

COMPANY REGISTRATION NUMBER 4204327

**Arlaform Limited**  
**Financial Statements**  
**31 December 2008**

**MACINTYRE HUDSON LLP**

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



# **Arlaform Limited**

## **Financial Statements**

**Year ended 31 December 2008**

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# **Arlaform Limited**

## **Officers and Professional Advisers**

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### **The Board of Directors**

Mr R Tang  
Mr S Hussain

### **Company Secretary**

Mr R Tang

### **Registered Office**

E3 The Premier Centre  
Abbey Park  
Romsey  
Hants  
SO51 9DG

### **Auditor**

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

### **Bankers**

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

# **Arlaform Limited**

## **The Directors' Report**

**Year ended 31 December 2008**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

### **Principal activities and business review**

The principal activity of the company during the year was the provision of management services to its subsidiary company, Stapleford Park Limited, a hotel operator.

### **Results and dividends**

The profit for the year amounted to £39,469. The directors have not recommended a dividend.

### **Financial instruments**

#### **Directors**

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

Mr R Tang  
Mr S Hussain

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

### **Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Arlaform Limited

### The Directors' Report *(continued)*

Year ended 31 December 2008

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The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

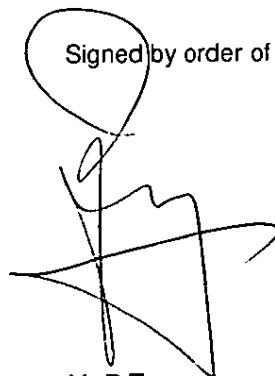
- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Auditor

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

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

Signed by order of the directors



Mr R Tang  
Company Secretary

Approved by the directors on

18 December 2009

# **Arlaform Limited**

## **Independent Auditor's Report to the Shareholders of Arlaform Limited**

**Year ended 31 December 2008**

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We have audited the financial statements of Arlaform Limited for the year ended 31 December 2008, which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Arlaform Limited

### Independent Auditor's Report to the Shareholders of Arlaform Limited *(continued)*

Year ended 31 December 2008

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#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

#### Emphasis of matter - Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the company's ability to continue as a going concern. The conditions, set out in the accounting policies to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that could result from a failure to continue as a going concern. Our opinion is not qualified in this respect.

*Macintyre Hudson LLP*

Lyndale House  
Ervington Court  
Meridian Business Park  
Leicester  
LE19 1WL

03/12/09

MACINTYRE HUDSON LLP  
Chartered Accountants  
& Registered Auditor

## **Arlaform Limited**

### **Profit and Loss Account**

**Year ended 31 December 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
<b>Turnover</b>	<b>1</b>	<b>40,000</b>	40,000
Administrative expenses		<u>500</u>	<u>1,086</u>
<b>Operating profit</b>	<b>2</b>	<b>39,500</b>	38,914
Interest receivable	<b>4</b>	—	60,634
Interest payable and similar charges	<b>5</b>	(31)	(44,663)
<b>Profit on ordinary activities before taxation</b>		<u><b>39,469</b></u>	<u>54,885</u>
Tax on profit on ordinary activities		—	—
<b>Profit on ordinary activities after taxation, being profit for the financial year</b>		<u><u><b>39,469</b></u></u>	<u><u>54,885</u></u>

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

The company has no recognised gains or losses other than the results for the year as set out above.

**The accounting policies and notes on pages 8 to 14 form part of these financial statements.**



# Arlaform Limited

## Balance Sheet

31 December 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Investments	6	<u>6,056,578</u>	<u>6,056,578</u>
<b>Current assets</b>			
Debtors	7	19,068,209	17,880,733
Cash at bank		<u>1,117</u>	<u>1,178</u>
		19,069,326	17,881,911
<b>Creditors: amounts falling due within one year</b>	8	<u>1,197,902</u>	<u>1,198,932</u>
<b>Net current assets</b>		<u>17,871,424</u>	<u>16,682,979</u>
<b>Total assets less current liabilities</b>		<u>23,928,002</u>	<u>22,739,557</u>
<b>Creditors: amounts falling due after more than one year, including convertible debts</b>	9	<u>23,185,789</u>	<u>22,036,813</u>
		<u>742,213</u>	<u>702,744</u>
<b>Capital and reserves</b>			
Called-up equity share capital	12	1,125	1,125
Share premium account	13	578,875	578,875
Profit and loss account	14	162,213	122,744
<b>Shareholders' funds</b>	15	<u>742,213</u>	<u>702,744</u>

These financial statements were approved by the directors and authorised for issue on 18.12.2008 and are signed on their behalf by:

Mr R Tang  
Director

Company Registration Number: 4204327

The accounting policies and notes on pages 8 to 14 form part of these financial statements.

# **Arlaform Limited**

## **Accounting Policies**

**Year ended 31 December 2008**

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### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

### **Accounting convention**

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

### **Basis of accounting**

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

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

### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

### **Turnover**

The turnover shown in the profit and loss account represents amounts due during the year, exclusive of Value Added Tax.

### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

## **Arlaform Limited**

### **Accounting Policies *(continued)***

**Year ended 31 December 2008**

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Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# Arlaform Limited

## Notes to the Financial Statements

Year ended 31 December 2008

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**1. Turnover**

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

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	<u>40,000</u>	<u>40,000</u>

The total turnover of the company for the year has been derived from the principal activity wholly undertaken in the UK.

**2. Operating profit**

Operating profit is stated after charging:

	2008 £	2007 £
Directors' emoluments	—	—
Auditor's remuneration - as auditor	<u>500</u>	<u>1,000</u>

**3. Particulars of employees**

No salaries or wages have been paid to employees, including the directors, during the year.

**4. Interest receivable**

	2008 £	2007 £
Interest from group undertakings	<u>—</u>	<u>60,634</u>

**5. Interest payable and similar charges**

	2008 £	2007 £
Interest payable on bank borrowing	<u>31</u>	<u>44,663</u>

# Arlaform Limited

## Notes to the Financial Statements

Year ended 31 December 2008

### 6. Investments

Shares in  
group  
undertaking  
£

#### Cost

At 1 January 2008 and 31 December 2008

6,056,578

#### Net book value

At 31 December 2008 and 31 December 2007

6,056,578

The company owns 100% of the issued share capital of the company listed below, which is incorporated in the United Kingdom:

2008

2007

£

(restated)

£

#### Aggregate capital and reserves

Stapleford Park Limited

(4,854,052)

(2,902,973)

Nature of business: Country House Hotel and Sporting Estate

#### Profit and (loss) for the year

Stapleford Park Limited

(1,951,079)

(731,267)

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

### 7. Debtors

2008

2007

£

£

Amounts owed by group undertakings

19,068,164

17,880,688

Other debtors

45

45

19,068,209

17,880,733

The debtors above include the following amounts falling due after more than one year:

2008

2007

£

£

Amounts owed by group undertakings

19,068,164

17,880,668

# Arlaform Limited

## Notes to the Financial Statements

Year ended 31 December 2008

### 8. Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	838,860	838,860
Other creditors	300,000	300,000
	<u>1,138,860</u>	<u>1,138,860</u>
Accruals and deferred income	59,042	60,072
	<u>1,197,902</u>	<u>1,198,932</u>

Other creditors includes a shareholder loan of £300,000 (2007: £300,000) which is unsecured and interest free.

### 9. Creditors: amounts falling due after more than one year, including convertible debts

	2008 £	2007 £
Debenture loans (convertible)	579,000	579,000
Amounts owed to group undertakings	4,497,805	4,497,805
Other creditors:		
Other creditors	18,108,984	16,960,008
	<u>23,185,789</u>	<u>22,036,813</u>

### 10. Creditors - capital instruments

Convertible instruments amounting to £(579,000) (2007: £579,000) are included in creditors.

The 'B' loan stock is convertible into 'A' and 'B' ordinary shares of the company. Conversion is at a rate of 1 ordinary share for £4,632 of loan stock. The loan stock carries a nominal interest rate of 6% per annum, although currently no interest is being charged.

### 11. Related party transactions

There were no transactions during the year with the company's immediate parent company, Arlacross Limited. At the balance sheet date the balance due to Arlacross Limited was £5,336,695 (2007: £5,336,695).

The company received interest of £nil (2007: £60,634) from its subsidiary company, Stapleford Park Limited and raised management charges of £40,000 (2007: £40,000) to that company during the year. At the balance sheet date the balance due from Stapleford Park Limited was £19,068,164 (2007: £17,880,688).

# Arlaform Limited

## Notes to the Financial Statements

Year ended 31 December 2008

### 12. Share capital

#### Authorised share capital:

	2008 £	2007 £
1,000 Ordinary shares of £1 each	1,000	1,000
1,250 'A' Ordinary shares shares of £0.10 each	125	125
125 'B' Ordinary shares shares of £1 each	125	125
	<u>1,250</u>	<u>1,250</u>

#### Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
1,000 Ordinary shares of £1 each	1,000	1,000	1,000	1,000
1,250 'A' Ordinary shares shares of £0.10 each	1,250	125	1,250	125
	<u>2,250</u>	<u>1,125</u>	<u>2,250</u>	<u>1,125</u>

### 13. Share premium account

There was no movement on the share premium account during the financial year.

### 14. Profit and loss account

	2008 £	2007 £
Balance brought forward	122,744	67,859
Profit for the financial year	39,469	54,885
Balance carried forward	<u>162,213</u>	<u>122,744</u>

### 15. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	39,469	54,885
Opening shareholders' funds	702,744	647,859
Closing shareholders' funds	<u>742,213</u>	<u>702,744</u>

# **Arlaform Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2008**

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**16. Ultimate parent company**

The ultimate parent undertaking of this company is its parent company, Arlacross Limited.

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

**17. Guarantees**

The company has guaranteed the bank borrowings of Stapleford Park Limited, a subsidiary company. At 31 December 2008 the net bank borrowings of Stapleford Park Limited amounted to £1,430,388 (2007: £1,889,311).