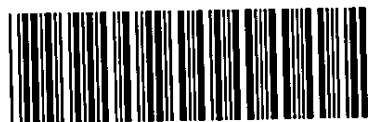


The Surrey Golf Company Limited

Annual report and financial statements
for the year ended 30 June 2008

Registered number: 2973803

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COMPANIES HOUSE

Directors and Officers

For the year ended 30 June 2008

Directors

The Surrey Golf Company Limited's ("the Company") present Directors and those who served during the year are as follows:

D J Darroch

J R Murdoch (resigned 27 May 2008)

A J Griffith (appointed 27 May 2008)

Secretary

D J Gormley

Registered office

Grant Way

Isleworth

Middlesex

TW7 5QD

Auditors

Deloitte LLP

London

Directors' report

The Directors present their Annual Report on the affairs of the Company, together with the financial statements and Auditors' Report for the year ended 30 June 2008.

Business review and principal activities

The Company's principal activity during the year was the operation of a golf course and ancillary activities. The Company decided in the year to sell all the assets of the business as a going concern and thereby cease the activity of the Company. The sale was finalised on 28 August 2008 (see note 20). There is no intention to resume a similar or other activities.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 264(4) of the Companies Act 1985.

The audited accounts for the year ended 30 June 2008 are set out on pages 7 to 25. The loss on ordinary activities after taxation for the year was £401,218 (2007: profit of £4,452). The Directors do not recommend the payment of a dividend for the year ended 30 June 2008 (2007: £nil).

Principal risks and uncertainties

The balance sheet of the Company is primarily intercompany balances and the Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in notes 11 and 13.

Credit risk

The Company's principal assets are intercompany balances. The Company's credit risk is primarily attributable to these balances.

Liquidity risk

In order to maintain liquidity the Company relies on the Group treasury function, which has access to a £1,000m rolling credit facility to ensure ongoing liquidity.

The Directors do not believe the business is exposed to cash flow risk or price risk.

Directors

The Directors who served during the year are shown on page 1.

Auditors

In accordance with the provisions of Section 234ZA of the Companies Act 1985, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

Deloitte LLP has expressed their willingness to continue as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Directors' report (continued)

By order of the Board,


D J Gormley

Company Secretary

Grant Way

Isleworth

Middlesex

TW7 5QD

18 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and as issued by the International Accounting Standards Board. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 "Presentation of Financial Statements" requires that financial statements present fairly, for each financial year, the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expense set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

Auditors' report

Independent Auditors' Report to the Members of The Surrey Golf Company Limited

We have audited the financial statements of The Surrey Golf Company Limited for the year ended 30 June 2008 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 20. 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 law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with those IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 June 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.

Auditors' report (continued)

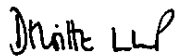
Emphasis of matter-Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of disclosures made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than going concern

Separate opinion in relation to IFRS

As explained in note 1 to the financial statements, the company in addition to complying with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the financial statements give a true and fair view, in accordance with IFRSs, of the state of the company's affairs as at 30 June 2008 and of its loss for the year then ended.



Deloitte LLP

Chartered Accountants and Registered Auditors

London

United Kingdom

18 December 2008

Income Statement

For the year ended 30 June 2008

Discontinued Operations	Notes	2008	2007
		£	£
Revenue	2	563,066	584,898
Operating expense	3	(964,464)	(588,397)
Operating loss		(401,398)	(3,499)
Investment income	4	4,109	7,951
Finance costs	4	(3,929)	-
(Loss)/Profit before tax	5	(401,218)	4,452
Taxation	7	-	-
(Loss)/Profit for the year		(401,218)	4,452

The accompanying notes form an integral part of this income statement.

As detailed in the Directors' report and note 20 to the accounts, all business activities of the Company (being the operation of a golf course and ancillary activities) have been sold subsequent to the year end. All current year and prior year trading qualifies as discontinued operations under the criteria of IFRS 5 at the year end. In line with IFRS 5 requirements, all current year and prior year trading has therefore been classified as discontinued (with the prior year balance being restated as such). After restatement, there are no income statement balances relating to continuing operations (2007: £nil). All income and expenses presented above relates to discontinued operations.

Statement of Changes in Equity

For the year ended 30 June 2008

	Share capital	Retained earnings	Total shareholders' equity
	£	£	£
At 1 July 2006	2	(1,130,113)	(1,130,111)
Profit for the year	-	4,452	4,452
At 30 June 2007	2	(1,125,661)	(1,125,659)
(Loss) for the year	-	(401,218)	(401,218)
At 30 June 2008	2	(1,526,879)	(1,526,877)

The accompanying notes form an integral part of this Statement of Changes in Equity.

Balance Sheet

As at 30 June 2008

	Notes	2008 £	2007 £
Non-current assets			
Property, plant and equipment	8	-	1,981,099
Current assets			
Inventories	10	24,826	22,988
Trade and other receivables	11	260,088	369,916
Cash and cash equivalents		285,806	190,252
		570,720	583,156
Non-current assets classified as held for sale	12	1,680,505	-
Total assets		2,251,225	2,564,255
Current liabilities			
Trade and other payables	13	3,778,102	3,689,914
Total liabilities		3,778,102	3,689,914
Shareholders' equity		(1,526,877)	(1,125,659)
Total liabilities and shareholders' equity		2,251,225	2,564,255

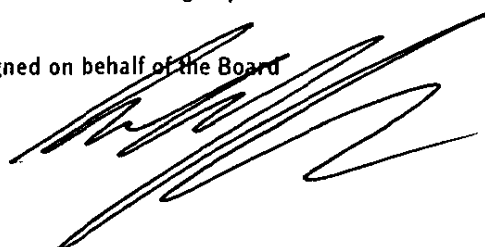
The accompanying notes form an integral part of this balance sheet.

Approved by and signed on behalf of the Board

A J Griffith

Director

18 December 2008



Cash Flow Statement

For the year ended 30 June 2008

Discontinued Operations	Notes	2008	2007
		£	£
Cash flows from operating activities			
Cash generated from operations	16	63,353	(470,103)
Interest received		4,109	7,951
Interest paid		(3,929)	-
Taxation paid		-	(4,579)
Net cash from operating activities		63,533	(466,731)
Cash flows from investing activities			
Purchase of property, plant and equipment		(66,852)	-
Net cash used in investing activities		(66,852)	-
Cash flows from financing activities			
Receipts from loans to subsidiaries		98,873	-
Net cash from financing activities		98,873	-
Effect of foreign exchange rate changes		-	-
Net increase (decrease) in cash and cash equivalents		95,554	(466,731)
Cash and cash equivalents at the beginning of the year		190,252	656,983
Cash and cash equivalents at the end of the year		285,806	190,252

The accompanying notes form an integral part of this consolidated cash flow statement.

As detailed in the Directors' report and note 20 to the accounts, all business activities of the Company (being the operation of a golf course and ancillary activities) have been sold subsequent to the year end. All current year and prior year trading qualifies as discontinued operations under the criteria of IFRS 5 at the year end. In line with IFRS 5 requirements, all current year and prior year cash flows have therefore been classified as relating to discontinued operations (with the prior year balance being restated as such). After restatement, there are no cash flow movements associated with continuing operations in either the current or prior year. All cash flows presented above relate to discontinued operations.

Notes to financial statements

1. Accounting policies

The Surrey Golf Company Limited (the "Company") is a limited liability company incorporated in England and Wales, and domiciled in the United Kingdom ("UK").

a) Statement of compliance

These financial statements are prepared in accordance with IFRSs (including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees) as adopted for use in the European Union ("EU"), the Companies Act 1985 and as issued by the IASB.

The following IFRSs were adopted from the 1 July 2004, the date of transition to IFRS (the "Transition Date"), which is earlier than required under the IFRS transitional provisions: IAS 32 "Financial Instruments: Disclosure and Presentation", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 2 "Share-based Payment" and IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

In the current year, the Company adopted IFRS 7 "Financial Instruments: Disclosures", which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 "Presentation of Financial Statements".

b) Basis of preparation

As explained in the Directors' Report, the Company has ceased its operations of a golf course and ancillary activities. The Company decided in the year to sell all the assets of the business as a going concern and thereby cease the activity of the Company.

As required by IAS 1 Presentation of Financial Statements, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern, which includes, where appropriate, writing down the Company's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date. The financial statements do not include any provision for terminating the business of the Company, except to the extent that such costs were committed at the balance sheet date.

The Company maintains a 52 or 53 week fiscal year ending on the Sunday nearest to 30 June in each year. In fiscal year 2008 this date was 29 June 2008, this being a 52 week year (fiscal year 2007: 1 July 2007, 52 week year). For convenience purposes, the Company continues to date its financial statements as of 30 June 2008.

c) Property, plant and equipment ("PPE")

i. Owned assets

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment losses, (see accounting policy f), other than those that are classified as held for sale, which are stated at the lower of carrying amount and fair value less costs to sell.

When an item of property, plant and equipment comprises major components having different useful economic lives, the components are accounted for as separate items of property, plant and equipment.

Notes to financial statements

1. Accounting policies (continued)

ii. Leased assets

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are treated as property, plant and equipment (see accounting policy j).

iii. Depreciation

Depreciation is provided to write off the cost, less estimated residual value, of property, plant and equipment on a straight-line basis over its estimated useful life. Land, and assets that are not yet available for use, are not depreciated.

Principal useful economic lives used for this purpose are:

Freehold buildings	50 years
Golf Driving Range	4 years
Equipment, furniture and fixtures	4 years

d) Inventories

Finished goods are valued at the lower of cost or net realisable value. The cost of finished goods is recognised through the operating expenses line of the income statement on a FIFO basis.

e) Financial assets and liabilities

Financial assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. At each balance sheet date, the Company assesses whether there is any objective evidence that any financial asset is impaired. Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the financial asset or liability. Financial assets are derecognised from the balance sheet when the Company's contractual rights to the cash flows expire or the Company transfers substantially all the risks and rewards of the financial asset. Financial liabilities are derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

i. Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments and are measured at amortised cost using the effective interest method. Trade and other receivables, with no stated interest rate, are measured at the original invoice amount if the effect of discounting is immaterial. An allowance account is maintained to reduce the carrying value of trade and other receivables for impairment losses identified from objective evidence, with movements in the allowance account, either from increased impairment losses or reversals of impairment losses, being recognised in the income statement.

ii. Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of three months or less from the date of inception. Bank overdrafts that are repayable on demand and which form an integral part of the Company's cash management are included as a component of cash and cash equivalents where offset conditions are met.

Notes to financial statements

1. Accounting policies (continued)

iii. Trade and other payables

Trade and other payables are non-derivative financial liabilities and are measured at amortised cost using the effective interest method. Trade and other payables, with no stated interest rate, are measured at the original invoice amount if the effect of discounting is immaterial.

f) Impairment

At each balance sheet date, and in accordance with IAS 36 "Impairment of Assets", the Company reviews the carrying amounts of all its assets excluding inventories (see accounting policy d), financial assets (see accounting policy e) and deferred taxation (see accounting policy k) to determine whether there is any indication that any of those assets have suffered an impairment loss.

An impairment is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

An impairment loss for an individual asset shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Any impairment loss in respect of goodwill is irreversible.

g) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation to make a probable transfer of economic benefits as a result of past events. The amounts recognised represent the Company's best estimate of the transfer of benefits that will be required to settle the obligation as of the balance sheet date. Provisions are discounted if the effect of the time value of money is material using a market rate adjusted for risks specific to the liability.

h) Revenue recognition

Revenue, which excludes value added tax, represents the gross inflow of economic benefit from the Company's operating activities. Revenue is measured at the fair value of the consideration received or receivable. The Company's main sources of revenue are recognised as follows:

- Membership income is recognised evenly over the period of membership; and
- Revenue generated from sales is recognised when the sale takes place.

Notes to financial statements

1. Accounting policies (continued)

i) Employee benefits

Wages, salaries and social security contributions

Wages, salaries, social security contributions, bonuses payable and non-monetary benefits for current employees are recognised in the income statement as the employees' services are rendered.

Pension obligations

The Company provides pensions to eligible employees through defined contribution schemes. The amount charged to the income statement in the year represents the cost of contributions payable by the Company to the scheme in exchange for employee services rendered in that year. The assets of the schemes are held independently of the Company.

Termination benefits

Termination benefits are recognised as a liability when, and only when, the Company has a demonstrable commitment to terminate the employment of an employee or group of employees before the normal retirement date or as the result of an offer to encourage voluntary redundancy.

j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

The Company as lessor

Sublease income from operating leases is recognised on a straight-line basis over the term of the lease.

The Company as lessee

Assets held under finance leases are recognised as assets of the Company at their fair value on the date of acquisition, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reductions of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The lease expense arising from operating leases is charged to the income statement on a straight line basis over the term of the lease, unless another systematic basis is more appropriate. Benefits received and receivable as incentives to enter into operating leases are recorded on a straight line basis over the lease term.

Notes to financial statements

1. Accounting policies (continued)

k) Taxation, including deferred taxation

The Company's liability for current tax is based on taxable profits for the year, and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and adjusted to reflect an amount that is "probable" to be realised based on the weight of all available evidence. Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted.

Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The standard rate of corporation tax changed from 30% to 28% in the UK with effect from 1 April 2008.

l) Critical accounting policies

Certain accounting policies are considered to be critical to the Company. An accounting policy is considered to be critical if its selection or application materially affects the Company's financial position or results. The Directors are required to use their judgement in order to select and apply the Company's critical accounting policies. Below is a summary of the Company's critical accounting policies and details of the key areas of judgement that are exercised in their application.

i. Revenue Recognition

Revenue, which excludes value added tax, represents the gross inflow of economic benefit from the Company's operating activities. Revenue is measured at the fair value of the consideration received or receivable. Judgement is required when evaluating when to recognise revenue.

Notes to financial statements

1. Accounting policies (continued)

ii. Taxation

Tax laws that apply to the Company's business may be amended by the relevant authorities, for example, as a result of changes in fiscal circumstances or priorities. Such potential amendments and their application to the Company are regularly monitored and the requirement for recognition of any liabilities assessed where necessary.

The Company is subject to income taxes and judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. In such circumstances, the Company recognises liabilities for anticipated taxes due based on the best information available and where the anticipated liability is probable and estimable. Where the final outcome of such matters differs from the amounts initially recorded, any differences will impact the income tax and deferred tax provisions in the period to which such determination is made. Where the potential liabilities are not considered probable, the amount at risk is disclosed unless an adverse outcome is considered remote.

iii. Deferred Taxation

An estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different tax and accounting treatments is required. Assumptions are made around the extent to which it is probable that future taxable profit will be available against which the temporary differences can be utilised and deferred tax assets are recognised at the balance sheet date based on these assumptions.

iv. Receivables

Judgement is required in evaluating the likelihood of collection of debt, including intercompany debt. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles.

Notes to financial statements

1. Accounting policies (continued)

m) Accounting standards, interpretations and amendments to published standards not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 July 2008, or later periods. These new standards are listed below:

- IFRIC 12 "Service Concession Arrangements" (effective from 1 January 2008).
- IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2008).
- IFRIC 13 "Customer Loyalty Programmes" (effective from 1 July 2008).
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective from 1 October 2008).
- IAS 1 (revised) "Presentation of Financial Statements" (effective from 1 January 2009).
- IAS 32 "Financial Instruments: Presentation" (effective from 1 January 2009).
- Amendment to IAS 23 "Borrowing Costs" (effective from 1 January 2009).
- IFRS 8 "Operating Segments" (effective from 1 January 2009).
- IFRIC 15 "Agreements for the Construction of Real Estate" (effective from 1 January 2009).
- Amendments to IFRS 2 "Share-Based Payments" (effective from 1 January 2009).
- Amendments to IFRS 1 "First Time Adoption of International Financial Reporting Standards" (effective 1 January 2009).
- IFRS 3 "Business Combinations" (effective from 1 July 2009).
- IAS 27 "Consolidated & Separate Financial Statements" (effective from 1 July 2009).

The Directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations in future periods.

The Directors currently anticipate that the adoption of these standards, amendments and interpretations in future periods will not have a material impact on the financial statements of the Company other than additional disclosure requirements.

2. Revenue

Revenue arises from the Company's sole class of business, being the operation of a golf course and ancillary activities, and arises wholly within the United Kingdom.

All income, in both the current year and the prior year, relate to discontinued operations.

The Company does not have any separable business segments.

Notes to financial statements

3. Operating expenses

All expenses, in both the current year and the prior year, relate to discontinued operations.

	2008	2007
	£	£
Administration	634,976	588,397
Movement in fair value of non-current assets (see note 12)	329,488	-
	964,464	588,397

4. Investment income and finance costs

All income and expenses, in both the current year and the prior year, relate to discontinued operations.

	2008	2007
	£	£
Investment income		
Interest receivable	4,109	7,951
Finance costs		
Interest payable	3,929	-
	180	7,951

5. (Loss)/Profit before taxation

All income and expenses, in both the current year and the prior year, relate to discontinued operations.

(Loss)/Profit before taxation is stated after charging:

	2008	2007
	£	£
Cost of inventories recognised as an expense	82,740	100,174
Depreciation of property, plant and equipment	37,958	16,903
Interest on finance leases	3,929	-

Audit fees

Amounts paid to the auditors for audit services of £6,250 (2007: £6,250) were borne by another Group subsidiary in 2008 and 2007. No amounts for other services have been paid to the auditors.

Notes to financial statements

6. Employee benefits and key management compensation

All expenses, in both the current year and the prior year, relate to discontinued operations.

a) Employee benefits for the Company during the year

	2008	2007
	£	£
Wages and salaries	217,472	214,458
Social security costs	13,340	15,742
Contributions to the BSKyB Pension Plan ("the Pension Plan") (i)	1,468	637
	232,280	230,837

(i) The Company operates a defined contribution pension scheme through the Pension Plan. The pension charge for the year represents the cost of contributions payable by the Company to the schemes during the year. The Company's amount payable to the schemes at 30 June 2008 was £166 (2007: £637).

The average monthly number of full-time equivalent persons (including temporary employees) employed by the Company during the year was 12 (2007: 14).

b) Directors emoluments

The Directors received no remuneration in the year in respect of their services to the Company (2007: £nil).

7. Taxation

All expenses, in both the current year and the prior year, relate to discontinued operations.

There was no tax charge for the year (2006:nil)

Reconciliation of total tax charge

The tax credit for the year is lower (2007 charge: lower) than the blended rate of corporation tax in the UK (29.5%) applied to (loss)/profit before tax. The differences are explained below:

	2008	2007
	£	£
(Loss)/Profit before tax	(401,218)	4,452
(Loss)/Profit before tax multiplied by the blended rate of corporation tax in the UK of 29.5% (2007: 30%)	(118,359)	1,336
Effects of:		
Movement in deferred tax asset not recognised	3,142	293
Other permanent differences	103,408	-
Group relief claimed for nil consideration	11,809	(1,629)
Taxation	-	-

Notes to financial statements

8. Property, plant and equipment

	Land and freehold buildings (i) £	Leasehold improvements £	Equipment, furniture and fittings £	Total £
Cost				
At 1 July 2006	3,083,774	7,999	206,074	3,297,847
At 30 June 2007	3,083,774	7,999	206,074	3,297,847
Additions	-	-	66,852	66,852
Reclassification to assets held for sale	(3,083,774)	(7,999)	(272,926)	(3,364,699)
At 30 June 2008	-	-	-	-
Depreciation				
At 1 July 2006	1,107,626	7,999	184,220	1,299,845
Depreciation	-	-	16,903	16,903
At 30 June 2007	1,107,626	7,999	201,123	1,316,748
Depreciation	-	-	37,958	37,958
Reclassification to assets held for sale	(1,107,626)	(7,999)	(239,081)	(1,354,706)
At 30 June 2008	-	-	-	-
Carrying amounts				
At 1 July 2006	1,976,148	-	21,854	1,998,002
At 30 June 2007	1,976,148	-	4,951	1,981,099
At 30 June 2008	-	-	-	-

(i) Depreciation was not charged on £1,971,228 of land (2007: £1,971,228).

(ii) Included within Equipment, furniture and fittings are assets held under finance leases with a cost of £nil (2007: £75,211) and accumulated depreciation of £nil (2007: £75,211). Depreciation charged during the year on such assets was £nil (2007: £nil).

Property, plant and equipment have been reclassified during the year to non-current assets held for sale (see note 12) as a result of additional information provided relating to their valuation by the subsequent sale of these assets after the year end (see the Directors' report and note 20).

Notes to financial statements

9. Deferred tax

Unrecognised deferred tax assets

There are no unrecognised deferred tax liabilities.

A deferred tax asset of £22,027 (2007: £27,697) arising from timing differences has not been recognised. These amounts will be recoverable provided that suitable taxable profits will arise in the future. Although the Directors do expect sufficient profits to arise, there is currently insufficient evidence to support recognition of a deferred tax asset relating to these balances.

10. Inventories

	2008	2007
	£	£
Finished goods	24,826	22,988

11. Trade and other receivables

	2008	2007
	£	£
Amounts receivable from other Group companies	231,123	312,752
Prepayments	26,420	54,476
Other receivables	2,545	2,688
	260,088	369,916

The Directors consider that the carrying amount of trade and other receivables approximates to their fair values.

No interest is charged on amounts due from other Group companies or subsidiaries, which are repayable on demand.

No allowances have been recorded against amounts receivable from Group companies as they have been assessed to be fully recoverable. Within the Group, there is a concentration of risk within amounts receivable from other Group companies.

Notes to financial statements

12. Non-current assets – Assets held for sale

	2008
	£
At 1 July 2006	-
At 30 June 2007	-
Reclassification from property, plant and equipment	2,009,993
Fair value movement in year	(329,488)
At 30 June 2008	1,680,505

Non-current assets held for sale comprise land and freehold buildings, leasehold improvements and equipment, furniture and fittings. The Company decided during the year to sell all the non-current assets, inventories and the trade of the Company.

The sale, of all the non-current assets, inventories and the trade of the Company, was finalised subsequent to the year end (see note 20).

The subsequent loss on the sale, being the movement in fair value of the non-current assets, has been recognised in the income statement in accordance with IFRS 5 (paragraphs 20-22).

13. Trade and other payables

	2008	2007
	£	£
Trade payables (i)	31,189	60,770
Amounts payable to other Group companies	3,563,979	3,546,735
Other taxation and social security	4,316	27,408
VAT	20,749	-
Accruals	78,675	40,264
Deferred income	53,691	-
Other payables	25,503	14,737
	3,778,102	3,689,914

The Directors consider that the carrying amount of trade and other payables approximates to their fair values.

(i) Trade payables principally comprise amounts outstanding for inventories and the administration and maintenance of the golf course

No interest is charged on amounts due to other Group companies or subsidiaries, which are repayable on demand.

Notes to financial statements

14. Financial risk management objectives and policies

The accounting classification of each class of the Company's financial assets and financial liabilities, together with their fair values, is as follows.

	Loans and receivables	Other liabilities	Total carrying value	Total fair values
	£	£	£	£
At 30 June 2008				
Trade and other payables	-	(3,678,678)	(3,678,678)	(3,678,678)
Trade and other receivables	233,668	-	233,668	233,688
Cash and cash equivalents	285,806	-	285,806	285,806
At 30 June 2007				
Trade and other payables	-	(3,649,650)	(3,649,650)	(3,649,650)
Trade and other receivables	315,440	-	315,440	315,440
Cash and cash equivalents	190,252	-	190,252	190,252

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

The Company's principal market risk is liquidity risk, which arises both from the Company's intercompany balances and from its operations.

Liquidity risk

The Company's financial liabilities are shown in note 13.

The following tables analyses the Company's non-derivative financial liabilities, net-settled derivative financial instruments and gross-settled financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 12 months	Between one and two years	Between two and five years	More than 5 years
	£	£	£	£
At 30 June 2008				
Trade and other payables	(3,778,102)	-	-	-
At 30 June 2007				
Trade and other payables	(3,689,914)	-	-	-

Notes to financial statements

Capital risk management

The capital structure of the Company consists of equity attributable to equity holders of the parent company, comprising issued capital, reserves and retained earnings.

Risk and treasury management is governed by British Sky Broadcasting Group plc's policies approved by its board of directors.

Additional information

At 30 June 2008, the carrying value of financial assets that were, upon initial recognition, designated as financial assets at fair value through profit or loss, was £nil (2007: £nil).

15. Share capital

	2008 £	2007 £
Authorised		
100 (2007: 100) ordinary shares of £1 each	100	100
Allotted, called-up and fully paid		
2 (2007: 2) ordinary shares of £1 each	2	2

16. Notes to the Cash Flow Statement

Reconciliation of (loss)/profit before taxation to cash generated from operations

	2008 £	2007 £
(Loss)/Profit before taxation	(401,218)	4,452
Depreciation of property, plant and equipment	37,958	16,903
Movement in fair value of non-current assets	329,488	-
Investment income	(4,109)	(7,951)
Finance costs	3,929	-
	(33,952)	13,404
Decrease (increase) in trade and other receivables	28,199	(300,679)
(Increase) in inventories	(1,838)	(2,702)
Increase (decrease) in trade and other payables	70,944	(180,126)
Cash generated from operations	63,353	(470,103)

Notes to financial statements

17. Capital contracted commitments, contingencies and guarantees

Future expenditure contracted for but not provided in the accounts

	Year ending 30 June					After	Total at	Total at 30
	2009	2010	2011	2012	2013	5 years	30 June	June 2007
	£'000	£'000	£'000	£'000	£'000	£'000	2008 £'000	£'000
Property, plant and equipment	-	-	-	-	-	-	-	41,577

18. Transactions with related parties

The Company has related party transactions with other Group companies. In particular, it is normal practice for the Company to borrow cash from other Group companies as required. For details of amounts owed to and from other Group companies, see notes 11 and 13. All amounts payable to other Group companies are non-interest bearing and repayable on demand.

a) Transactions with other Group companies

The Group's treasury function is responsible for liquidity management across the Group's operations. It is standard practice for the company to lend and borrow cash to and from other Group companies as required. Under this policy the company settled liabilities of £84,641 (2007: £738) on behalf of other group companies, during the year.

19. Ultimate parent undertaking

The Company is a wholly-owned subsidiary undertaking of British Sky Broadcasting Group plc, a company incorporated in Great Britain and registered in England and Wales. The Company is ultimately controlled by British Sky Broadcasting Group plc. The only group in which the results of the Company are consolidated is that headed by BSkyB.

The consolidated accounts of the Group are available to the public and may be obtained from the Company Secretary, British Sky Broadcasting Group plc, Grant Way, Isleworth, Middlesex TW7 5QD.

20. Subsequent events

The Company decided during the year to sell all the assets of the business as a going concern and thereby cease the activity of the Company. The sale was finalised on 28 August 2008, after the year end, with negotiations being at an advanced stage at the year end, the purchaser was Claudel Venture Holdings Limited for £1,820,966 on 28 August 2008. Costs associated with the sale were £116,000. The sale proceeds less associated costs indicate an adjusting event and have resulted in the reduction in the value of assets held for sale of £329,000. This loss has been recognised in the current year as a reduction in the fair value of non-current assets in accordance with IFRS 5 (see note 12).

The Company itself is being retained, though there is no intention to resume similar or other activities.

The sale includes the business name, ongoing trade (the operation of a golf course and ancillary activities), freehold land, fixed assets and inventory at the date of completion. The non-current assets (freehold land and fixed assets) have been classified as held for sale in line with the requirements of IFRS 5 as detailed in note 12. The agreement excludes receivables, payables and cash balances at the date of completion.