Company Registration No. 6030553

AAIM Lagonda Purchaser Limited

Report and Financial Statements

Year ended 31 December 2008

AAIM Lagonda Purchaser Limited

REPORT AND FINANCIAL STATEMENTS 2008

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AAIM Lagonda Purchaser Limited

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

M L Tagliaferri

SECRETARY

AAIM Secretarial Services Limited

REGISTERED OFFICE

Updown Court
Chertsey Road
Windlesham
Surrey
GU20 6HY

BANKERS

Bank of Scotland plc
The Mound
Edinburgh
EH1 1YZ

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Leeds

DIRECTOR'S REPORT (continued)

The director presents the annual report and the audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of a holding company for a group of companies engaged in property investment.

The loss before tax for the year was (£836,047) (54 weeks period ended 31 December 2007: profit £2,146,375) and this was transferred from reserves. The director does not recommend payment of a dividend.

The director does not anticipate any material change in either the type or level of activities of the group.

KEY PERFORMANCE INDICATORS

The main commercial factors are the financial strength of the tenant and overall property market, the business is monitored against forecast and predictions of the tenant based on the market structure at which the business plans have been drawn. This is monitored quarterly.

PRINCIPAL RISKS AND UNCERTAINTIES

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

GOING CONCERN

The group's business activities, together with the factors likely to affect its future development, performance and position and the principal risks and uncertainties are set out in this report.

The group has long-term funding in place with its bankers which, subject to compliance with normal banking covenants for interest cover and asset cover ratios, is not renewable until January 2014. In addition, unsecured subordinated loan note funding is also in place and is not repayable until 2031 at the earliest.

At the balance sheet date, the group had an overdraft of £5,451,189. This has subsequently been converted into a term loan in February 2009.

The interest payable on the bank loans has been hedged throughout the period of the loan agreement. The interest payable on the unsecured subordinated loan notes is fixed at 8% and is accrued through the period of the debt instrument.

The current economic conditions create uncertainty in the level of demand in the UK hotel market However, current forecasts and projections, taking into account the financial strength of the tenant, show the group should be able to operate within its current facilities and meet its interest cover covenants.

The current economic conditions also create uncertainty over property valuations. The investment property valuations have been updated by the director to the balance sheet date, based on an assessment of the open market value of the properties at that date. This valuation has considered the future cash inflows from the rental income associated with each property.

The asset cover covenant is tested on an annual basis, by reference to the most recent formal valuation, which was completed in 2007. There is no requirement for a subsequent valuation to be completed.

The interest cover covenant is tested on an annual basis. The net rental income and the senior loan interest that are used to calculate this covenant are both fixed, due to the hedges in place.

On this basis, it is considered that each covenant is satisfied at the balance sheet date and that it will continue to be satisfied for the foreseeable future.

After making enquiries, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the annual report and accounts.

AAIM Lagonda Purchaser Limited

DIRECTOR'S REPORT (continued)

DIRECTOR

The present director was appointed on 8 December 2008. J R Elton resigned as a director on 18 December 2008.

ELECTIVE RESOLUTIONS

The group has elected to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and re-appointment of auditors annually.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

a) so far as the director is aware, there is no relevant audit information of which the auditors are unaware; and

b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP.

Deloitte LLP were appointed during the period and have expressed their willingness to continue in office as auditors.

Approved by the Board of Directors
and signed on behalf of the Board

M L Tagliaferri
Director

Tuesday, 14 July 2009

AAIM Lagonda Purchaser Limited

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AAIM LAGONDA PURCHASER LIMITED

We have audited the group and parent company financial statements (the "financial statements") of AAIM Lagonda Purchaser Limited for the year ended 31 December 2008 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the Annual Report and 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 Director's 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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Director's Report. 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 further information outside the Annual Report.

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 director 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 December 2008 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 Director's Report is consistent with the financial statements.

Deloitte LLP Deloitte LLP
Chartered Accountants and Registered Auditors
Leeds 21.7.2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2008

	Note	2008 £	2007 £
TURNOVER	2	15,945,741	15,778,233
Administrative expenses		(831,838)	(511,880)
OPERATING PROFIT	4	15,113,903	15,266,353
Interest payable and similar charges	5	(16,929,034)	(16,630,437)
Interest receivable and similar income	6	138,814	133,383
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,676,317)	(1,230,701)
Tax credit on loss on ordinary activities	7	840,270	3,377,076
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES	17	(836,047)	2,146,375

All activities are derived from continuing operations acquired during the period.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 December 2008

	Note	2008 £	2007 £
(LOSS)/PROFIT FOR THE PERIOD		(836,047)	2,146,375
Unrealised deficit on revaluation of investment properties	9	-	(2,872,920)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD		(836,047)	(726,545)

AAIM Lagonda Purchaser Limited

CONSOLIDATED BALANCE SHEET
31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Investment property	9	270,900,061	265,240,000
Goodwill	10	4,499,631	4,749,611
		275,399,692	269,989,611
CURRENT ASSETS			
Debtors	12	598,410	486,074
Cash at bank and in hand		6,440,509	6,954,970
		7,038,919	7,441,044
CREDITORS: amounts falling due within one year	13	(16,131,597)	(11,885,621)
NET CURRENT LIABILITIES		(9,092,678)	(4,44,577)
TOTAL ASSETS LESS CURRENT LIABILITIES		266,307,014	265,545,034
CREDITORS: amounts falling due after more than one year	14	(263,903,789)	(261,465,492)
PROVISIONS FOR LIABILITIES	15	(3,965,816)	(4,806,086)
NET LIABILITIES		(1,562,591)	(726,544)
CAPITAL AND RESERVES			
Called-up share capital	16	1	1
Revaluation reserve	17	(2,872,920)	(2,872,920)
Profit and loss account	17	1,310,328	2,146,375
SHAREHOLDERS' DEFICIT		(1,562,591)	(726,544)

These financial statements were approved by the Board of Directors on Tuesday, 14 July 2009.

Signed on behalf of the Board of Directors

M L Tagliaferri

Director

AAIM Lagonda Purchaser Limited

COMPANY BALANCE SHEET
31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Investment in subsidiary	11	4,998,971	4,998,971
CURRENT ASSETS			
Debtors	12	258,364,959	258,978,713
Cash at bank and in hand		6,432,893	6,949,157
		264,797,852	265,927,870
CREDITORS: amounts falling due within one year	13	(6,282,076)	(9,545,406)
NET CURRENT ASSETS		258,515,776	256,382,464
TOTAL ASSETS LESS CURRENT LIABILITIES		263,514,747	261,381,435
CREDITORS: amounts falling due after more than one year	14	(263,903,789)	(261,465,492)
NET LIABILITIES		(389,042)	(84,057)
CAPITAL AND RESERVES			
Called up share capital	16	1	1
Profit and loss account	17	(389,043)	(84,058)
SHAREHOLDERS' DEFICIT		(389,042)	(84,057)

These financial statements were approved by the Board of Directors on Tuesday, 14 July 2009.

Signed on behalf of the Board of Directors

M L Tagliaferri

Director

AAIM Lagonda Purchaser Limited

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2008

	Note	2008 £	2007 £
Net cash inflow from operating activities	18	16,101,952	19,593,436
Returns on investments and servicing of finance	19	(16,790,220)	(10,520,721)
Capital expenditure and financial investment	19	(5,660,061)	(2,872,920)
Acquisitions	19	-	(261,236,189)
Net cash outflow before financing		(6,348,329)	(255,036,394)
Financing	19	2,535,526	260,698,517
(Decrease)/increase in cash	20	(3,812,803)	5,662,123

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

1. **ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the prior period.

Going concern

The accounts have been prepared on a going concern basis. Further details regarding the adoption of the going concern basis can be found in the Director's Report

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings for the financial year ended 31 December 2008. The subsidiary undertakings have been accounted for under the acquisition method of accounting.

The results of businesses sold or acquired during the period are included in the consolidated profit and loss account from the date control passes to the group or until the group ceases to have control.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of the acquisition are recorded at their fair values reflecting their condition at that date.

Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

Investment properties

Investment properties are included in the balance sheet at their open market value at the balance sheet date. In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties. The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The director considers that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investments

In the company balance sheet, investments in subsidiaries are recognised at cost less provision for impairment.

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

1. ACCOUNTING POLICIES

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Finance costs

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Debt

All borrowings are stated at the fair value of consideration received after deduction of issue costs.

Capitalisation of issue costs of finance

Issue costs of finance are netted against the loan finance to which they relate. These costs, together with the interest expense, are allocated to the profit and loss account over the term of the loan finance facility at a constant rate on the carrying amount.

Revenue recognition

Turnover comprises rental income recognised on a straight line basis.

2. TURNOVER

Turnover relates to rental income from investment property and arose in the United Kingdom.

3. EMPLOYEES

No director received any emoluments from the group during the current year. In the period to 31 December 2007, a fee of £261,000 was paid to J R Elton, a director, in relation to the acquisition of the group of companies headed by Lagonda Newco A Limited..

The only employee of the company or the group is the director.

4. OPERATING PROFIT

Operating profit is after charging/(crediting):	2008 £	2007 £
Goodwill amortisation	249,980	249,980
Auditors' remuneration – audit	31,000	34,000
- taxation	30,000	30,000

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Bank loans	13,559,662	13,680,014
Loan notes	2,751,200	2,316,176
Debt issuance costs and amortisation	618,172	634,247
	16,929,034	16,630,437

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Bank interest	138,814	133,383

7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2008 £	2007 £
United Kingdom corporation tax		
Current tax charge	-	-
Deferred taxation credit	(840,270)	(3,377,076)
	(840,270)	(3,377,076)
Reconciliation of current tax charge:		
Loss on ordinary activities before tax	(1,676,317)	(1,230,701)
Tax at 28/5% (2007: 30%) thereon	(477,750)	(369,210)
Capital allowances in excess of depreciation	(792,046)	(1,707,001)
Tax losses arising	1,700,223	2,076,211
Expenses not deductible for tax purposes	71,261	-
Other permanent differences	(501,688)	-
Current tax charge	-	-

8. LOSS OF PARENT COMPANY

The loss for the financial period dealt with in the accounts of the parent company is £(304,985) (2007: £(84,058)). The company has taken advantage of S230 of the Companies Act 1985 and consequently a profit and loss account for the parent company alone is not presented.

9. INVESTMENT PROPERTIES

	£
At beginning of year	265,240,000
Additions	5,660,061
At end of year	270,900,061

The director confirms the value of the properties shown in the accounts approximates to the open market value of the properties at the balance sheet date.

10. GOODWILL

	Cost £	Amortisation £	Net book value £
At 1 January 2008	4,999,591	(249,980)	4,749,611
Amortisation	-	(249,980)	(249,980)
At 31 December 2008	4,999,591	(499,960)	4,499,631

11. INVESTMENTS HELD AS FIXED ASSETS

Cost and net book value	2008 £	2007 £
Investment in subsidiary undertaking	4,998,971	4,998,971

The company has the following subsidiary companies, all of which are registered in England and Wales and involved in the property investment.

	Class	Percentage
Lagonda Newco A Ltd	Ordinary	100%
Lagonda Newco B Ltd	Ordinary	100%*
Lagonda Newco C Ltd	Ordinary	100%*
Lagonda Bidco A Ltd	Ordinary	100%*
Lagonda Leeds Propco Ltd	Ordinary	100%*
Lagonda George Holdings Ltd	Ordinary	100%*
George Hotel Investments Ltd	Ordinary	100%*
Lagonda Palace Propco Ltd	Ordinary	100%*
Lagonda York Propco Ltd	Ordinary	100%*
Lagonda Russell Propco Ltd	Ordinary	100%*
Lagonda Selsdon Propco Ltd	Ordinary	100%*

* Indirect holding.

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

12. DEBTORS

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Amounts owed by group undertakings	-	-	258,247,515	258,978,178
Other debtors	460,045	480,468	-	535
VAT	138,365	5,606	117,444	-
	598,410	486,074	258,364,959	258,978,713

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade creditors	680,896	198,495	40,250	18,122
Other creditors	582,889	492,827	279,505	272,706
Accruals	3,955,736	3,558,549	3,955,748	3,345,234
Bank loan and overdrafts	7,215,936	3,820,365	2,624,747	2,527,518
Amounts owed to group undertakings	-	-	-	4,000,000
VAT	525,811	813,612	-	-
FRS 4 costs	(618,174)	(618,174)	(618,174)	(618,174)
Deferred income	3,788,503	3,619,947	-	-
	16,131,597	11,885,621	6,282,076	9,545,406

The bank loan and overdraft are secured over various group assets.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and Company 2008 £	Group and Company 2007 £
Bank loans	232,811,320	233,555,091
Unsecured subordinated 8% loan notes 2031	33,579,492	31,015,597
FRS 4 debt issue costs	(2,487,023)	(3,105,196)
	263,903,789	261,465,492
Bank loans comprise:		
Amounts due within one year (note 13)	2,624,747	2,527,518
Amounts due between one and two years	3,351,553	2,676,225
Amcounts due between two and five years	226,835,020	228,351,348
	232,811,320	233,555,091

The unsecured subordinated loan notes are repayable in 2031. Interest of 8% accrues on these loan notes.

15. PROVISION FOR LIABILITIES

Group

Deferred taxation	2008 £	2007 £
At 1 January 2008	4,806,086	-
Acquired with subsidiary companies	-	8,183,150
Current year deferred tax credit	(840,270)	(3,377,064)
At 31 December 2008	3,965,816	4,806,086
Deferred tax liability comprises:		
Short term timing differences	7,419,224	6,616,791
Capital allowances in excess of depreciation	(3,453,420)	(1,810,705)
	3,965,816	4,806,086

16. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid		
1 ordinary share of £1 each	1	1

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

17. COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	Share capital £	Revaluation reserve £	Profit and loss account £	Shareholders' funds £
Company				
At 31 December 2007	1	-	(84,058)	(84,057)
Loss retained for the period	-	-	(304,985)	(304,985)
Balance at 31 December 2008	1	-	(389,043)	(389,042)
Group				
At 31 December 2007	1	(2,872,920)	2,146,375	(726,544)
Loss retained for the period	-	-	(836,047)	(836,047)
Balance at 31 December 2008	1	(2,872,920)	1,310,328	(1,562,591)

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	15,113,903	15,266,353
Goodwill amortisation	249,980	249,980
(Increase)/decrease in debtors	(112,336)	1,629,189
Increase in creditors	850,405	2,447,914
Net cash inflow from operating activities	16,101,952	19,593,436

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2008

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

		2008		2007
	£	£	£	£
Returns on investment and servicing of finance				
Interest paid	(16,929,034)		(10,654,104)	
Interest received	138,814		133,383	
Net cash outflow for returns on investments and servicing of finance		(16,790,220)		(10,520,721)
Capital expenditure and financial investment				
Payment to acquire investment property additions		(5,660,061)		(2,872,920)
Acquisitions				
Purchase of subsidiary undertaking	-		(261,998,871)	
Cash acquired with subsidiary undertakings	-		762,682	
		-		(261,236,189)
Financing				
New loans	1,835,197		236,557,341	
Loan notes issued	2,563,896		28,952,100	
Debt issuance costs	618,172		(4,342,617)	
Issue of share capital	-		1	
Repayment of bank loans	(2,481,739)		(468,308)	
		2,535,526		260,698,517

20. RECONCILIATION OF NET CASH FLOWS TO MOVEMENTS IN NET DEBT

	2008 £	2007 £
(Decrease)/increase in cash in the year	(3,812,803)	5,662,123
Cash inflow from increase in debt	646,542	(258,037,438)
Increase in net debt arising from cash flows	(3,166,261)	(252,375,315)
Non cash movements	(3,182,069)	(5,337,398)
Change in net debt	(6,348,330)	(257,712,713)
Net debt at 1 January 2008	(257,712,713)	-
Net debt at 31 December 2008	(264,061,042)	(257,712,713)

21. ANALYSIS OF CHANGES IN NET DEBT

	At 31 December 2007 £	Cash flows £	Non cash movement £	At 31 December 2008 £
Cash at bank	6,954,970	(514,461)	-	6,440,509
Overdraft	(1,292,847)	(3,298,342)	-	(4,591,189)
	5,662,123	(3,812,803)	-	1,849,320
Debt				
Due within one year	(1,909,344)	2,455,720	(2,552,949)	(2,006,573)
Due after one year	(261,465,492)	(1,809,178)	(629,119)	(263,903,789)
Net debt at 31 December 2008	(263,374,836)	646,542	(3,182,068)	(265,910,362)

Non cash movements relate to accrued interest.

22. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption in FRS8 "Related party disclosures" not to disclose transactions with other members of the group.

23. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is AAIM Venice Trustee Master Limited, a unit trust established in Jersey.

24. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events between the period end and the date of approval of the accounts which would require a change or additional disclosure in the accounts.