government grant

	2008 £	2007 (restated) £
Received and receivable:		
At 1 Jan 2008	170,550	176,550
Repayable	(6,000)	(6,000)
At 31 Dec 2008	<u>£164,550</u>	<u>£170,550</u>
Amortisation:		
At 31 Dec 2008	<u>-</u>	<u>-</u>
Net balance at 31 Dec 2008	<u>£164,550</u>	<u>£170,550</u>

The above grants were received from the English Tourist Board.

15. Commitments under operating leases

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings	Other Items	Land and buildings (restated)	Other Items
	£	£	£	£
Operating leases which expire:				
Within 2 to 5 years	-	37,669	-	-
After more than 5 years	113,080	-	113,080	-
	<u>£113,080</u>	<u>£37,669</u>	<u>£113,080</u>	<u>-</u>

16. Transactions with the directors

During the year the company purchased services from T.B.W. Chartered Accountants, a company in which Mr R Tang, a director of the company, is a partner. Total services purchased amounted to £322 (2007:£21,250). The balance due to T.B.W. Chartered Accountants at the year end was £nil (2007:£4,406). No amounts were written off during the year.

During the year the company provided a loan to Kelmay Limited, a company in which Mr R Tang and Mr S Hussain are directors and shareholders. The amount outstanding at the year end was £136,407 (2007: £nil). No amounts were written off during the year. The loan was repaid in the year ending 31 December 2009.

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

17. Related party transactions

The company made payments of £nil (2007: £60,634) to Arlaform Limited, the immediate parent of Stapleford Park Limited, to cover interest costs, together with a management charge of £40,000 (2007: £40,000). The company was provided with a further loan from Arlaform Limited amounting to £1,187,476 (2007: £nil). The balance due to Arlaform Limited at the year end amounted to £19,068,164 (2007: £17,880,688).

18. Share capital

Authorised share capital:

	2008 £	2007 (restated) £
50,456,110 Ordinary shares of £0.10 each	<u>5,045,611</u>	<u>5,045,611</u>

Allotted, called up and fully paid:

	2008		2007 (restated)	
	No	£	No	£
37,980,665 Ordinary shares of £0.10 each	<u>37,980,665</u>	<u>3,798,067</u>	<u>37,980,665</u>	<u>3,798,067</u>

19. Revaluation reserve

	2008 £	2007 (restated) £
Balance brought forward	3,624,195	3,704,725
Transfer to the Profit and Loss Account on realisation	(80,530)	(80,530)
Balance carried forward	<u>£3,543,665</u>	<u>£3,624,195</u>

20. Profit and loss account

	2008 £	2007 (restated) £
Balance brought forward as previously reported	(10,585,746)	(9,674,498)
Prior year adjustment (see note 7)	260,511	-
Balance brought forward restated	<u>£(10,325,235)</u>	<u>£(9,674,498)</u>
Loss for the financial year	(1,951,079)	(731,267)
Transfer from revaluation reserve	80,530	80,530
Balance carried forward	<u>£(12,195,784)</u>	<u>£(10,325,235)</u>

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2008

21. Reconciliation of movements in shareholders' funds

	2008 £	2007 (restated) £
Loss for the financial year	(1,951,079)	(731,267)
Transfer from revaluation reserve	80,530	80,530
Transfer to profit and loss account	(80,530)	(80,530)
Net reduction to shareholders' deficit	£(1,951,079)	£(731,267)
Opening shareholders' deficit	(3,163,484)	(2,171,706)
Prior year adjustment (see note 7)	260,511	-
Closing shareholders' deficit	<u>(4,854,052)</u>	<u>(2,902,973)</u>

22. Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is Arlacross Limited, a company registered in England.

Innoview Properties Limited is the company's controlling related party under the definitions set out in Financial Reporting Standard No.8 by virtue of its shareholding in that company.