

DONNINGTON VALLEY GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

Felton Pumphrey

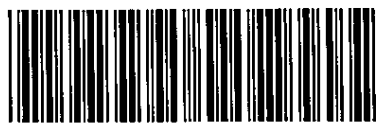
Chartered Accountants & Registered Auditors

12 Sheet Street

Windsor

SL4 1 BG

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COMPANIES HOUSE

DONNINGTON VALLEY GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

Malcolm Morris
Margaret Morris
Andrew McKenzie
Peter Gubb

COMPANY SECRETARY

Margaret Morris

COMPANY NUMBER

02460827

REGISTERED OFFICE

12 Sheet Street
Windsor
Berkshire
SL4 1BG

AUDITORS

Felton Pumphrey
Chartered Accountants & Registered Auditors
12 Sheet Street
Windsor
Berkshire
SL4 1BG

BANKERS

HSBC Bank Plc
28 High Street
Uxbridge
Middlesex
UB8 1BY

SOLICITORS

Thomas Eggar
Newbury House
20 King's Road West
Newbury
Berkshire
RG14 5XR

DONNINGTON VALLEY GROUP LIMITED

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DONNINGTON VALLEY GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The Directors present their report and the financial statements for the year ended 31 December 2007

STATEMENT OF 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year continued to be that of running a hotel and golf club.

BUSINESS REVIEW

During the year to 31st December 2007 the financial position of the company has improved. Turnover from the hotel and golf club increased by 40% as a result of the larger facility and EBITDA increased by 233%.

The Company is a four star luxury hotel and golf club. The hotel targets both the business and leisure traveller and the strength of the brand has improved with the spa and health club facility alongside the golf, and the award AA Hotel of the Year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments including cash, loans and items such as trade debtors and trade creditors that arise directly from its operations. The purpose of these financial instruments is to raise finance for the company's operations.

The risks arising from the company's financial instruments are currency risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and these policies have remained unchanged from previous years.

Currency risk

The principal trading currency of the company is sterling. There is no foreign exchange risk.

Liquidity risk

DONNINGTON VALLEY GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

Interest rate risk

The company uses loans to finance the expansion and improvement of the facilities which in the long term improve profitability. Any interest rate risk is hedged through interest rate swaps. No interest is payable on inter company balances. The company's cash assets are all held in floating rate deposit accounts. Trade debtors and creditors do not attract interest.

Credit risk

The company's principal financial assets are cash and trade debtors. To manage trade debtor credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

RESULTS

The loss for the year, after taxation, amounted to £1,037,767 (2006 - loss £709,059)

DIRECTORS

The Directors who served during the year were

Malcolm Morris
Margaret Morris
Andrew McKenzie
Peter Gubb

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

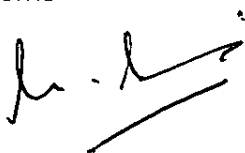
- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

AUDITORS

The auditors, Felton Pumphrey, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 11 JULY 2008 and signed on its behalf

Malcolm Morris
Director



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DONNINGTON VALLEY GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DONNINGTON VALLEY GROUP LIMITED

We have audited the financial statements of Donnington Valley Group Limited for the year ended 31 December 2007, set out on pages 5 to 16. These financial statements have been prepared in accordance with the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 judgments 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.

GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosure made in the Accounting Policies note to the financial statements regarding the preparation of the accounts on a going concern basis. In view of the losses made by the company and its net liabilities, we feel that attention should be drawn to this note. However our opinion is not qualified in any way over this matter.

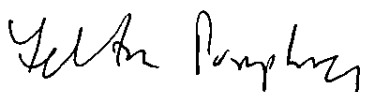
DONNINGTON VALLEY GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DONNINGTON VALLEY GROUP LIMITED

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 December 2007 and of its 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 Directors' report is consistent with the financial statements



FELTON PUMPHREY

Chartered Accountants & Registered Auditors
12 Sheet Street
Windsor
Berkshre
SL4 1BG

Date

20/7/2008

DONNINGTON VALLEY GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
TURNOVER	1,2	7,501,411	5,439,789
Cost of sales		<u>(1,072,086)</u>	<u>(959,733)</u>
GROSS PROFIT		6,429,325	4,480,056
Administrative expenses		<u>(6,564,975)</u>	<u>(4,934,182)</u>
OPERATING LOSS	3	(135,650)	(454,126)
EXCEPTIONAL ITEMS			
Net profit on sale of tangible fixed assets	8	<u>-</u>	<u>888</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(135,650)	(453,238)
Interest receivable	6	28,621	14,918
Interest payable	7	<u>(930,738)</u>	<u>(270,739)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,037,767)	(709,059)
Tax on loss on ordinary activities	9	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	17	<u>(1,037,767)</u>	<u>(709,059)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account

The notes on pages 7 to 16 form part of these financial statements


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DONNINGTON VALLEY GROUP LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	10		17,554,967		18,794,659
Fixed asset investments	11		102		102
			<u>17,555,069</u>		<u>18,794,761</u>
CURRENT ASSETS					
Stocks	12	109,484		92,831	
Debtors	13	559,768		501,448	
Cash at bank		1,043,762		646,199	
		<u>1,713,014</u>		<u>1,240,478</u>	
CREDITORS amounts falling due within one year	14	(1,989,198)		(1,858,240)	
NET CURRENT LIABILITIES			(276,184)		(617,762)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,278,885</u>		<u>18,176,999</u>
CREDITORS: amounts falling due after more than one year	15		26,701,029		26,561,376
CAPITAL AND RESERVES					
Called up share capital	16		1,000,000		1,000,000
Profit and loss account	17		(10,422,144)		(9,384,377)
	18		<u>17,278,885</u>		<u>18,176,999</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
11 JULY 2008


Malcolm Morris
Director

The notes on pages 7 to 16 form part of these financial statements

DONNINGTON VALLEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. Certain comparative amounts within the profit and loss account have been reclassified in order for the financial statements to show a true and fair view, consistent with the treatment in the current period.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 CASH FLOW

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 TURNOVER

Turnover comprises amounts receivable for sales of accommodation, food and beverages and golf club membership subscriptions. Where amounts are received in advance for membership subscriptions the amount is treated as deferred income and released to the profit and loss account over the period of the membership. Turnover is disclosed exclusive of Value Added Tax.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant & machinery	-	20% to 33% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	20% straight line
Assets under construction	-	0% straight line

Within the category of freehold land and buildings the freehold land element is not depreciated. In addition, as per GAAP (Generally Accepted Accounting Practice), the assets under construction do not begin to be depreciated until they come into use. Once the assets under construction come into use they are transferred to the relevant categories and commence being depreciated.

1.5 INVESTMENTS

Investments in subsidiaries are valued at cost.

DONNINGTON VALLEY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES (continued)

1.6 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 STOCKS

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

1.8 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.9 FINANCE COSTS

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

1.10 GOING CONCERN

Undertakings to provide sufficient financial support to the company to enable it to meet its liabilities as they fall due have been given and accordingly the financial statements have been prepared on a going concern basis.

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the Company.

All turnover arose within the United Kingdom.

DONNINGTON VALLEY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

3. OPERATING LOSS

The operating loss is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets		
- owned by the company	1,336,644	795,610
- held under finance leases	13,200	22,529

During the year, no Director received any emoluments (2006 - £NIL)

4. AUDITORS' REMUNERATION

	2007 £	2006 £
Fees payable to the company's auditor for the audit of the company's annual accounts	11,500	11,500
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	3,500	5,017
All other services	2,733	1,047

5. STAFF COSTS

Staff costs were as follows

	2007 £	2006 £
Wages and salaries	2,500,296	1,884,794
Social security costs	217,383	161,011
Other pension costs	20,713	15,301
	2,738,392	2,061,106

The average monthly number of employees, including the Directors, during the year was as follows

	2007 No.	2006 No.
Golf Staff	25	26
Hotel and Bar Staff	136	106
Property Services Staff	15	15
	176	147

DONNINGTON VALLEY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

6 INTEREST RECEIVABLE

	2007	2006
	£	£
Other interest receivable	28,621	14,918

7. INTEREST PAYABLE

	2007	2006
	£	£
On bank loans and overdrafts	928,324	266,855
On finance leases and hire purchase contracts	2,414	3,884
	930,738	270,739

8. EXCEPTIONAL ITEMS

	2007	2006
	£	£
Profit on disposal of fixed assets	-	888

9. TAXATION

	2007	2006
	£	£
UK corporation tax charge on loss for the year	-	-

DONNINGTON VALLEY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

9. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (*2006 - lower than*) the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £	2006 £
Loss on ordinary activities before tax	<u>(1,037,767)</u>	<u>(709,059)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (<i>2006 - 30%</i>)	(311,330)	(197,339)
EFFECTS OF:		
Expenses not deductible for tax purposes	1,259	114
Depreciation in excess of capital allowances	287,837	40,379
Unrelieved tax losses and other deductions arising in the period	22,097	99,188
Group relief surrendered before payment	-	68,934
Income not taxable for tax purposes	-	(11,926)
Other short term timing differences	137	650
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>-</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

DONNINGTON VALLEY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

10 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Assets under constructio n £	Total £
COST						
At 1 January 2007	16,632,459	4,161,923	83,638	2,040,476	-	22,918,496
Additions	26,814	42,437	15,044	15,669	10,188	110,152
Disposals	(1,611,832)	(789,122)	(37,651)	(154,577)	-	(2,593,182)
At 31 December 2007	15,047,441	3,415,238	61,031	1,901,568	10,188	20,435,466
DEPRECIATION						
At 1 January 2007	2,307,180	1,350,990	70,611	395,056	-	4,123,837
Charge for the year	274,845	688,091	8,051	378,857	-	1,349,844
On disposals	(1,611,832)	(789,122)	(37,651)	(154,577)	-	(2,593,182)
At 31 December 2007	970,193	1,249,959	41,011	619,336	-	2,880,499
NET BOOK VALUE						
At 31 December 2007	14,077,248	2,165,279	20,020	1,282,232	10,188	17,554,967
At 31 December 2006	14,325,279	2,810,933	13,027	1,645,420	-	18,794,659

The net book value of freehold land and buildings comprises freehold land of £1,178,822 and hotel construction and fittings of £12,898,426. Freehold land is not depreciated.

The directors have applied the transitional provisions of Financial Reporting Standard 15 and accordingly the valuation included in these accounts has not been updated. The last revaluation was in 1994 when the directors valued the hotel and golf course at an open market value of £3,000,000. Additions since that date have been valued at cost.

The aggregate amount of finance costs included in the cost of tangible fixed assets is £633,437 (2006 - £633,437).

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2007 £	2006 £
Plant and machinery	36,389	58,281
Motor vehicles	-	3,748
	<u>36,389</u>	<u>62,029</u>

DONNINGTON VALLEY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

11. FIXED ASSET INVESTMENTS

Shares in
group
undertakings
£

COST

At 1 January 2007 and 31 December 2007

102

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company

Name

Donnington Valley Hotels Limited (Dormant)
Donnington Valley Golf Club Limited (Dormant)

The company owns 100% of the issued ordinary £1 share capital of the companies listed above which are registered in England

12. STOCKS

	2007 £	2006 £
Raw materials	16,959	17,982
Finished goods and goods for resale	92,525	74,849
	<hr/> 109,484 <hr/>	<hr/> 92,831 <hr/>

13. DEBTORS

	2007 £	2006 £
Trade debtors	461,739	386,766
Other debtors	15,328	3,727
Prepayments and accrued income	82,701	110,955
	<hr/> 559,768 <hr/>	<hr/> 501,448 <hr/>

DONNINGTON VALLEY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

**14 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Bank loans and overdrafts	254,587	182,221
Net obligations under finance leases and hire purchase contracts	15,004	16,921
Trade creditors	338,083	420,941
Amounts owed to group undertakings	145,165	349,099
Social security and other taxes	250,244	222,237
Other creditors	145,192	46,061
Accruals and deferred income	840,923	620,760
	<u>1,989,198</u>	<u>1,858,240</u>

The bank loans and overdrafts are secured by a fixed charge over all of the company's assets

**15. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2007 £	2006 £
Bank loans	12,920,597	11,765,940
Other loans	8,520,786	8,520,786
Net obligations under finance leases and hire purchase contracts	9,646	24,650
Amounts owed to group undertakings	5,250,000	6,250,000
	<u>26,701,029</u>	<u>26,561,376</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2007 £	2006 £
Repayable by instalments	11,060,055	9,830,451
Repayable other than by instalments	13,770,786	14,770,786
	<u>24,830,841</u>	<u>24,601,237</u>

The bank loans and overdrafts are secured by a fixed charge over all of the company's assets

The other mortgaged loan was secured by a fixed charge over some of the company's freehold property

The bank loans are repayable quarterly at an interest rate of LIBOR plus 1.25%, with LIBOR hedged to 5.525%

DONNINGTON VALLEY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

**15. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2007 £	2006 £
Between one and five years	<u>9,646</u>	<u>24,650</u>

16. SHARE CAPITAL

	2007 £	2006 £
AUTHORISED		
6,000,000 Ordinary shares of £1 each	<u>6,000,000</u>	<u>6,000,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

17. RESERVES

	Profit and loss account £
At 1 January 2007	(9,384,377)
Loss for the year	<u>(1,037,767)</u>
At 31 December 2007	<u>(10,422,144)</u>

18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2007 £	2006 £
Opening shareholders' deficit	(8,384,377)	(7,675,318)
Loss for the year	<u>(1,037,767)</u>	<u>(709,059)</u>
Closing shareholders' deficit	<u>(9,422,144)</u>	<u>(8,384,377)</u>

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DONNINGTON VALLEY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

19. CAPITAL COMMITMENTS

At 31 December 2007 the Company had capital commitments as follows

	2007	2006
	£	£
Contracted for but not provided in these financial statements	18,000	-

20. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,713 (2006 - £15,301). Contributions totalling £7,930 (2006 - £2,774) were payable to the fund at the balance sheet date and are included in other creditors.

21. FINANCE LEASE COMMITMENTS

Future commitments under hire purchase agreements are as follows

	2007	2006
	£	£
Amounts due within 1 year	15,004	16,921
Amounts due between 1 and 2 years	7,563	15,004
Amounts due between 2 and 5 years	2,083	9,646
Total	24,650	41,571

22. RELATED PARTY TRANSACTIONS

At 31 December 2007 the company owed The Vineyard at Stockcross Limited, a company under common ownership, £145,165 (2006 - £349,099).

The company considers KV Hotels Limited, a company registered in England, to be its immediate parent company. At 31 December 2007 the company had nil balances with KV Hotels Limited.

The company considers Stockford Limited, a company registered in England, to be its ultimate parent company. At 31 December 2007 the company owed Stockford Limited £5,250,000 (2006 - £6,250,000). The company considers Sir Peter Michael CBE to be its ultimate controlling party throughout the current and previous years. At 31 December 2007 the company owed Sir Peter Michael CBE £8,520,786 (2006 - £8,520,786).

The company has taken advantage of the exemption in Financial Reporting Standard 8 regarding disclosure of related party transactions with fellow 90% subsidiaries as it is a wholly owned subsidiary. Its result and position are included in the consolidated financial statements of Stockford Limited which are publicly available from 12 Sheet Street, Windsor, Berkshire, SL4 1BG.

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