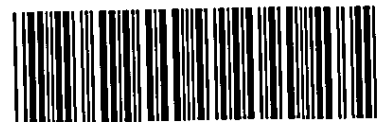


# Le Poussin Limited

Directors' Report and Financial Statements

for the Period from 1 March 2007 to 31 December 2007

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## **Le Poussin Limited**

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## **Le Poussin Limited**

### **Directors' Report for the Period Ended 31 December 2007**

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

#### **Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

#### **Principal activity**

The principal activity of the company is running Whitley Ridge, an eighteen bedroom hotel with a Michelin star restaurant, and Simply Poussin, a restaurant.

During the year, the company has continued the redevelopment of the Parkhill Hotel, a twenty nine bedroom 5 star hotel in Lyndhurst. Latimers, the restaurant in Southampton, is also continuing redevelopment. The plan is that both properties will be reopening around the middle of 2009.

In 2006, the company set up a French branch which purchased Sarl Le Portetta, a company incorporated in France. This company operates the La Portetta hotel in Courchevel 1650. In the summer of 2008, the hotel has been redeveloped ready for the next season.

#### **Business review**

##### ***Fair review of the business***

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

We consider our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit margin and return on capital employed.

The Company continues to make progress on two fronts. The Whitley Ridge Hotel has retained its Michelin star which helps attract residents and chance guests. On the development side, Parkhill Hotel and Latimers are moving towards completion, and we are looking forward to the end of 2009 when they will reopen.

The industry continues to be competitive and effective marketing becomes more crucial.

## Le Poussin Limited

### Directors' Report for the Period Ended 31 December 2007

..... continued

#### *Development and performance of the business*

	1 March 2007 to 31 December 2007	Year ended 28 February 2007	Year ended 28 February 2006	Year ended 28 February 2005	Year ended 29 February 2004
Turnover	£1,728,101	£1,569,025	£1,299,831	£1,354,389	£1,463,538
Turnover growth per annum	32%	21%	(4)%	(7)%	12%
Gross profit margin	68%	77%	79%	78%	80%
(Loss) before tax	(£1,092,953)	(£957,171)	(£156,872)	(£945)	£204,394

#### *Position of the business*

At the end of the period, the net assets totalled (£805,225).

#### **Results and dividend**

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who held office during the period were as follows:

- Mrs C Aitken
- A Aitken
- J Ratcliffe

The following directors were appointed after the period end:

R C Hutson (appointed 2 April 2009)

B Foster (appointed 2 April 2009)

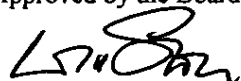
#### **Retirement of directors**

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis.

#### **Auditors**

The auditors, Princecroft Willis LLP, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985.

Approved by the Board and signed on its behalf by:



M H Stokes  
Company Secretary

Date: 7.10.09

## **Independent Auditors' Report to the Members of Le Poussin Limited**

We have audited the financial statements of Le Poussin Limited for the period ended 31 December 2007 set out on pages 5 to 22. These financial statements have been prepared in accordance with 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 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 described in the statement of Directors' responsibilities on page 1, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 transactions with the company 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 an 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.

**Independent Auditors' Report to the Members of  
Le Poussin Limited**


..... continued

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the period 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.

Towngate House  
2-8 Parkstone Road  
Poole  
Dorset  
BH15 2PW



Princecroft Willis LLP  
Chartered Accountants & Registered Auditors

14 October 2009

**Le Poussin Limited**  
**Profit and Loss Account for the Period Ended 31 December 2007**

	Note	1 March 2007 to 31 December 2007 £	Year ended 28 February 2007 £
Turnover	2	1,728,101	1,569,025
Cost of sales		(547,309)	(355,724)
<b>Gross profit</b>		<u>1,180,792</u>	<u>1,213,301</u>
Administrative expenses		(1,351,360)	(1,374,377)
<b>Operating loss</b>	3	<u>(170,568)</u>	<u>(161,076)</u>
Other interest receivable and similar income		19,954	6,358
Interest payable and similar charges	6	(826,981)	(802,453)
<b>Loss on ordinary activities before taxation</b>		<u>(977,595)</u>	<u>(957,171)</u>
Tax on loss on ordinary activities	7	21,861	(387)
<b>Loss for the financial period</b>	18	<u><u>(955,734)</u></u>	<u><u>(957,558)</u></u>

Turnover and operating loss derive wholly from continuing operations.

The notes on pages 9 to 22 form an integral part of these financial statements.

# **Le Poussin Limited**

## **Statement of Total Recognised Gains and Losses for the Period Ended 31 December 2007**

	<b>1 March 2007 to 31 December 2007 £</b>	<b>Year ended 28 February 2007 £</b>
Net loss for the period	(955,734)	(957,558)
Foreign currency translation differences	(69,548)	-
Total recognised losses for the period	<u>(1,025,282)</u>	<u>(957,558)</u>

The notes on pages 9 to 22 form an integral part of these financial statements.

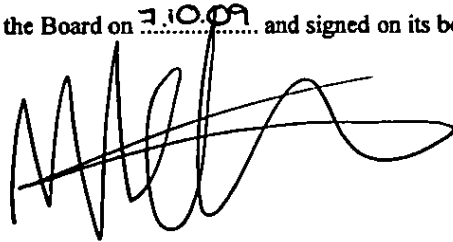


**Le Poussin Limited**  
**Balance Sheet as at 31 December 2007**

		31 December 2007		28 February 2007	
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		203,331		184,281
Tangible assets	9		24,224,738		13,031,261
Investments	10		16,998,857		15,234,662
			<u>41,426,926</u>		<u>28,450,204</u>
<b>Current assets</b>					
Stocks	11	87,272		97,571	
Debtors	12	1,024,815		637,680	
Cash at bank and in hand		<u>722,991</u>		<u>432,862</u>	
		<u>1,835,078</u>		<u>1,168,113</u>	
<b>Creditors: Amounts falling due within one year</b>	13	<u>(4,672,446)</u>		<u>(28,036,399)</u>	
<b>Net current liabilities</b>			<u>(2,837,368)</u>		<u>(26,868,286)</u>
<b>Total assets less current liabilities</b>			<u>38,589,558</u>		<u>1,581,918</u>
<b>Creditors: Amounts falling due after more than one year</b>	14		<u>(39,394,783)</u>		<u>(1,340,000)</u>
<b>Provisions for liabilities</b>	16		<u>-</u>		<u>(21,861)</u>
<b>Net (liabilities)/assets</b>			<u>(805,225)</u>		<u>220,057</u>
<b>Capital and reserves</b>					
Called up share capital	17		1,000		1,000
Share premium reserve	18		794,640		794,640
Revaluation reserve	18		458,829		458,829
Profit and loss reserve	18		<u>(2,059,694)</u>		<u>(1,034,412)</u>
<b>Shareholders' (deficit)/funds</b>	19		<u>(805,225)</u>		<u>220,057</u>

Approved by the Board on 31.03.08 and signed on its behalf by:

A Aitken  
Director



The notes on pages 9 to 22 form an integral part of these financial statements.

# Le Poussin Limited

## Cash Flow Statement for the Period Ended 31 December 2007

		1 March 2007 to 31 December 2007	Year ended 28 February 2007
	Note	£	£
Net cash flow from operating activities	21	(843,126)	(460,602)
Returns on investment and servicing of finance	22	(149,504)	(176,639)
Taxation	22	-	-
<b>Capital expenditure and financial investment</b>			
Purchase of intangible fixed assets		(47,000)	-
Purchase of tangible fixed assets		(10,925,806)	(5,331,319)
Sale of tangible fixed assets		-	57,915
		<u>(10,972,806)</u>	<u>(5,273,404)</u>
Acquisition of subsidiary undertaking		<u>(4,628)</u>	<u>(14,271,985)</u>
<b>Cash outflow before management of liquid resources and financing</b>		<u>(11,970,064)</u>	<u>(20,182,630)</u>
<b>Financing</b>			
Increase in loans and borrowings		12,235,362	20,604,810
Repayment of loans and borrowings		-	10,104
		<u>12,235,362</u>	<u>20,614,914</u>
<b>Net cash flow</b>		<u>265,298</u>	<u>432,284</u>
	Note	31 December 2007 £	28 February 2007 £
Increase/(decrease) in cash in year	23	265,298	432,284
Cash (inflow)/outflow from (increase)/decrease in debt and finance leasing	23	(12,235,362)	(20,614,914)
		<u>(11,970,064)</u>	<u>(20,182,630)</u>
Other movements	23	(1,382,214)	-
		<u>(13,352,278)</u>	<u>(20,182,630)</u>
Net debt at the start of the year	23	<u>(26,844,345)</u>	<u>(6,661,715)</u>
Net debt at the end of the year	23	<u>(40,196,623)</u>	<u>(26,844,345)</u>

The notes on pages 9 to 22 form an integral part of these financial statements.

## **Le Poussin Limited**

### **Notes to the Financial Statements for the Period Ended 31 December 2007**

#### **1 Accounting policies**

##### **Basis of preparation**

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

Under section 248 of the Companies Act 1985 the group is exempt from the requirement to prepare group accounts by virtue of its size. Therefore the accounts present information about the company as an individual undertaking and not about its group..

##### **Going concern**

These financial statements have been prepared on a going concern basis, despite the excess of liabilities over assets shown on the balance sheet. This basis has been applied assuming the continued support of the directors.

##### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

##### **Amortisation**

Amortisation is provided on intangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Goodwill	10 years
----------	----------

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold property	not provided
Plant and machinery	20% on cost
Fixtures and fittings	15% on reducing balance
Computer equipment	20% on cost

Freehold buildings are not depreciated in accordance with FRS 15, they are maintained to a very high standard and in the opinion of the directors, any depreciation charge would be immaterial.

##### **Goodwill**

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### **Fixed asset investments**

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

##### **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

## Le Poussin Limited

### Notes to the Financial Statements for the Period Ended 31 December 2007

..... continued

#### Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the average exchange rate for the period. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account. Investments which are financed in Euros, by a director's current account, are regarded as a separate group of assets and liabilities and accounted for in Euros. The amounts in Euros are translated into sterling at rates ruling at the balance sheet date and the net differences arising from the translation of the investment and related director's current account are taken to reserves.

#### Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

## 2 Turnover

An analysis of turnover by segment is given below:

	31 December 2007 £	28 February 2007 £
Hotel and restaurant income	1,576,056	1,541,832
Management fees	124,515	-
Staff accommodation	27,334	27,088
	<u>1,727,905</u>	<u>1,568,920</u>
Other sales income	167	105
Total	<u>1,728,072</u>	<u>1,569,025</u>

# Le Poussin Limited

## Notes to the Financial Statements for the Period Ended 31 December 2007

..... continued

### 3 Operating loss

Operating loss is stated after charging/(crediting):

	1 March 2007 to 31 December 2007 £	Year ended 28 February 2007 £
Hire of plant and machinery (Operating Leases)	17,403	4,292
The audit of the company's annual accounts	6,500	6,000
Foreign currency losses/(gains)	179	(3,902)
Loss on sale of fixed assets	-	13,064
Depreciation of owned tangible fixed assets	127,696	102,196
Amortisation of intangible fixed assets	27,950	28,840

### 4 Particulars of employees

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	1 March 2007 to 31 December 2007 No.	Year ended 28 February 2007 No.
Hotel and restaurant	44	51
Directors	3	3
	<u>47</u>	<u>54</u>

The aggregate payroll costs of these persons were as follows:

	1 March 2007 to 31 December 2007 £	Year ended 28 February 2007 £
Wages and salaries	727,080	654,249
Social security	79,370	54,927
	<u>806,450</u>	<u>709,176</u>

# **Le Poussin Limited**

## **Notes to the Financial Statements for the Period Ended 31 December 2007**

..... *continued*

### **5 Directors' emoluments**

The directors' emoluments for the period are as follows:

	<b>1 March 2007 to 31 December 2007 £</b>	<b>Year ended 28 February 2007 £</b>
Directors' remuneration (including benefits in kind)	<u>233,333</u>	<u>89,512</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £127,666 (28 February 2007 - £nil).

### **6 Interest payable and similar charges**

	<b>1 March 2007 to 31 December 2007 £</b>	<b>Year ended 28 February 2007 £</b>
Interest & penalties on late payments	58	-
Loan interest	169,400	182,510
Other interest payable	657,523	619,456
Hire purchase interest	-	487
	<u>826,981</u>	<u>802,453</u>

### **7 Taxation**

Analysis of current period tax (credit)/charge

	<b>1 March 2007 to 31 December 2007 £</b>	<b>Year ended 28 February 2007 £</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(21,861)</u>	<u>387</u>

## Le Poussin Limited

### Notes to the Financial Statements for the Period Ended 31 December 2007

..... continued

#### 8 Intangible fixed assets

	<b>Goodwill £</b>
<b>Cost</b>	
As at 1 March 2007	288,401
Additions	47,000
As at 31 December 2007	<u>335,401</u>
<b>Amortisation</b>	
As at 1 March 2007	104,120
Charge for the period	27,950
As at 31 December 2007	<u>132,070</u>
<b>Net book value</b>	
As at 31 December 2007	<u>203,331</u>
As at 28 February 2007	<u>184,281</u>

# Le Poussin Limited

## Notes to the Financial Statements for the Period Ended 31 December 2007

### 9 Tangible fixed assets

Cost or Valuation	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
As at 1 March 2007	12,686,344	330,436	549,942	21,968	6,438	13,595,128
Additions	11,014,864	159,029	142,398	3,000	1,881	11,321,172
As at 31 December 2007	<u>23,701,208</u>	<u>489,465</u>	<u>692,340</u>	<u>24,968</u>	<u>8,319</u>	<u>24,916,300</u>
<b>Depreciation</b>						
As at 1 March 2007	-	194,221	344,270	20,224	5,151	563,866
Charge for the period	-	83,734	42,281	988	693	127,696
As at 31 December 2007	-	<u>277,955</u>	<u>386,551</u>	<u>21,212</u>	<u>5,844</u>	<u>691,562</u>
<b>Net book value</b>						
As at 31 December 2007	<u>23,701,208</u>	<u>211,510</u>	<u>305,789</u>	<u>3,756</u>	<u>2,475</u>	<u>24,224,738</u>
As at 28 February 2007	<u>12,686,344</u>	<u>136,215</u>	<u>205,672</u>	<u>1,744</u>	<u>1,287</u>	<u>13,031,262</u>

### Land and buildings

The net book value of land and buildings includes:

	31 December 2007 £	28 February 2007 £
Freehold	23,487,913	12,473,049
Long leasehold	<u>213,295</u>	<u>213,295</u>
	<u>23,701,208</u>	<u>12,686,344</u>



**Le Poussin Limited**

**Notes to the Financial Statements for the Period Ended 31 December 2007**

..... *continued*

The current redevelopment at Le Poussin has made any revaluations difficult, and hence the value in the accounts is the historic valuation plus any redevelopment costs. The directors are of the opinion that the current value of the other properties held is not materially different to the value stated above.

# Le Poussin Limited

## Notes to the Financial Statements for the Period Ended 31 December 2007

### 10 Investments held as fixed assets

	Group shares £
<b>Cost</b>	
As at 1 March 2007	15,234,662
Revaluation	1,390,266
Additions	373,929
As at 31 December 2007	<u>16,998,857</u>
<b>Net book value</b>	
As at 31 December 2007	<u>16,998,857</u>
As at 28 February 2007	<u>15,234,662</u>

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

	Country of incorporation	Principal activity	Class	%	Period end
<b>Subsidiary undertakings</b>					
Topotels Limited	England and Wales	Dormant Company	Ordinary	100	28 February 2008
Sarl Le Portetta	France	Hotel and restaurant	Ordinary	100	31 December 2007
			<b>Capital &amp; reserves £</b>		<b>Profit/(loss) for the period £</b>
<b>Subsidiary undertakings</b>					
Topotels Limited			963,136		-
Sarl Le Portetta			299,617		(86,698)

### 11 Stocks and work in progress

	31 December 2007 £	28 February 2007 £
Stocks	<u>87,272</u>	<u>97,571</u>

# Le Poussin Limited

## Notes to the Financial Statements for the Period Ended 31 December 2007

..... continued

### 12 Debtors

	31 December 2007	28 February 2007
	£	£
Trade debtors	30,446	1,833
Other debtors	919,127	627,310
Director current accounts	62,436	470
Prepayments and accrued income	12,806	8,067
	<u>1,024,815</u>	<u>637,680</u>

### 13 Creditors: Amounts falling due within one year

	31 December 2007	28 February 2007
	£	£
Bank loans and overdrafts	1,524,831	1,500,000
Trade creditors	190,361	250,152
Amounts owed to group undertakings	963,138	963,138
Social security and other taxes	82,987	16,663
Other creditors	63,581	100,344
Director current accounts	-	24,437,207
Accruals and deferred income	1,847,548	768,895
	<u>4,672,446</u>	<u>28,036,399</u>

### 14 Creditors: Amounts falling due after more than one year

	31 December 2007	28 February 2007
	£	£
Bank loans and overdrafts	1,340,000	1,340,000
Director current accounts	38,054,783	-
	<u>39,394,783</u>	<u>1,340,000</u>

Included in the creditors are the following amounts due after more than five years:

	31 December 2007	28 February 2007
	£	£
After more than five years by instalments		
Bank loan & overdrafts	1,340,000	1,340,000
	<u>1,340,000</u>	<u>1,340,000</u>

## Le Poussin Limited

### Notes to the Financial Statements for the Period Ended 31 December 2007

..... continued

#### 15 Security of borrowings

The bank loans and overdraft are secured by:

- A debenture including a fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and a first floating charge over all assets and undertaking both present and future dated 27 July 1999.
- First mortgage dated 2 September 1999 over the freehold property known as The Lodge, Beaulieu Road, Lyndhurst, Hampshire and Land.
- Unlimited Cross Company Guarantee dated 17 December 2003 given by Topotels Limited.
- First mortgage dated 27 July 1999 over freehold property known as The Parkhill Hotel, Beaulieu Road, Lyndhurst, New Forest, Hampshire and Land adjoining The Parkhill Hotel.
- First mortgage dated 27 July 1999 over freehold property known as The Courtyard, 57 & 59 Brookley Road, Brockenhurst, New Forest, Hampshire.
- First mortgage dated 27 April 2005 over leasehold property known as 53a Brookley Road, Brockenhurst, Hampshire.
- First mortgage dated 11 October 2004 over freehold property known as Whitley Ridge Hotel and adjoining land, Brockenhurst, Hampshire.

#### 16 Provisions for liabilities

	Deferred tax provision £
As at 1 March 2007	21,861
Deferred tax provision charged to the profit and loss account	-
Deferred tax provision utilised in the period	(21,861)
As at 31 December 2007	<u>-</u>

# Le Poussin Limited

## Notes to the Financial Statements for the Period Ended 31 December 2007

..... continued

### 17 Share capital

	31 December 2007 £	28 February 2007 £
<b>Authorised</b>		
<b>Equity</b>		
500 A Ordinary shares of £1 each	500	500
10,000 (28 February 2007 - 500) B Ordinary shares of £1 each	10,000	500
2,000 (28 February 2007 - 0) Business tracker shares of 1 pence (28 February 2007 - 0 pence) each	20	-
	<u>10,520</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
500 A Ordinary shares of £1 each	500	500
500 B Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

### 18 Reserves

	Share premium reserve £	Revaluation reserve £	Profit and loss reserve £	Total £
Balance at 1 March 2007	794,640	458,829	(1,034,412)	219,057
Transfer from profit and loss account for the period	-	-	(955,734)	(955,734)
Foreign currency translation differences	-	-	(69,548)	(69,548)
Balance at 31 December 2007	<u>794,640</u>	<u>458,829</u>	<u>(2,059,694)</u>	<u>(806,225)</u>

### 19 Reconciliation of movements in shareholders' funds

	31 December 2007 £	28 February 2007 £
Loss attributable to members of the company	(955,734)	(957,558)
Other recognised losses for the period	(69,548)	-
Net reduction to shareholders' funds	<u>(1,025,282)</u>	<u>(957,558)</u>
Opening shareholders' funds	220,057	1,177,615
Closing shareholders' (deficit)/funds	<u>(805,225)</u>	<u>220,057</u>

# Le Poussin Limited

## Notes to the Financial Statements for the Period Ended 31 December 2007

..... continued

### 20 Pension schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £Nil (28.02.07: £Nil).

Contributions totalling £50 (28.02.07: £50) were payable to the scheme at the end of the period and are included in creditors.

### 21 Reconciliation of operating loss to operating cash flows

	1 March 2007 to 31 December 2007 £	Year ended 28 February 2007 £
Operating loss	(170,568)	(161,076)
Depreciation, amortisation and impairment charges	155,646	131,036
Loss on disposal of fixed assets	-	13,064
Decrease/(increase) in stocks	10,299	(23,282)
Increase in debtors	(718,678)	(565,033)
(Decrease)/increase in creditors	(119,825)	144,689
<b>Net cash outflow from operating activities</b>	<b>(843,126)</b>	<b>(460,602)</b>

### 22 Analysis of cash flows

	1 March 2007 to 31 December 2007 £	Year ended 28 February 2007 £
<b>Returns on investment and servicing of finance</b>		
HP interest paid	-	(487)
Other interest paid	(169,458)	(182,510)
Interest received	19,954	6,358
	<b>(149,504)</b>	<b>(176,639)</b>
<b>Taxation</b>		
Taxation paid	(21,861)	-
Taxation refund	21,861	-
	<b>-</b>	<b>-</b>

# Le Poussin Limited

## Notes to the Financial Statements for the Period Ended 31 December 2007

..... continued

### 23 Analysis of net debt

	At start of period	Cashflow	Other non-cash changes	At end of period
	£	£		£
Cash at bank and in hand	432,862	290,129	-	722,991
Bank overdraft	-	(24,831)	-	(24,831)
Cash at bank net funds	432,862	265,298	-	698,160
Debt due within one year	(1,500,000)	-	-	(1,500,000)
Debt due after one year	(1,340,000)	-	-	(1,340,000)
Directors current account	(24,437,207)	(12,235,362)	(1,382,214)	(38,054,783)
Change in debt	(27,277,207)	(12,235,362)	(1,382,214)	(40,894,783)
<b>Net debt</b>	<b>(26,844,345)</b>	<b>(11,970,064)</b>	<b>(1,382,214)</b>	<b>(40,196,623)</b>

### 24 Post balance sheet events

Subsequent to the year end, the Company has converted £22,650,000 of Mr J Ratcliffe's loan account into equity, by issuing 9050 B ordinary shares.

### 25 Prior year adjustment

The cash flow statement for February 2007 has been restated to show the director's current account as funding.

## **Le Poussin Limited**

### **Notes to the Financial Statements for the Period Ended 31 December 2007**

..... *continued*

#### **26 Related parties**

##### **Controlling entity**

The company is controlled by the directors who own 100% of the called up share capital.

##### **Related party transactions**

During the period, Le Poussin Limited had the following sale transactions with Jim Ratcliffe, a director of the company and companies where he is a director. These transactions were all at normal commercial terms.

J Ratcliffe £4,601 (28.02.07: £3,491.60)  
Ineos Capital £48,810 (28.02.07: £21,272.08)  
Ineos Europe £300 (28.02.07: £2,354.00)  
EVUK Ltd - Ineos Vinyls £40 (28.02.07: £459.00)  
Ineos Technologies £117 (28.02.07: £Nil)  
Ineos £3,125 (28.02.07: £Nil)

Included within the trade debtors figure are the following balances owed to Le Poussin Limited from the above related companies:

Ineos Capital £31,795

The company was also owed £53,125 (2007: £331,543) from it's French subsidiary Sarl Le Portetta at the year end.

Also at the year end, the company owed its subsidiary Topotels Limited £963,136 (2007: £963,136).

##### **Directors' loan accounts**

At the balance sheet date, the Company owed J Ratcliffe, a director of the Company £22,387,886 (28.02.08: £10,247,886) and €21,231,734. (28.02.07: €21,102,500).

The company was also owed £62,436 (£2007: £470) by Mr and Mrs Aitken, directors of the company. The maximum amount outstanding on this overdrawn loan account during the year was £62,436.