

NORTHACRE LAND LIMITED



Directors' Report And Financial Statements

For the year ended 28 February 2010

NORTHACRE LAND LIMITED

COMPANY INFORMATION

Directors	K B Nilsson M K Santilale
Secretary	K B Nilsson
Company number	3672498
Registered office	Eight Albion Riverside 8 Hester Road London SW11 4AX
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	The Royal Bank of Scotland 29 Old Brompton Road London SW7 3JE

NORTHACRE LAND LIMITED

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NORTHACRE LAND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2010

The directors present their report and financial statements for the year ended 28 February 2010

Principal activities and review of the business

The principal activity of the company throughout the year was that of property development

Results and dividends

The results for the year are set out on page 4

Directors

The following directors have held office since 1 March 2009

J R G Hunter

(Resigned 11 February 2010)

K B Nilsson

M K Santilale

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

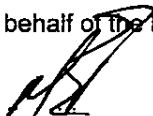
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



M K Santilale

Director

29 November 2010

NORTHACRE LAND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHACRE LAND LIMITED

We have audited the financial statements of Northacre Land Limited for the year ended 28 February 2010 set out on page 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

NORTHACRE LAND LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF NORTHACRE LAND LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Kingston Smith LLP

John Staniforth (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

30 November 2010

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

NORTHACRE LAND LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2010

	Notes	2010 £	2009 £
Administrative expenses		-	(531)
Operating profit/(loss)	2	-	(531)
Other interest receivable and similar income	3	-	24
Profit/(loss) on ordinary activities before taxation		-	(507)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the year	8	-	(507)

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

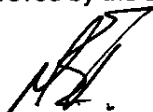
NORTHACRE LAND LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2010

	Notes	2010 £	£	2009 £	£
Current assets					
Debtors	5	2,034,197		2,036,713	
Cash at bank and in hand		45		27	
		<u>2,034,242</u>		<u>2,036,740</u>	
Creditors amounts falling due within one year	6	<u>(2,457,711)</u>		<u>(2,460,209)</u>	
Net liabilities			<u>(423,469)</u>		<u>(423,469)</u>
Capital and reserves					
Called up share capital	7		2		2
Profit and loss account	8		<u>(423,471)</u>		<u>(423,471)</u>
Shareholders' funds	9		<u>(423,469)</u>		<u>(423,469)</u>

Approved by the Board and authorised for issue on

29/11/10



M K Santilale
Director



K B Nilsson
Director

Company Registration No. 3672498

NORTHACRE LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The Company and Group currently meet their day-to-day working capital requirements partly through monies loaned from the Northacre PLC Directors Retirement and Death Benefit Scheme, partly from the Group's bankers and partly from other loans. The Directors expect the facilities currently agreed to remain in place for the foreseeable future and to be renewed on equally favourable terms in due course. In particular:

(i) One of the loans due to Northacre PLC Directors Retirement and Death Benefit Scheme of £750,000 is not repayable until July 2013

(ii) One further loan of £275,000 from the Northacre PLC Directors Retirement and Death Benefit Scheme is repayable upon the return of equity from one specific project. This has been repaid after the end of the reporting period

(iii) The Group's bankers have agreed revised facilities with a review on 28th February 2011

(iv) An additional loan facility of £300,000 was made available by Director Mohamed AlRafi on 16th October 2009. The loan is not repayable until dividends from The Lancasters Development are received

(v) An additional loan facility of £114,000 was made available by Klas Nilsson in September 2009. The loan has no fixed date of repayment

(vi) In line with market conditions the Group has, since the year-end, undertaken an overhead reduction programme of which the benefits will materialise in the next period. It is anticipated these measures will result in a potential saving of between 15% to 30% of total overhead costs

The Directors have prepared detailed cash flow projections for the period ended 28th February 2012 making reasonable assumptions about the levels and timings of income and expenditure, and in particular the timing of receipt of certain fees due from major developments. These projections show that the Group can operate within the current available facilities. On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis

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 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date

2 Operating profit/(loss)

	2010	2009
	£	£
Operating profit/(loss) is stated after charging		
Auditors' remuneration	-	500

NORTHACRE LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2010

3 Investment income	2010 £	2009 £
Bank interest	-	24
	<u>-</u>	<u>24</u>

4 Taxation	2010	2009
Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	<u>-</u>	<u>(507)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	-	(142)
Effects of Group relief	<u>-</u>	<u>142</u>
Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of £ 34,630 (2009 - £ 34,630) available for carry forward against future trading profits

5 Debtors	2010 £	2009 £
Amounts owed by parent and fellow subsidiary undertakings	<u>2,034,197</u>	<u>2,036,713</u>

6 Creditors: amounts falling due within one year	2010 £	2009 £
Amounts owed to parent and fellow subsidiary undertakings	2,457,711	2,457,709
Accruals and deferred income	-	2,500
	<u>2,457,711</u>	<u>2,460,209</u>

NORTHACRE LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2010

7 Share capital	2010 £	2009 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

8 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 March 2009	(423,471)
Profit/(loss) for the year	-
Balance at 28 February 2010	(423,471)

9 Reconciliation of movements in shareholders' funds	2010 £	2009 £
Profit/(loss) for the financial year	-	(507)
Opening shareholders' funds	(423,469)	(422,962)
Closing shareholders' funds	(423,469)	(423,469)

10 Contingent liabilities

The company and its parent company and fellow trading subsidiaries have given an unlimited guarantee and debenture secured on the assets of the group to its bankers in respect of a facility arrangement. At the balance sheet date the net amount owed to the bank was £nil.

11 Employees

There were no employees during the year apart from the directors.

NORTHACRE LAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2010

12 Control

The company is a wholly owned subsidiary of Northacre PLC, a company registered in England and Wales. Copies of the group financial statements are available from Eight Albion Riverside, 8 Hester Road, London SW11 4AX.

13 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.