

**KERRISON DEVELOPMENTS
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2009



KERRISON DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 May 2009

Company number: 5211856

Registered office: Carrow Road
Norwich
NR1 1JE

Directors: M M Foulger
D McNally

Secretary: S Gordon

Auditor: Grant Thornton UK LLP
Registered 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 2009

INDEX	PAGE
Report of the directors	1 - 2
Independent auditor's report	3
Principal accounting policies	4
Consolidated profit and loss account	6
Consolidated statement of total recognised gains and losses	6
Consolidated balance sheet	7
Company balance sheet	8
Notes to the financial statements	9 - 12

KERRISON DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 May 2009.

Principal activities

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

The principal activity of Kerrison Hotel Limited is to 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 6 and the state of the group's affairs is shown in the balance sheet on page 7. The profit for the financial year is £63,871 (2008: £14,656).

The company will continue to hold its shares in the joint venture company for the year ended 31 May 2010.

Directors

The directors of the company who served during the year were:

R J Munby (resigned 3 July 2009)

N A Doncaster (resigned 3 July 2009)

S L Turner (resigned 19 August 2008)

M M Foulger and D McNally were appointed directors on 2 July 2009.

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 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 the group and of the profit or loss of the group 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 2006. 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 each of 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 s485(4) of the Companies Act 2006.

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
Secretary
29 December 2009



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 2009 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the balance sheets 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 Sections 495 and 496 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 pages 1 and 2, 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 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/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2009 and of the group's profit 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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

NORWICH

29 December 2009.

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, as modified by the revaluation of investment properties in the joint venture undertaking.

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 to 31 March 2009.

A separate profit and loss account has not been included for Kerrison Developments Limited by virtue of Section 408 of the Companies Act 2006.

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.

TURNOVER

Turnover represents rents receivable from operating leases arising in the United Kingdom during the year excluding value added tax.

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.

INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice 19:

- (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- (ii) no depreciation or amortisation is provided in respect of freehold investment properties.

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investment properties are stated at each period end at open market value as defined by the Assets Valuation Standards Committee of the Royal Institution of Chartered Surveyors. A suitably qualified external valuer revalues properties annually. Surpluses or deficits arising on revaluation are taken to the investment property revaluation reserve. A permanent diminution in value of a property, arising on valuation or otherwise recognised, is charged to the profit and loss account to the extent that it is not covered by a surplus from prior year valuations of that property within the investment property revaluation reserve.

KERRISON DEVELOPMENTS LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 2009

	Note	2009 £	2008 £
Turnover: group and share of joint venture		272,064	216,000
Less: share of joint venture turnover		(272,064)	(216,000)
Group turnover		-	-
Administration expenses		(1,215)	(200)
Operating loss	1	(1,215)	(200)
Share of operating profit in joint venture		253,901	207,817
Operating profit including share of joint venture		252,686	207,617
Share of interest receivable in joint venture	2	24,759	38,387
Share of interest payable in joint venture	3	(213,574)	(231,348)
Profit on ordinary activity before taxation		63,871	14,656
Tax on profit on ordinary activity	4	-	-
Profit for the financial year	10	63,871	14,656

The above results relate to continuing activities.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 May 2009

		2009 £	2008 £
Profit for the financial year		63,871	14,656
Share of unrealised (deficit)/surplus on revaluation of investment property in joint venture	9	(1,022,581)	1,587,828
Total recognised gains and losses relating to the year		(958,710)	1,602,484

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

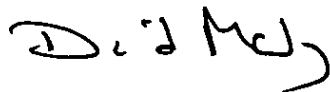
KERRISON DEVELOPMENTS LIMITED

CONSOLIDATED BALANCE SHEET AT 31 MAY 2009

COMPANY NUMBER 5211856

	Note	£	2009	£	£	2008	£
Investment - joint venture							
- Share of gross assets			3,966,697			5,265,347	
- Share of gross liabilities			(3,326,951)			(3,668,106)	
	5		639,746			1,597,241	
Current assets							
Debtors	6	1			1		
Creditors: amounts falling due within one year	7	(4,417)			(3,202)		
Net current liabilities			(4,416)			(3,201)	
Net assets			635,330			1,594,040	
Capital and reserves							
Called up equity share capital	8		1			1	
Joint venture revaluation reserve	9		565,247			1,587,828	
Profit and loss account	10		70,082			6,211	
Equity shareholder's funds	11		635,330			1,594,040	

The financial statements were approved by the board of directors and authorised for issue on 29 December 2009.



D McNally Director

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

KERRISON DEVELOPMENTS LIMITED

COMPANY BALANCE SHEET AT 31 MAY 2009

COMPANY NUMBER 5211856

	Note	£	2009	£	£	2008	£
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	(4,417)			(3,202)		
		<u></u>			<u></u>		
Net current liabilities				(4,416)			(3,201)
				<u></u>			<u></u>
Net liabilities				(4,414)			(3,199)
				<u></u>			<u></u>
Capital and reserves							
Called up equity share capital	8			1			1
Profit and loss account	10			(4,415)			(3,200)
				<u></u>			<u></u>
Equity shareholder's deficit				(4,414)			(3,199)
				<u></u>			<u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 December 2009.

D McNally

D McNally 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 2009

1 OPERATING LOSS

	2009 £	2008 £
Operating loss is stated after charging:		
Auditor's remuneration - audit of the financial statements	1,200	1,200
Directors' remuneration	-	-
	<u> </u>	<u> </u>

2 INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Share of joint venture		
Bank interest receivable	24,759	38,387
	<u> </u>	<u> </u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Share of joint venture		
Bank interest payable	213,574	231,348
	<u> </u>	<u> </u>

4 TAX ON PROFIT ON ORDINARY ACTIVITY**(a) Analysis of tax charge for the year:**

	2009 £	2008 £
Current year tax		
Corporation tax	-	-
	<u> </u>	<u> </u>

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained below:

	2009 £	2008 £
Profit on ordinary activity before taxation	63,871	14,656
	<u> </u>	<u> </u>
Profit on ordinary activity multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%) - expected charge	17,884	4,397
Effects of:		
Losses brought forward	-	(608)
Losses surrendered from group undertakings	(17,884)	(3,789)
	<u> </u>	<u> </u>
Current tax charge for year (note 4(a))	-	-
	<u> </u>	<u> </u>

KERRISON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2009

5 INVESTMENTS

	Interest in joint venture Group £	Company £
Cost		
At 1 June 2008	1,597,241	2
Share of joint venture profit	65,086	-
Share of joint venture revaluation	(1,022,581)	-
	<hr/>	<hr/>
At 31 May 2009	639,746	2
	<hr/>	<hr/>
Net book value at 31 May 2009	639,746	2
	<hr/>	<hr/>
Net book value at 31 May 2008	1,597,241	2
	<hr/>	<hr/>

The interest in the joint venture, Kerrison Hotel Limited, comprises £2 (2008: £2) of share capital and £639,744 (2008: £1,597,239) share of post acquisition profits and unrealised revaluation reserves 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 manage a hotel at Carrow Road, Norwich.

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

	2009 £	2008 £
Turnover	272,064	216,000
	<hr/>	<hr/>
Profit before and after tax	65,086	14,846
	<hr/>	<hr/>
Fixed assets	3,750,000	4,800,000
Current assets	216,697	465,347
	<hr/>	<hr/>
	3,966,697	5,265,347
Liabilities due within one year	(3,326,951)	(450,008)
	<hr/>	<hr/>
	639,746	4,815,339
Liabilities due after more than one year	-	(3,218,098)
	<hr/>	<hr/>
	639,746	1,597,241
	<hr/>	<hr/>

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

For the year ended 31 May 2009

6 DEBTORS

	2009 £	2008 £
Group and company		
Called up equity share capital not paid	1	1

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Group and company		
Amount owed to joint venture undertaking	2	2
Amount owed to parent undertaking	2,015	2,000
Accruals	2,400	1,200
	<u>4,417</u>	<u>3,202</u>

8 CALLED UP EQUITY SHARE CAPITAL

	2009 £	2008 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and unpaid		
1 Ordinary share of £1	1	1

9 REVALUATION RESERVE

	Group £	Company £
Balance at 1 June 2008	1,587,828	-
Share of unrealised surplus on revaluation of investment property in joint venture	(1,022,581)	-
Balance at 31 May 2009	<u>565,247</u>	<u>-</u>

10 PROFIT AND LOSS ACCOUNT

	Group £	Company £
Balance at 1 June 2008	6,211	(3,200)
Profit/(loss) for the financial year	63,871	(1,215)
Balance at 31 May 2009	<u>70,082</u>	<u>(4,415)</u>

KERRISON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2009

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

	2009 £	2008 £
Group		
Profit for the financial year	63,871	14,656
Share of joint venture surplus on revaluation	(1,022,581)	1,587,828
	<hr/>	<hr/>
Net movement in equity shareholder's (deficit)/funds	(958,710)	1,602,484
Equity shareholder's funds/(deficit) at 1 June 2008	1,594,040	(8,444)
	<hr/>	<hr/>
Equity shareholder's funds at 31 May 2009	635,330	1,594,040
	<hr/>	<hr/>

12 RELATED PARTY TRANSACTIONS AND CONTROL

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

At 31 May 2009 Ms D A Smith and Mr E M S Wynn Jones owned 61.2% (2008: 61.2%) 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.

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