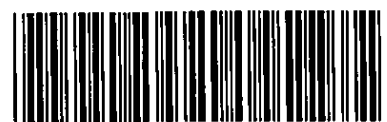


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**KERRISON DEVELOPMENTS
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2007

KERRISON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2007

Company no	5211856
Registered office	Carrow Road Norwich NR1 1JE
Directors	R J Munby N A Doncaster S L Turner
Secretary	S D O'Hara
Auditor	Grant Thornton UK LLP Registered Auditors Chartered Accountants Holland Court The Close Norwich NR1 4DY

KERRISON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2007

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KERRISON DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 May 2007

Principal activity

The principal activity of the group is to build and manage a hotel through a joint venture agreement with Estoril Properties Limited

Business review and future prospects

The consolidated profit and loss account is set out on page 5 and the state of the group's affairs is shown in the balance sheet on page 6 The loss for the financial year is £3,726 (2006 £4,089)

The company will continue to hold its shares in the joint venture company for the year ended 31 May 2008

Directors

The directors of the company who served during the year were

R J Munby

B J Skipper (resigned 9 May 2007)

N A Doncaster (appointed 8 May 2007)

S L Turner (appointed 8 May 2007)

Directors and officers liability insurance

During the year the company maintained liability insurance for its directors and officers, as permitted by Section 309(C) of the Companies Act 1985

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

KERRISON DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

Statement of directors' responsibilities (continued)

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

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 385 of the Companies Act 1985

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

BY ORDER OF THE BOARD



S D O'Hara
Secretary
7 September 2007

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF KERRISON DEVELOPMENTS LIMITED

We have audited the group and parent company financial statements ("the financial statements") of Kerrison Developments Limited for the year ended 31 May 2007 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets and notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member 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 member 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 member 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 report of the directors and the financial statements in accordance with United Kingdom law and 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 report of the directors 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 other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 group's and 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

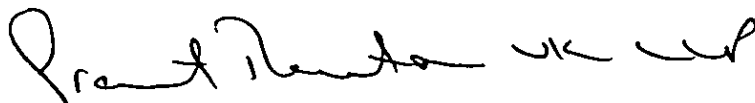
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 May 2007 and of the group's loss 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 report of the directors is consistent with the financial statements.

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

NORWICH

7 September 2007



KERRISON DEVELOPMENTS LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention

The financial statements incorporate the financial results of Kerrison Developments Limited and its joint venture undertaking, Kerrison Hotel Limited

Joint ventures are accounted for in accordance with Financial Reporting Standard 9 Investments in joint venture companies are included in the financial statements using the gross equity method

The financial statements of Kerrison Hotel Limited are made up as follows

- for the year ended 31 March 2007, and
- for the 10 month period ended 31 March 2006

A separate profit and loss account has not been included for Kerrison Developments Limited by virtue of Section 230(4) of the Companies Act 1985

The financial statements have been prepared on a going concern basis as the parent undertaking has agreed to provide temporary financial assistance to ensure that the company can meet its liabilities as they fall due

CASH FLOW STATEMENT

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a United Kingdom parent undertaking that prepares group financial statements

TANGIBLE FIXED ASSETS

Freehold land is stated at cost and is not depreciated

TAXATION

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes In accordance with Financial Reporting Standard 19, provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date, except that deferred tax assets are only recognised to the extent that they are regarded as recoverable Deferred tax is not discounted

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

KERRISON DEVELOPMENTS LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the year ended 31 May 2007

	Note	2007 £	2006 £
Administration expenses		-	(3,000)
Operating loss	1	-	(3,000)
Share of operating loss in joint venture		(7,877)	(4,541)
Operating loss including share of joint venture		(7,877)	(7,541)
Share of interest receivable in joint venture	3	4,151	3,452
Loss on ordinary activity before taxation		(3,726)	(4,089)
Tax on loss on ordinary activity	4	-	-
Loss for the financial year - attributable to equity shareholder	9	(3,726)	(4,089)

There are no recognised gains or losses other than those reflected in the profit and loss account above

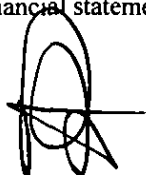
The above results relate to continuing activities

The accompanying accounting policies and notes form an integral part of these financial statements

KERRISON DEVELOPMENTS LIMITED**CONSOLIDATED BALANCE SHEET AT 31 MAY 2007**

	Note	2007	2006
		£	£
Current assets			
Debtors	6	1	1
Creditors: amounts falling due within one year	7	(3,002)	(3,002)
Net current liabilities		(3,001)	(3,001)
Total assets less current liabilities		(3,001)	(3,001)
Investment - joint venture			
- Share of gross assets		3,121,801	958,016
- Share of gross liabilities		(3,127,244)	(959,733)
	5	(5,443)	(1,717)
Net liabilities		(8,444)	(4,718)
Capital and reserves			
Called up equity share capital	8	1	1
Profit and loss account	9	(8,445)	(4,719)
Equity shareholder's deficit	10	(8,444)	(4,718)

The financial statements were approved by the board of directors on 7 September 2007



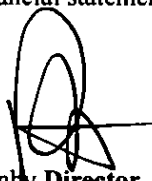
R J Munby Director

The accompanying accounting policies and notes form an integral part of these financial statements

KERRISON DEVELOPMENTS LIMITED**COMPANY BALANCE SHEET AT 31 MAY 2007**

	Note	2007	2006
		£	£
Fixed assets			
Investments	5	2	2
		<u>2</u>	<u>2</u>
Current assets			
Debtors	6	1	1
Creditors: amounts falling due within one year	7	<u>(3,002)</u>	<u>(3,002)</u>
Net current liabilities		<u>(3,001)</u>	<u>(3,001)</u>
Net liabilities		<u>(2,999)</u>	<u>(2,999)</u>
Capital and reserves			
Called up equity share capital	8	1	1
Profit and loss account	9	<u>(3,000)</u>	<u>(3,000)</u>
Equity shareholder's deficit		<u>(2,999)</u>	<u>(2,999)</u>

The financial statements were approved by the board of directors on 7 September 2007



R J Munby Director

The accompanying accounting policies and notes form an integral part of these financial statements

KERRISON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2007

1 OPERATING LOSS

	2007 £	2006 £
Operating loss is stated after charging:		
Auditor's remuneration - audit of the financial statements	1,200	1,500

2 DIRECTORS' REMUNERATION

The company had no employees during the current and previous year other than the directors and company secretary. No officer received any remuneration or benefits from the company and no other employment costs were incurred (2006 £Nil).

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Share of joint venture		
Bank interest receivable	4,151	3,447
Other interest receivable	-	5
	4,151	3,452

4 TAX ON LOSS ON ORDINARY ACTIVITY

	2007 £	2006 £
Current year tax		
Corporation tax	-	-

There are no differences between the loss before tax and the taxable loss available to carry forward. The company has tax losses of £3,726 (2006 £4,719) available for group relief.

The deferred tax asset for these losses has not been recognised as no credit is received for losses surrendered.

KERRISON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 May 2007

5 INVESTMENTS

	Interest in joint venture	
	Group	Company
	£	£
Cost		
At 1 June 2006	(1,717)	2
Share of joint venture loss	(3,726)	-
	<hr/>	<hr/>
At 31 May 2007	(5,443)	2
	<hr/>	<hr/>
Net book value at 31 May 2007	(5,443)	2
	<hr/>	<hr/>
Net book value at 31 May 2006	(1,717)	2
	<hr/>	<hr/>

The interest in the joint venture, Kerrison Hotel Limited, comprises £2 (2006 £2) of share capital and £5,445 (2006 £1,719) share of post acquisition losses of the company

The investment represents 100% of the issued "A" ordinary share capital of the joint venture, the company does not have any interest in the "B" ordinary share capital of the joint venture. In accordance with the joint venture agreement, the income and profits are apportioned between the "A" and "B" ordinary shareholders in the ratio of 30% and 70% respectively

The principal activity of the joint venture company is to build and manage a hotel at Carrow Road, Norwich

The group's share of the associate's results, assets and liabilities comprise

	2007	2006
	£	£
Turnover	-	-
Loss before tax	(3,726)	(1,719)
Taxation	-	-
Loss after tax	(3,726)	(1,719)
	<hr/>	<hr/>
Fixed assets	2,949,631	773,891
Current assets	172,170	184,125
	<hr/>	<hr/>
	3,121,801	958,016
Liabilities due within one year	(222,720)	(108,599)
	<hr/>	<hr/>
	2,899,081	849,417
Liabilities due after more than one year	(2,904,524)	(851,134)
	<hr/>	<hr/>
	(5,443)	(1,717)
	<hr/>	<hr/>
Capital commitments	342,000	2,277,187
	<hr/>	<hr/>

KERRISON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 May 2007****6 DEBTORS**

	2007	2006
	£	£
Group and company		
Called up equity share capital not paid	1	1

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Group and company		
Owed to joint venture undertaking	2	2
Owed to parent undertaking	800	-
Accruals	2,200	3,000
	3,002	3,002

8 CALLED UP EQUITY SHARE CAPITAL

	2007	2006
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and unpaid		
1 Ordinary share of £1	1	1

9 PROFIT AND LOSS ACCOUNT

	Group	Company
	£	£
Balance at 1 June 2006	(4,719)	(3,000)
Loss for the financial year	(3,726)	-
Balance at 31 May 2007	(8,445)	(3,000)

KERRISON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2007

10 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S DEFICIT

	2007 £	2006 £
Group		
Loss for the financial year	(3,726)	(4,089)
Net movement in equity shareholder's deficit	(3,726)	(4,089)
Equity shareholder's deficit at 1 June 2006	(4,718)	(629)
Equity shareholder's deficit at 31 May 2007	(8,444)	(4,718)

11 RELATED PARTY TRANSACTIONS AND CONTROL

In accordance with the exemption available under paragraph 3(c) of Financial Reporting Standard 8, transactions with entities that are part of the Norwich City Football Club PLC group are not disclosed

The company owes Kerrison Hotel Limited £2, being the called up share capital not paid on the 'A' ordinary shares of Kerrison Hotel Limited

The company is a wholly owned subsidiary undertaking of Norwich City Football Club PLC

At 31 May 2007 Ms D A Smith and Mr E M S Wynn Jones owned 61.2% (2006 57.4%) of the issued share capital of Norwich City Football Club PLC. In accordance with Financial Reporting Standard 8, the board have concluded that ultimate control of the company vests with these related parties

KERRISON DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

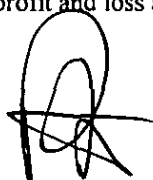
For the year ended 31 May 2007

	2007 £	2006 £
Administration expenses	-	(3,000)
Operating loss	-	(3,000)
Loss on ordinary activity before taxation	-	(3,000)
Tax on loss on ordinary activity	-	-
Loss for the financial year - attributable to equity shareholder	-	(3,000)

There are no recognised gains or losses other than those reflected in the profit and loss account above

The above results relate to continuing activities

The profit and loss account was approved by the board of directors on 7 September 2007



R J Munby **Director**

This page does not form part of the statutory financial statements