4676351

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
DIRECTORS AND ADVISORS

DIRECTORS

G Ashworth
C Goodall

SECRETARY

G Ashworth

COMPANY NUMBER

4676351 (England and Wales)

REGISTERED OFFICE

Vigo House
1-4 Vigo Street
LONDON
W1S 3HT

SOLICITOR

Kemp Little LLP
Cheapside House
138 Cheapside
London
EC2V 6BJ

AUDITORS

PricewaterhouseCoopers LLP
The Atrium
Harefield Road
Uxbridge
UB8 1EX

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED

CONTENTS

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
INDEPENDENT AUDITORS' REPORT	3
INCOME STATEMENT	4
BALANCE SHEET	5
CASH FLOW STATEMENT	6
STATEMENT OF CHANGES IN EQUITY	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 14

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2008

The directors present their report and the audited financial statements of PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED for the year ended 30 June 2008. This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

PRINCIPAL ACTIVITY
The company did not trade during the year. The company is the Trustee of an Employee Benefit Trust for Niall Doran, the Chief Executive Officer of the parent company, The Parkmead Group Plc.

FINANCIAL RISK MANAGEMENT OBJECTIVES
The Company's objective and policy is covered in Note 9 to the account.

RESULTS
The Company's profit for the year amounted to £nil (2007: £nil). The Directors do not recommend a final dividend (2007: £nil).

DIRECTORS
The directors who have held office since 1 July 2007 and up to the date of signing these financial statements are as follows:

G Ashworth
C Goodall

AUDITORS
In April 2008 the Company reappointed PricewaterhouseCoopers LLP as auditors to the Company. PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the forthcoming Annual General Meeting.

STATEMENT ON DISCLOSURE OF INFORMATION TO THE AUDITORS
The Directors who were members of the Board at the time of approving the director's report confirm that having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establishing that the Company's auditors are aware of that information.

Gordon Ashworth
Company secretary
9 April 2009

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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. The financial statements are required by law to give a true and fair view if 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;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Approved on behalf of the Board by:

Gordon Ashworth

Director
9 April 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED

We have audited the financial statements of Parkmead Employee Benefit Trust Limited for the year ended 30 June 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been 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 judgments 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 IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 June 2008 and of its profit and cash flows 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Uxbridge
9 April 2009

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 £	2007 £
Revenue		-	-
Operating expenses		-	-
Operating profit		-	-
Profit before tax		-	-
Taxation		-	-
Profit for the financial year		-	-

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
BALANCE SHEET
As at 30 JUNE 2008

	NOTES	2008 £	2007 £
NON-CURRENT ASSETS			
Trade and other receivables	6	2,678,849	2,678,849
Total Assets		**2,678,849**	**2,678,849**
NON-CURRENT LIABILITIES			
Amounts owed to parent company	7	2,678,848	2,678,848
Total Liabilities		**2,678,848**	**2,678,848**
NET ASSETS		**1**	**1**
EQUITY			
Called up share capital	8	1	1
Retained earnings		-	-
TOTAL EQUITY		**1**	**1**

Approved on behalf of the Board by:

G Ashworth
Director
9 April 2009

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 £	2007 £
OPERATING ACTIVITIES			
Cash generated from operations		-	-
Net cash flow from operating activities		-	-
INVESTING ACTIVITIES			
Net cash from investing activities		-	-
FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		-	-
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at end of period		-	-

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Share Capital £	Retained earnings £	Total £
As at 1 July 2006	1	-	1
Profit for the year	-	-	-
As at 30 June 2007	**1**	**-**	**1**
As at 1 July 2007	1	-	1
Profit for the year	-	-	-
As at 30 June 2008	**1**	**-**	**1**

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 CHANGES IN ACCOUNTING POLICIES
This is the first year that Parkmead Employee Benefit Trust Limited has prepared financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). Prior to the adoption of IFRS the Financial Statements had been prepared in accordance with UK GAAP. UK GAAP differs in certain respects from IFRS and certain accounting and valuation methods have been adjusted, when preparing these financial statements, to comply with IFRS. The comparative amounts in respect of 2007 have been restated to reflect these adjustments as the transition date is 1 July 2006.

IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the requirements for companies preparing Financial Statements under IFRS for the first time and, in general, requires the accounting policies to be applied retrospectively with certain mandatory exceptions and exemptions.

A description of the effect of the transition from UK GAAP to IFRS together with reconciliations between the financial information previously prepared under UK GAAP and the IFRS equivalents for the Group is set out in Note 12.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
The financial information presented in this statement has been prepared in accordance with IFRSs as adopted by the EU, IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and available-for-sale financial assets.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The resulting accounting estimates may not equate with the actual results which will only be known in time.

Standards, amendments and interpretations effective in 2007
IFRS 7, 'Financial instruments – Disclosures', and the complementary amendment to IAS 1, 'Presentation of Financial Statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Company's financial instruments, or the disclosures relating to taxation and trade and other payables.

(a) Standards, amendments and interpretations early adopted by the Company
No standards, amendments or interpretations have been early adopted by the Company.

(b) Standards, amendments and interpretations effective in 2007 but not relevant
The following standards amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Company's operations:

IFRS 4, 'Insurance contracts';

IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyper-inflationary economies;

IFRIC 8, 'Scope of IFRS 2'

IFRIC 9, 'Re-assessment of embedded derivatives'. None of the assets and liabilities from previous years contained embedded derivatives; and,

IFRIC 10, 'Interim financial reporting and impairment'

IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods, but the Company has not early adopted them.

IFRS 8, 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company will apply IFRS 8 from 1 July 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will not change.

(d) Interpretations to existing standards that are not yet effective and not relevant to the Company's operations.

The following interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods, but are not relevant for the Company's operations.

IFRS 2 (Amendment), 'Share-based payment', effective for annual period beginning on or after 1 January 2009. The amendment to the standard limits vesting conditions to service conditions and performance conditions. The amendment also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment, namely, acceleration of the expense based on the grant date fair value. No significant impact on the Financial Statements is expected. The amendment to the standard is still subject to endorsement by the European Union.

IFRS 3 (Revised), 'Business combinations', must be applied prospectively by the Company from 1 July 2009. The revised standard requires that all acquisition-related costs are to be expensed to the income statement in the period incurred. Furthermore, purchase accounting only applies at the point when control is achieved. This has a number of implications:
– where the acquirer has a pre-existing equity interest in the entity acquired and increases its equity interest such that it achieves control, it must remeasure its previously-held equity interest to fair value as at the date of obtaining control and recognise any resulting gain or loss in the income statement.
– once control is achieved all other increases and decreases in ownership interest are treated as transactions among equity holders and reported directly within equity. Goodwill is not remeasured or adjusted.

The revised standard is still subject to endorsement by the European Union.

IAS 1 (revised 2007), 'Presentation of Financial Statements', effective for annual periods beginning on or after 1 January 2009. No significant impact on the Financial Statements is expected, except for additional disclosure.

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Company will apply IAS 23 (Amended) from 1 July 2009, subject to endorsement by the EU but it is currently not applicable to the Company as there are no qualifying assets.

IFRIC 14, 'IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Company will apply IFRIC 14 from 1 January 2008, but it is not expected to have any impact on the Company's accounts because the Company does not operate any defined benefit pension schemes.

IFRIC 12, 'Service concession arrangements' (effective for annual periods beginning on or after 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the Company's operations because the Company does not provide public sector services.

IFRIC 13, 'Customer loyalty programmes' (effective for annual periods beginning on or after 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to the Company's operations because the Company does not operate loyalty programmes.

3 ACCOUNTING POLICIES

(a) Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

(b) Share capital

Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4 AUDITORS REMUNERATION

Auditors remuneration for the years ended 30 June 2008 and 30 June 2007 was borne by The Parkmead Group plc, the parent company of Parkmead Employee Benefit Trust Limited.

5 DIRECTOR'S REMUNERATION AND EMPLOYEE INFORMATION

No remuneration was paid to any person who served as a director during the year for their services in respect of this company (2007: nil).

None of the directors (2007: none) are accruing retirement benefits under defined benefit pension schemes or money purchase pension schemes in respect of their services as directors of the company.

There were no employees (2007: none).

PARKMEAD EMPLOYEE BENEFIT TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

6 TRADE AND OTHER RECEIVABLES

	2008 £	2007 £
Non-current assets		
Other receivables – loan to related party (Note 10)	**2,678,849**	2,678,849
	2,678,849	2,678,849

The share price at 30 June 2008 was 4.5p, which values the loan at £1,506,853. No provision has been made against the debtor as any shortfall in the amount recovered will be met by the parent company.

7 AMOUNTS OWED TO GROUP UNDERTAKINGS

	2008 £	2007 £
Non-current liabilities		
Amounts owed to Group undertakings	**2,678,848**	2,678,848
	2,678,848	2,678,848

Amounts due to Group undertakings is secured on 33,485,616 shares in The Parkmead Group plc, the loan is interest free and is repayable on sale of the shares.

8 SHARE CAPITAL

	2008 £	2007 £
Authorised:		
1,000 ordinary shares of £1 each	**1,000**	1,000
	1,000	1,000

	2008 £	2007 £
Allotted, issued and fully paid:		
1 ordinary shares of £1 each	**1**	1
	1	1

9 FINANCIAL INSTRUMENTS
Policies and Risks
(a) Financial Instruments
The Company's financial instruments comprise long term loans held within the portfolio.

(b) Financial Risk Management
The main financial risk the Company's operations expose it to liquidity risk. The Company actively monitors and manages its financial risk exposures. The Company's policy permits the use of financial instruments such as derivatives, where appropriate, however, derivatives are only used as hedging instruments against specific risks and are not used speculatively.

(c) Capital Risk
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or take on debt facilities.

(d) Currency Risk
The Company's reporting currency and functional currency are British Pounds (GBP).

10 RELATED PARTIES
Other debtors include a loan of £2,678,849 to Mr Niall Doran, who is the Chief Executive Officer of the parent company The Parkmead Group plc. The Trust has advanced monies to Mr Doran to allow him to purchase shares in The Group for £0.08 per share. The loan to Mr Doran is secured by the shares purchased; any shortfall in the amount recovered will be met by the parent company, except for the first £100,000 which will be met by Mr Doran. The amount will fall due when the shares are sold which may arise after one year.

11 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY
The Company is a wholly owned subsidiary of The Parkmead Group plc, a company incorporated in England and Wales, which is the ultimate parent and controlling party and is the smallest and largest Company to consolidate these accounts. The Parkmead Group plc financial statements can be obtained from Vigo House, 1-4 Vigo Street, London W1S 3HT.

12 TRANSITION FROM UK GAAP TO IFRS
The accounting policies were changed on 1 July 2007 to comply with IFRS. The transition to IFRS is accounted for in accordance with IFRS 1 'First-Time Adoption of International Financial Reporting Standards' with 1 July 2006 as the date of transition. The adoption of IFRS did not result in substantial changes to the Company's accounting policies previously under UK Accounting Standards as set out in the Company's audited Financial Statements for the year ended 30 June 2007.

There is no material difference between the UK GAAP and IFRS financial statements; hence no reconciliation has been prepared of the financial statements.

Cash flows
There is no material difference between the UK GAAP and IFRS cash flow statements; hence no reconciliation has been prepared of the cash flow statements