

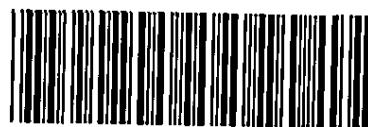
COMPANY REGISTRATION NUMBER 254708

GREAT FOSTERS (1931) LIMITED

FINANCIAL STATEMENTS

31 MARCH 2007

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GREAT FOSTERS (1931) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

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GREAT FOSTERS (1931) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

J H V Sutcliffe CBE, DL (Chairman)
R H M Raison
J R B Sutcliffe
D Gardner
J M Williams
R Young
W J Plummer

COMPANY SECRETARY

N Cooksey

REGISTERED OFFICE

Great Fosters
Egham
Surrey
TW20 9UR

AUDITOR

Menzies Bolton Colby
Chartered Accountants
& Registered Auditors
Heathrow Business Centre
65 High Street
Egham
Surrey
TW20 9EY

BANKERS

Allied Irish Bank (GB)
Sovereign House
361 King Street
Hammersmith
W6 9NA

GREAT FOSTERS (1931) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was of the operation of a hotel and catering establishment

The Board was successful last year in its strategy of consolidating its business activities. The company has planned to commence the development of the Coach House in the coming financial year at a projected cost of £2.4 million. This development will allow Great Fosters to continue to provide the latest conference facilities to its customers.

RESULTS AND DIVIDENDS

The profit for the year amounted to £516,745. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

DIRECTORS

The directors who served the company during the year were as follows:

J H V Sutcliffe CBE, DL (Chairman)

R H M Raison

J R B Sutcliffe

D Gardner

J M Williams

R Young

W J Plummer

Mrs F A Plummer

(Appointed 25 September 2006)

(Resigned 25 September 2006)

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 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 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 judgements and 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 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.

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.

GREAT FOSTERS (1931) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2007

AUDITOR

A resolution to re-appoint Menzies Bolton Colby as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Registered office
Great Fosters
Egham
Surrey
TW20 9UR

Signed by order of the directors

A large, stylized handwritten signature in black ink, consisting of a large loop and a trailing line.

N Cooksey
Company Secretary

Approved by the directors on 31st October 2007

GREAT FOSTERS (1931) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GREAT FOSTERS (1931) LIMITED

YEAR ENDED 31 MARCH 2007

We have audited the financial statements of Great Fosters (1931) Limited for the year ended 31 March 2007 on pages 5 to 14, which have been prepared on the basis of the accounting policies set out on pages 8 to 9

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, 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 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 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 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 judgements 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.

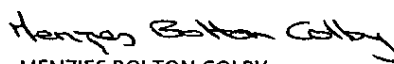
OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit 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.

Heathrow Business Centre
65 High Street
Egham
Surrey
TW20 9EY

1/4/2007


MENZIES BOLTON COLBY
Chartered Accountants
& Registered Auditors

GREAT FOSTERS (1931) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2007

	Note	2007 £	2006 £
TURNOVER	2	5,474,736	5,058,211
Cost of sales		1,061,743	940,019
GROSS PROFIT		4,412,993	4,118,192
Administrative expenses		3,708,714	3,456,885
OPERATING PROFIT	3	704,279	661,307
Interest payable and similar charges	6	343,240	352,022
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		361,039	309,285
Tax on profit on ordinary activities	7	(155,706)	-
PROFIT FOR THE FINANCIAL YEAR		516,745	309,285

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 14 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

BALANCE SHEET

31 MARCH 2007

	Note	2007 £	£	2006 £	£
FIXED ASSETS					
Tangible assets	8		7,012,900		7,605,039
CURRENT ASSETS					
Stocks	9	168,330		163,302	
Debtors	10	862,681		357,994	
Cash at bank and in hand		188,668		4,063	
		<u>1,219,679</u>		<u>525,359</u>	
CREDITORS: Amounts falling due within one year	12	<u>1,277,006</u>		<u>1,224,459</u>	
NET CURRENT LIABILITIES			(57,327)		(699,100)
TOTAL ASSETS LESS CURRENT LIABILITIES			6,955,573		6,905,939
CREDITORS: Amounts falling due after more than one year	13		4,948,903		5,416,014
			<u>2,006,670</u>		<u>1,489,925</u>
CAPITAL AND RESERVES					
Called-up equity share capital	16		19,872		19,872
Profit and loss account	17		1,986,798		1,470,053
SHAREHOLDERS' FUNDS	18		<u>2,006,670</u>		<u>1,489,925</u>

These financial statements were approved by the directors and authorised for issue on 11/4/2007, and are signed on their behalf by



J H V Sutcliffe CBE, DL (Chairman)

The notes on pages 8 to 14 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2007

	Note	2007 £	£	2006 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		601,785		663,157
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(343,240)		(352,022)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(343,240)		(352,022)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(152,329)		(7,485)	
Receipts from sale of fixed assets		600,000		–	
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE			447,671		(7,485)
CASH INFLOW BEFORE FINANCING			706,216		303,650
FINANCING					
Repayment of bank loans		(451,850)		(204,486)	
NET CASH OUTFLOW FROM FINANCING			(451,850)		(204,486)
INCREASE IN CASH	19		254,366		99,164

The notes on pages 8 to 14 form part of these financial statements

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

The directors note that the company has net current liabilities of £57,327 (2006 £699,100) at the balance sheet date. This is because the company's development project, to which reference is made in note 9 Capital Commitment, is being funded by borrowings from the bank secured on the land and buildings occupied by the company. The project was discussed with the bank before it commenced and the directors embarked upon it with the bank's support.

In view of the bank's involvement in the financial planning for this project the directors hold the view its support will continue and that sufficient funds will be available to ensure liabilities will be met as they fall due during the next 12 months and therefore hold the view it is correct for the accounts to be prepared on the going concern basis.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Land & Buildings	- 2% per annum
Fixtures & Fittings	- 20%, 8%, 2% per annum
Motor Vehicles	- 25% per annum
Alterations & additions to premises	- 1% & 5% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions. Due to the availability of trading losses there is a potential deferred tax asset, however as it is not certain that sufficient profits will be made next year to use these losses the deferred tax asset has not been recognised.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES *(continued)*

Government grants

Grants receivable in respect of contributions to operating costs are credited to the profit and loss account in the period to which their receipt is approved by the granting authority

Grants relating to the contributions towards expenditure on fixed assets are credited to the profit and loss account by instalments over the expected useful economic life of the related asset except where such credits are under £1,000 per annum when the whole of the grant is credited to the profit and loss account in the year in which the related asset is capitalised

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2007 £	2006 £
United Kingdom	<u>5,474,736</u>	<u>5,058,211</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2007 £	2006 £
Depreciation of owned fixed assets	294,500	309,769
Profit on disposal of fixed assets	(150,032)	-
Auditor's remuneration		
- as auditor	10,000	10,000
Operating lease costs		
Other	<u>19,872</u>	<u>19,872</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2007 No	2006 No
Full time	90	90
Part time	12	14
	<u>102</u>	<u>104</u>

The aggregate payroll costs of the above were

	2007 £	2006 £
Wages and salaries	1,915,016	1,807,509
Social security costs	134,290	126,784
Other pension costs	42,382	33,246
	<u>2,091,688</u>	<u>1,967,539</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007 £	2006 £
Emoluments receivable	173,371	162,803
Value of company pension contributions to money purchase schemes	5,850	10,000
	<u>179,221</u>	<u>172,803</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007 No	2006 No
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Interest payable on bank borrowing	<u>343,240</u>	<u>352,022</u>

7. TAXATION ON ORDINARY ACTIVITIES

	2007 £	2006 £
Deferred tax		
Origination and reversal of timing differences (note 11)		
Capital allowances	(126,746)	-
Losses	(28,960)	-
Total deferred tax (note 11)	<u>(155,706)</u>	<u>-</u>

No tax is payable for the year because of the availability of tax losses brought forward

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Furniture and Equipment £	Motor Vehicles £	Development Costs £	Alterations and Additions to Premises £	Total £
COST						
At 1 Apr 2006	738,162	3,391,820	30,629	165,642	6,452,584	10,778,837
Additions	-	36,804	-	-	115,525	152,329
Disposals	(499,908)	-	-	-	-	(499,908)
At 31 Mar 2007	238,254	3,428,624	30,629	165,642	6,568,109	10,431,258
DEPRECIATION						
At 1 Apr 2006	73,811	2,151,312	21,076	-	927,599	3,173,798
Charge for the year	4,774	204,089	4,776	-	80,861	294,500
On disposals	(49,940)	-	-	-	-	(49,940)
At 31 Mar 2007	28,645	2,355,401	25,852	-	1,008,460	3,418,358
NET BOOK VALUE						
At 31 Mar 2007	209,609	1,073,223	4,777	165,642	5,559,649	7,012,900
At 31 Mar 2006	664,351	1,240,508	9,553	165,642	5,524,985	7,605,039

The development costs of £165,642 represent professional fees of architects and surveyors etc in preparing for Phase II of the company's development project. It is not anticipated work will start on this until 12 November 2007 (see the 'capital commitment' section below).

The freehold land and buildings shown above are subject to mortgages with the bank to secure the loan and overdraft facilities shown in note 12. It is not possible to split the values between Land and Buildings.

Directors' Interests in Transactions during the year relating to Fixed Assets

The company incurred expenditure of £466,871 (2006 £247,591) in the ordinary course of business on the maintenance of premises occupied by the company and held as a "bare trust" on behalf of persons who are also the holders of all the issued share capital of the company.

The company paid a notional rent to each of the shareholders of £1 each per share they held, for the use of the premises occupied by the company and held as a "bare trust" on behalf of persons who are also the holders of all the issued share capital by the company.

The bank holds a Third Party Legal Mortgage over these premises in addition to the security referred to in note 12.

Mr RHM Raison and Mr JRB Sutcliffe are beneficially interested in the share capital of the company.

Mr R Young, a director, exchanged contracts in regard to Norfolk House, a property previously owned by the company. The purchase of Norfolk House was completed on 4 May 2007 at a total market price of £600,000.

Asset Impairment Review

In compliance with the requirements of FRS 11, the directors have reviewed the carrying values of the company's fixed assets and hold the view no further adjustments are necessary to record the carrying value at the recoverable amount.

Capital Commitment

The first phase of the company's development project was completed in the year to 31 March 2003. The directors are in regular contact with the company's bankers on the matter of the timing of its next stages. As stated in note 1 they plan a period of consolidation before embarking on the next phase.

At 31 March 2007 the company had capital commitments of £nil (2006 £143,776) in respect of maintenance works to the premises. The company has agreed to commence the development of the Coach House on 12 November 2007, projected costs of the re-development are £2.4 million.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

9. STOCKS

	2007 £	2006 £
Finished goods	168,330	163,302

10. DEBTORS

	2007 £	2006 £
Trade debtors	179,960	281,615
Corporation tax repayable	384	384
Other debtors	427,526	10,823
Directors current accounts	16,875	1,875
Prepayments and accrued income	82,230	63,297
Deferred taxation (note 11)	155,706	-
	<u>862,681</u>	<u>357,994</u>

11. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2007 £	2006 £
Included in debtors (note 10)	155,706	-

The movement in the deferred taxation account during the year was

	2007 £	2006 £
Profit and loss account movement arising during the year	155,706	-
Balance carried forward	<u>155,706</u>	<u>-</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2007 £	2006 £
Excess of taxation allowances over depreciation on fixed assets	126,746	-
Tax losses available	28,960	-
	<u>155,706</u>	<u>-</u>

12. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	267,105	321,605
Trade creditors	330,408	254,260
PAYE and social security	67,318	73,264
VAT	104,644	100,963
Other creditors	233,431	240,757
Accruals and deferred income	274,100	233,610
	<u>1,277,006</u>	<u>1,224,459</u>

The bank facilities are secured by First Legal Mortgages on the company's land and property and a Mortgage Debenture over all the assets of the company

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2007 £	2006 £
Bank loans and overdrafts	<u>267,105</u>	<u>321,605</u>

YEAR ENDED 31 MARCH 2007

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	516,745	309,285
Opening shareholders' funds	1,489,925	1,180,640
Closing shareholders' funds	<u>2,006,670</u>	<u>1,489,925</u>

19. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	704,279	661,307
Depreciation	294,500	309,769
Profit on disposal of fixed assets	(150,032)	-
Increase in stocks	(5,028)	(14,668)
Increase in debtors	(348,981)	(33,211)
Increase/(decrease) in creditors	107,047	(260,040)
Net cash inflow from operating activities	<u>601,785</u>	<u>663,157</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2007 £	2006 £
Increase in cash in the period	254,366	99,164
Net cash outflow from bank loans	<u>451,850</u>	<u>204,486</u>
	706,216	303,650
Change in net debt	706,216	303,650
Net debt at 1 April 2006	(5,733,556)	(6,037,206)
Net debt at 31 March 2007	<u>(5,027,340)</u>	<u>(5,733,556)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2006 £	Cash flows £	At 31 Mar 2007 £
Net cash			
Cash in hand and at bank	4,063	184,605	188,668
Overdrafts	(69,761)	69,761	-
	<u>(65,698)</u>	<u>254,366</u>	<u>188,668</u>
Debt			
Debt due within 1 year	(251,844)	(15,261)	(267,105)
Debt due after 1 year	(5,416,014)	467,111	(4,948,903)
	<u>(5,667,858)</u>	<u>451,850</u>	<u>(5,216,008)</u>
Net debt	<u>(5,733,556)</u>	<u>706,216</u>	<u>(5,027,340)</u>