KERRISON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2011

Company number 5211856

KERRISON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2011

Company number	5211856
Registered office	Carrow Road Norwich NR1 1JE
Directors	M M Foulger D McNally
Secretary	S Gordon
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Kingfisher House 1 Gilders Way St James Place Norwich NR3 1UB

KERRISON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2011

KERRISON DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 May 2011

Principal activity

The principal activity of Kerrison Developments Limited is to hold shares in the joint venture company, Kerrison Hotel Limited

Business review and future prospects

The profit and loss account is set out on page 5 and the state of the company's affairs is shown in the balance sheet on page 6 The loss for the financial year is £1,196 (2010 £1,015)

The company will continue to hold its shares in the joint venture company for the year ended 31 May 2012

Directors

The directors of the company who served during the year were

D McNally
M M Foulger

Directors and officers liability insurance

During the year the company maintained liability insurance for its directors and officers, as permitted by Section 233 of the Companies Act 2006

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 accounting 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

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

In so far as each of the directors is 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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD

S Gordon

S Gordon
Secretary
28 September 2011

GrantThornton

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

We have audited the financial statements of Kerrison Developments Limited for the year ended 31 May 2011 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's 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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

Nigel Savory

NIGEL SAVORY
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR, CHARTERED ACCOUNTANTS

NORWICH

29 September 2011

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

CONSOLIDATION

The company is exempt from preparing consolidated financial statements under section 408 of the Companies Act 2006 on the grounds that its results are included in the financial statements of its parent undertaking, Norwich City Football Club PLC, a company incorporated in England and Wales These financial statements therefore present information about the company as an individual undertaking and not about its group

GOING CONCERN

Notwithstanding the net current liabilities and net liabilities, the financial statements have been prepared on a going concern basis which is dependent upon the support of the parent undertaking, Norwich City Football Club PLC A letter of group support from the parent company, Norwich City Football Club PLC, has been issued to the directors

The directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis

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

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at historic cost

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

PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2011

	Note	**2011** **£**	2010 £
Administration expenses		**(1,196)**	(1,015)
Operating loss	1	**(1,196)**	(1,015)
Loss on ordinary activity before taxation		**(1,196)**	(1,015)
Tax on loss on ordinary activity	2	**-**	-
Loss for the financial year	7	**(1,196)**	(1,015)

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

BALANCE SHEET AT 31 MAY 2011

Company number 5211856

	Note	2011		2010	
		£	£	£	£
Fixed assets					
Investments	3		**2**		2
Current assets					
Debtors	4	**1**		1	
Creditors amounts falling due within one year	5	**(6,628)**		(5,432)	
Net current liabilities			**(6,627)**		(5,431)
Net liabilities			**(6,625)**		(5,429)
Capital and reserves					
Called up equity share capital	6		**1**		1
Profit and loss account	7		**(6,626)**		(5,430)
Equity shareholder's deficit	8		**(6,625)**		(5,429)

The financial statements were approved by the board of directors and authorised for issue on 28 September 2011 and signed on its behalf by

D McNally **Director**

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

1 OPERATING LOSS

	2011	2010
	£	£
Operating loss is stated after charging:		
Auditor's remuneration - audit of the financial statements	**1,000**	1,000
Directors' remuneration	**-**	-

2 TAX ON LOSS ON ORDINARY ACTIVITY

(a) Analysis of tax charge for the year:

	2011	2010
	£	£
Current year tax		
Corporation tax (note 2(b))	**-**	-

(b) Factors affecting the tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% The differences are explained below

	2011	2010
	£	£
Loss on ordinary activity before taxation	**(1,196)**	(1,015)
Loss on ordinary activity multiplied by standard rate of corporation tax in the UK of 28% - expected credit	**(335)**	(284)
Effects of		
Adjustments for share of result in joint venture undertaking which is taxed in Kerrison Developments Limited	**5,560**	4,081
Losses surrendered by other group undertakings	**(5,225)**	(3,797)
Current tax charge for year (note 2(a))	**-**	-

(c) Unrecognised deferred tax liability

Following the submission of a claim for capital allowances on some of the costs of construction of the hotel in the joint venture company, Kerrison Hotel Limited, for the two years ended 31 May 2010 in March 2011 the company has a deferred tax liability of £58,183 (31 May 2010 restated £70,360) which has not been recognised as it will only be realised on the sale of the hotel in the joint venture company

3 FIXED ASSET INVESTMENT

	Interest in Joint venture
	£
Cost	
At 1 June 2010 and 31 May 2011	2
Net book value at 31 May 2011 and 31 May 2010	**2**

FIXED ASSET INVESTMENT (CONTINUED)

The interest in the joint venture, Kerrison Hotel Limited, 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 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 manage a hotel at Carrow Road, Norwich

The company's share of the joint venturer's results, assets and liabilities comprise

	2011	2010
	£	£
Turnover	303,679	289,320
(Loss)/profit before and after tax	(970,308)	154,094
Fixed assets	2,070,000	3,600,000
Current assets	196,305	200,588
	2,266,305	3,800,588
Liabilities due within one year	(3,008,020)	(3,156,748)
Net (liabilities)/assets	(741,715)	643,840

4 DEBTORS

	2011	2010
	£	£
Called up equity share capital not paid	1	1

5 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Amount owed to joint venture undertaking	2	2
Amount owed to parent undertaking	5,126	2,030
Accruals	1,500	3,400
	6,628	5,432

6 CALLED UP EQUITY SHARE CAPITAL

	2011	2010
	£	£
Authorised		
100 Ordinary shares of £1 each	**100**	100
Allotted, called up and unpaid		
1 Ordinary share of £1	**1**	1

7 PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
Balance at 1 June 2010	**(5,430)**	(4,415)
Loss for the financial year	**(1,196)**	(1,015)
Balance at 31 May 2011	**(6,626)**	(5,430)

8 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S (DEFICIT)/FUNDS

	2011	2010
	£	£
Loss for the financial year	**(1,196)**	(1,015)
Equity shareholder's deficit at 1 June 2010	**(5,429)**	(4,414)
Equity shareholder's deficit at 31 May 2011	**(6,625)**	(5,429)

9 RELATED PARTY TRANSACTIONS AND CONTROL

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

At 31 May 2011 Ms D A Smith and Mr E M S Wynn Jones owned 53 1% (2010 61 1%) 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

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

Kerrison Developments Limited owes Kerrison Hotel Limited £2 (2010 £2), being the called up share capital not paid on the 'A' ordinary shares of Kerrison Hotel Limited