

Company Registration No. 02978673 (England and Wales)

NUMBER TEN GROUP LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 AUGUST 2006



NUMBER TEN GROUP LIMITED

COMPANY INFORMATION

Director	P L Williams
Secretary	J Saville
Company number	02978673
Registered office	29/30 Fitzroy Square London W1T 6LQ
Auditors	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ
Business address	10 Barnard Road Bowthorpe Norwich Norfolk NR5 9JB
Bankers	HSBC Plc 31 Chequer Street St Albans Hertfordshire AL1 3YN
Solicitors	Bircham Dyson Bell 50 Broadway Westminster London SW1H 0BL

NUMBER TEN GROUP LIMITED

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DIRECTOR'S REPORT

FOR THE PERIOD ENDED 27 AUGUST 2006

The director presents his report and financial statements for the period ended 27 August 2006

Principal activities

The principal activity of the company continued to be that of a holding company and management of the group

In January 2006, the trade and assets of Superskate Rollennks Limited were sold through a management buyout

In July 2006, the company sold the trade and assets of four of its subsidiary undertakings, Number Ten Norwich Limited, Number Ten Romford Limited, Solar Bowl (Ipswich) Limited and Number Ten Braintree Limited, to an independent third party

Director

The following director has held office since 29 August 2005

P L Williams

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Goodman Jones LLP be reappointed as auditors of the company will be put to the Annual General Meeting

NUMBER TEN GROUP LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE PERIOD ENDED 27 AUGUST 2006

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director to prepare financial statements for each financial year which 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

Statement of disclosure to auditors

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

The above report has been prepared in accordance with the specific exemptions as afforded by s247A(1A) of the Companies Act 1985

On behalf of the board



P L Williams

Director

21 May 2008

NUMBER TEN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NUMBER TEN GROUP LIMITED

We have audited the financial statements of Number Ten Group Limited on pages 5 to 17 for the period ended 27 August 2006. These financial statements have been prepared under the historical cost convention and 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 2, the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the director's report is consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 director 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.

NUMBER TEN GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF NUMBER TEN GROUP LIMITED

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 27 August 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements



Goodman Jones LLP

Chartered Accountants
Registered Auditor

21. May 2008

29/30 Fitzroy Square
London
W1T 6LQ

NUMBER TEN GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 27 AUGUST 2006

	Notes	2006 £	2005 £
Turnover	2	17,745	2,445
Cost of sales		(698)	(22,830)
Gross profit/(loss)		17,047	(20,385)
Administrative expenses		(3,403,607)	(993,248)
Other operating income		-	786,001
Operating loss	3	(3,386,560)	(227,632)
Investment income	4	3,533,027	4,238,835
Other interest receivable and similar income	4	19,483	317
Amounts written off investments	5	(666,979)	-
Interest payable and similar charges	6	(8,971)	(43,765)
(Loss)/profit on ordinary activities before taxation		(510,000)	3,967,755
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit for the period	17	(510,000)	3,967,755

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

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BALANCE SHEET

AS AT 27 AUGUST 2006

		2006		2005 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		-		71,623
Investments	10		1		666,980
			<u>1</u>		<u>738,603</u>
Current assets					
Stocks	11	-		29,506	
Debtors amounts falling due within one year	12	60,005		40,720	
Debtors amounts falling due after more than one year	12	569,191		5,082,242	
Cash at bank and in hand		53,787		269,133	
		<u>682,983</u>		<u>5,421,601</u>	
Creditors: amounts falling due within one year	13	<u>(413,036)</u>		<u>(1,087,022)</u>	
Net current assets			<u>269,947</u>		<u>4,334,579</u>
Total assets less current liabilities			<u>269,948</u>		<u>5,073,182</u>
Creditors' amounts falling due after more than one year	14		<u>(750,000)</u>		<u>(5,043,232)</u>
			<u>(480,052)</u>		<u>29,950</u>
Capital and reserves					
Called up share capital	16		2,250		2,250
Share premium account	17		27,577		27,577
Profit and loss account	17		(509,879)		123
Shareholders' funds	18		<u>(480,052)</u>		<u>29,950</u>

Approved by the Board and authorised for issue on 21 October 2008


P L Williams
Director

NUMBER TEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 AUGUST 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 Cashflow Statements, from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	25% Straight line
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Stock

Work in progress is valued at the lower of cost and net realisable value

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small/medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating loss	2006 £	2005 £
Operating loss is stated after charging		
Depreciation of tangible assets	33,977	34,624
Loss on disposal of tangible assets	74,199	-
Operating lease rentals	6,910	8,012
Auditors' remuneration	3,500	3,500

4 Investment income	2006 £	2005 £
Income from shares in group undertakings	3,533,027	4,238,835
Bank interest	19,483	317
	<u>3,552,510</u>	<u>4,239,152</u>

5 Amounts written off investments	2006 £	2005 £
Amounts written off fixed asset investments		
- permanent diminution in value	666,979	-

The amounts written off reflects the company's investment in its subsidiary undertakings

6 Interest payable	2006 £	2005 £
On bank loans and overdrafts	<u>8,971</u>	<u>43,765</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

7 Taxation

	£	£
Current tax charge	-	-
Factors affecting the tax charge for the period		
(Loss)/profit on ordinary activities before taxation	(510,000)	3,967,755
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005: 19.00%)	(96,900)	753,873
Effects of		
Non deductible expenses	460,449	637
Depreciation add back	6,456	6,579
Tax losses utilised	301,270	44,290
Dividends and distributions received	(671,275)	(805,379)
	96,900	(753,873)
Current tax charge	-	-

The company has estimated losses of £ nil (2005: £ 500,000) available for carry forward against future trading profits

On the basis of these financial statements no provision has been made for corporation tax

8 Dividends	2006 £	2005 £
Ordinary interim paid	-	3,808,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

9 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 29 August 2005	138,341	3,690	6,075	148,106
Additions	16,848	19,707	-	36,555
Disposals	(155,189)	(23,397)	(6,075)	(184,661)
	<hr/>	<hr/>	<hr/>	<hr/>
At 27 August 2006	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 29 August 2005	70,379	1,603	4,503	76,485
On disposals	(102,141)	(3,415)	(4,906)	(110,462)
Charge for the period	31,762	1,812	403	33,977
	<hr/>	<hr/>	<hr/>	<hr/>
At 27 August 2006	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 27 August 2006	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 August 2005	67,964	2,087	1,572	71,623
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 29 August 2005 & at 27 August 2006	666,980
Provisions for diminution in value	
At 29 August 2005	-
Charge for the period	666,979
At 27 August 2006	666,979
Net book value	
At 27 August 2006	1
At 28 August 2005	666,980

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
Number Ten Norwich Limited	England	£1 ordinary	100 00	
Solar Bowl (Ipswich) Limited	England	10p ordinary	100 00	
Superskate Rollernrks	England	£1 ordinary	100 00	
Number Ten Romford Limited	England	£1 ordinary	100 00	
Number Ten Rugby Limited	England	£1 ordinary	100 00	
Number Ten Braintree Limited	England	£1 ordinary	100 00	

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2006 £	Profit/(loss) for the year 2006 £
	Principal activity		
Number Ten Norwich Limited	sports & leisure	100	9,116
Solar Bowl (Ipswich) Limited	sports & leisure	100	171,221
Superskate Rollernrks	sports & leisure	(25,284)	(28,311)
Number Ten Romford Limited	sports & leisure	100	605,222
Number Ten Rugby Limited	sports & leisure	(21,062)	666,151
Number Ten Braintree Limited	sports & leisure	1	421,551

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

11 Stocks	2006 £	2005 £
Finished goods and goods for resale	-	29,506

12 Debtors	2006 £	2005 £
Trade debtors	-	1,878
Amounts owed by parent and fellow subsidiary undertakings	569,191	1,104,495
Amounts owed by subsidiary undertakings	-	3,977,747
Other debtors	56,717	3,031
Prepayments and accrued income	3,288	35,811
	<u>629,196</u>	<u>5,122,962</u>

Amounts falling due after more than one year and included in the debtors above are

	2006 £	2005 £
Amounts owed by group undertakings	<u>569,191</u>	<u>5,082,242</u>

13 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	25,795	556,133
Trade creditors	18,106	48,272
Amounts owed to subsidiary undertakings	149,577	13,203
Taxes and social security costs	178,529	382,866
Other creditors	29,405	62,814
Accruals and deferred income	11,624	23,734
	<u>413,036</u>	<u>1,087,022</u>

The bank overdraft is secured by a fixed and floating charge over the company

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

14 Creditors: amounts falling due after more than one year	2006 £	2005 £
Amounts owed by parent	-	4,293,232
Preference share premium	698,788	698,788
Preference shares classed as a financial liability	51,212	51,212
	<u>750,000</u>	<u>5,043,232</u>
Preference shares classified as financial liabilities		
In more than five years	<u>51,212</u>	<u>51,212</u>

The preference shares issued by the company, along with the associated premium on issue, have been reclassified in the year as a long term liability in accordance with Financial Reporting Standard number 25 Financial instruments

The company has an authorised preference share capital of,

-12,116 Cumulative convertible participating preferred ordinary shares of 10p each with a nominal value of £1,212 (2005 £1,212) of which 12,116 (2005 12,116) has been allotted, called up and fully paid and

-500,000 Cumulative redeemable preference shares of 10p each with a nominal value of £50,000 (2005 £50,000) of which 500,000 (2005 500,000) has been allotted, called up and fully paid

Cumulative redeemable preference shares

These shares were redeemable at six 6 monthly installments as follows	£
1st June 1996	83,334
1st December 1996	83,334
1st June 1997	83,333
1st December 1997	83,333
1st June 1998	83,333
1st December 1998	83,333
	<u>500,000</u>

- The cumulative convertible participating preferred ordinary (CCPPO) shares' percentage of total equity share capital shall increase by 1% for each redemption of cumulative redeemable preference shares not undertaken by the company
- The shares due for redemption were not redeemed by the company and the holders of the CCPPO shares have indicated that they intend to exercise their option in (a) above at a later date
- Full details of the rights and obligations of these shares are detailed in the company's Articles of Association

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

15 Pension costs

Defined contribution

	2006 £	2005 £
Contributions payable by the company for the period	3,743	-

16 Share capital

	2006 £	2005 £
Authorised		
20,770 Equity Ordinary 'A' shares of 10p each	2,077	2,077
1,730 Equity Ordinary 'B' shares of 10p each	173	173
	<u>2,250</u>	<u>2,250</u>
Allotted, called up and fully paid		
20,770 Equity Ordinary 'A' shares of 10p each	2,077	2,077
1,730 Equity Ordinary 'B' shares of 10p each	173	173
	<u>2,250</u>	<u>2,250</u>

Following the adoption of Financial Reporting Standard number 25 Financial instruments, the company's issued preference share capital amounting to £51,212 has been reclassified as part of creditors amounts falling due after more than one year. This has resulted in a prior year adjustment. The balance for share capital previously reported was £53,462.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

17 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 29 August 2005	27,577	121
Loss for the period	-	(510,000)
Balance at 27 August 2006	<u>27,577</u>	<u>(509,879)</u>

The share premium in relation to the issue of the company's preference share capital of £698,788 has been reallocated to long term creditors, in accordance in Financial Reporting Standard number 25 Financial Instruments. This has led to a prior year adjustment. The share premium account was previously reported as £726,365.

18 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
(Loss)/Profit for the financial period	(510,000)	3,967,755
Dividends	-	(3,808,000)
Net (depletion in)/addition to shareholders' funds	(510,000)	159,755
Opening shareholders' funds	29,950	(129,805)
Closing shareholders' funds	<u>(480,052)</u>	<u>29,950</u>

Opening reserves has been reduced following the adoption of Financial Reporting Standard Number 25 Financial Instruments.

The original value of reserves was £779,950 before reclassification of preference share capital and associated share premium of £750,000 as part of creditors, resulting in a revised value of £29,950.

19 Director's emoluments

	2006 £	2005 £
Emoluments for qualifying services	<u>101,740</u>	<u>172,308</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

20 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2006 Number	2005 Number
Administration	8	11

Employment costs

	2006 £	2005 £
Wages and salaries	483,483	461,093
Social security costs	45,885	47,586
Other pension costs	3,743	-
	533,111	508,679

21 Control

The company's parent company is Sanford Investments Limited, also incorporated in the United Kingdom. Sanford Investments Limited is controlled by P L Williams, a director, by virtue of the fact that he is the majority shareholder.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 AUGUST 2006

22 Related party transactions

Transactions

During the year the company received management charges from the following group companies,

	2006 £	2005 £
Number Ten Norwich Limited	-	130,000
Number Ten Romford Limited	-	220,000
Solar Bowl (Ipswich) Limited	-	170,000
Number Ten Braintree Limited	-	185,000
Number Ten Rugby Limited	-	50,000
Superskate Rollerinks Limited	-	25,000

	2006 Owed to company £	Owed by company £	2005 Owed to company £	Owed by company £
Balances				
Number Ten Romford Limited	-	60,465	-	1,104,495
Number Ten Braintree Limited	-	28,204	-	1,864,621
Number Ten Rugby Limited	-	-	-	2,113,126
Superskate Rollerinks Limited	-	-	13,203	-
Number Ten Norwich Limited	-	34,510	-	-
Solar Bowl (Ipswich) Limited	-	26,398	-	-

At the year end the company is owed £569,191 (2005 £4,293,232 creditor) from Sanford Investments Limited, the ultimate parent company

Included in debtors is an amount of £12,916 (2005 £885) owed by Braintree Leisure Limited, a company under the control of P L Williams and £20,000 (2005 nil) owed by Gregston Estates Limited, a company in which P L Williams is a substantial shareholder