Registered No 00014504

De Vere Group Limited

Report and Financial Statements

31 December 2008

Registered No 00014504

Directors
R G Balfour-Lynn
J Singh

Secretary
Filex Services Limited

Auditors
Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Registered Office
179 Great Portland Street
London
W1W 5LS

Directors' report

The directors present their report and financial statements for the year ended 31 December 2008

Results and dividends

The profit after taxation for the year amounted to £11,548,000 (15 months period ended 31 December 2007 - £230,379,000) Ordinary dividends paid during the year were £nil (15 months period ended 31 December 2007 £200,000,000)

Principal activity

The Company runs a white spirit manufacturer G&J Greenalls and manages certain property interests

Review of the business and future developments

In January 2008 the Company terminated its cross currency interest swap

A comprehensive review of the strategic affairs of the Group into which the Company is consolidated, including key performance indicators and key risks and uncertainties, is contained in the report and financial statements of AHG Venice Limited, the ultimate parent undertaking at the period end

Post balance sheet event

On 8 March 2010 the AHG Venice Limited group of companies was acquired by AHG Venice Group Limited, a company established for the purposes of restructuring the AHG Venice Limited group

On the same day, the restructured group entered into a revised borrowing facilities agreement with Bank of Scotland plc, the substance of which was to re-finance the group

The directors are pleased to report that these transactions have had the effect of re-financing the group to which the Company belongs, thereby assuring the Company's ability to continue as a going concern

The directors further anticipate that the re-financing should if necessary permit the Company to strengthen its balance sheet by way of either recapitalisation and /or cancellation of intra group indebtedness

Further details of the group's re-financing are available in the financial statements of the Company's previous ultimate parent AHG Venice Limited

Given the continued decline in property market values and worsening of the UK trading environment since 31 December 2008, the directors are of the opinion that further indications of asset impairment are in existence during 2009 The Company has therefore carried out an impairment review during September 2009, which indicates that the carrying value of the Company's fixed assets has been further impaired by approximately £2,029,000 The directors have assessed this impairment as having arisen post 31 December 2008 therefore it has not been reflected in the profit and loss account for the period ended 31 December 2008

Directors

The directors of the company during the period were as follows

R G Balfour-Lynn	
J Singh	
M A Bibring	(resigned 3 March 2010)
I B Cave	(resigned 3 March 2010)

Directors' report

Treasury policies

The objectives of the company are to manage the company's financial risk, secure cost effective funding for the company's operations, and to minimise the adverse effects of fluctuations in the financial market on the company's financial assets and liabilities, on reporting profitability and on the cash flows of the company

The company finances its activities with a combination of bank loans, finance leases, loan notes and cash deposits Overdrafts are used to satisfy short-term cash flow requirements Other financial assets and liabilities, such as trade debtors and trade creditors arise from the company's operating activities The company also enters into derivative transactions in the form of interest rate swap contracts The purpose is to manage the interest rate risks arising from the company's borrowings The company does not trade in financial instruments and has no other form of derivatives

The main risk associated with the company's financial assets and liabilities are set out below, as are the policies agreed by the board for their management

Foreign currency risk

Aside from the US$100 million Guaranteed senior loan notes, which were repaid on 18 September 2006, and the corresponding Gross Currency interest rate swap, transactions conducted in foreign currencies are not significant in the context of the overall business

The cross currency interest rate swap was settled in January 2008

Interest rate risks

The company's policy is to manage its cost of borrowing using a combination of fixed rate facilities and interest rate swaps The company's objective is to reduce exposure to cash flow interest rate risks

Credit risk

The company's objective is to reduce the risk of financial loss due to a counter party's failure to honour its obligations Standard payment terms are quoted to customers for contracts and credit insurance is taken in appropriate circumstances

The management of each operating division is responsible for the installation and maintenance of appropriate credit control procedures, and for ensuring that orders are not accepted or shipments made to non credit worthy customers Individual exposures are monitored with customers subject to credit limits to ensure that the company's exposure to bed debts is not significant The management of operating divisions are also responsible for ensuring that payment is received from customers promptly and in accordance with the agreed terms

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generation by its operations

Investment is carefully monitored, with authorisation limits operating up to board level, with a carefully considered investment appraisal process The approval procedures apply to all capital items whether purchased outright, leases, rented or subject to hire purchase agreements The method of funding for each is dictated in each case by cash flow implications

Supplier payment policy

The Company negotiates payment arrangements and other terms and conditions with all of its principal suppliers Payments to suppliers are made in accordance with negotiated arrangements other than in the event of a dispute The number of days purchases outstanding for the Company at 31 December 2008 was 61 days (31 December 2007 50 days)

Directors' report

Disclosure of information to auditors

In accordance with Section 234A of the Companies Act 1985, each of the above directors

- is not aware of any relevant audit information of which the Company's auditors are unaware, and
- 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

Auditors

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting

On behalf of the Board

J Singh
Director

8 March 2010

Statement of directors' responsibilities in respect of the financial statements

The dırectors are responsıble for preparıng the annual report and the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law the dırectors have elected to prepare financıal statements ın accordance wıth Unıted Kıngdom Generally Accepted Accountıng Practıce (Unıted Kıngdom Accountıng Standards and applıcable law) The financıal statements are requıred by law to gıve a true and faır vıew of the state of affaırs of the company and of the profit or loss of the company for that perıod In preparıng those financıal statements, the dırectors are requıred to

- select suıtable accountıng polıcıes and then apply them consıstently,
- make judgements and estımates that are reasonable and prudent,
- state whether applıcable UK accountıng standards have been followed, subject to any materıal departures dısclosed and explaıned ın financıal statements, and
- prepare financıal statements on the goıng concern basıs unless ıt ıs ınapproprıate to presume that the company wıll contınue ın busıness

The dırectors are responsıble for keepıng proper accountıng records that dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the company and to enable them to ensure that financıal statements comply wıth the Companıes Act 1985 They are also responsıble for safeguardıng the assets of the company and hence for takıng reasonable steps for the preventıon and detectıon of fraud and other ırregularıtıes

The dırectors are responsıble for the maıntenance and ıntegrıty of the corporate and financıal ınformatıon ıncluded on the company's websıte Legıslatıon ın the Unıted Kıngdom coverıng the preparatıon and dıssemınatıon of financıal statements may dıffer from legıslatıon ın other jurısdıctıons

Independent auditors' report

to the members of De Vere Group Limited

We have audited the company's financial statements for year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 26 These financial statements have been prepared on the basis of 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and 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, 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 transactions is not disclosed

We read the director' 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

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 2008 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

Ernst & Young LLP
Registered Auditor
Manchester
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Registered No 00014504

Profit and loss account

for the year ended 31 December 2008

	Notes	*Year ended 31 December 2008 £000*	*15 months ended 31 December 2007 £000*
Turnover	2	40,569	41,679
Cost of sales		(31,436)	(29,268)
Gross profit		9,133	12,411
Administrative expenses		(17,264)	(13,722)
Operating loss	3	(8,131)	(1,311)
Exceptional items	5	-	21,067
Income from investments	6	-	200,000
Interest receivable	7	71,168	23,889
Interest payable	8	(37,863)	(3,975)
Profit on ordinary activities before taxation		25,174	239,670
Tax on profit on ordinary activities	9	(13,626)	(9,291)
Profit for the financial period	21	11,548	230,379

Statement of total recognised gains and losses

There were no recognised gains or losses other than the profit attributable to shareholders of the company of £11,548,000 in the year ended 31 December 2008 and of £230,379,000 in the period ended 31 December 2007

Registered No 00014504

Balance sheet

at 31 December 2008

	Notes	*31 December 2008 £000*	*31 December 2007 £000*
Fixed assets			
Tangible assets	11	14,480	14,361
Investments	12	179,745	179,745
		194,225	194,106
Current assets			
Stocks	13	4,272	6,306
Debtors			
Due within one year	14	6,097	6,260
Due after more than one year	14	898,880	583,305
Cash at bank and in hand		-	15,503
		909,249	611,374
Creditors amounts falling due within one year	15	(9,296)	(10,946)
Net current assets		899,953	600,428
Total assets less current liabilities		1,094,178	794,534
Creditors. amounts falling due after more than one year	16	(619,349)	(331,099)
Provisions for liabilities and charges	18	(382)	(536)
Net assets		474,447	462,899
Capital and reserves			
Called up share capital	20	27,100	27,100
Share premium	21	29,959	29,959
Other reserves	21	272,633	272,633
Profit and loss account	21	144,755	133,207
Equity shareholders' funds	21	474,447	462,899

Financial statements were authorised for issue by the board of directors on 8 March 2010 and were signed on its behalf by

J Singh
Director

Notes to the financial statements

at 31 December 2008

1. Accounting policies

Basis of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards under the historical cost convention with the exception of properties which, under the transitional provisions of FRS15 'Tangible Fixed Assets' are included at their 1999 valuations Since 1999 it has been the Company's policy not to revalue fixed assets

Group financial statements

The company has taken advantage of the exemption from preparing group financial statements contained in Section 228(1) of the Companies Act 1985, on the basis that as at 31 December 2008 it was a wholly owned subsidiary of AHG Venice Limited, a company registered in the United Kingdom Financial statements therefore only present the results and state of affairs of the company and not the group

Investments

Investments are accounted for at the lower of cost or recoverable amount

Tangible fixed assets and depreciation

The cost of tangible fixed assets represents the actual purchase price paid Cost includes gross interest on capital invested in major property development and directly attributable overheads

Fixtures and fittings contains items of plant, machinery, fixtures and fittings and equipment, including vehicles

Depreciation is not provided on freehold land

Depreciation is provided to write off the cost or valuation of all other fixed assets over their useful lives to their estimated residual values and is calculated by the straight line method at the following rates

	Per annum
Buildings	2%
Fixtures and fittings	4% - 14%

Leasehold properties are depreciated over the shorter of 50 years or their remaining useful lives

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable

When an asset is fully depreciated and no longer in use, both the gross amount and the aggregate depreciation are eliminated from financial statements

Stocks

Stocks are valued at the lower of cost and net realisable value Cost comprises expenditure directly incurred in purchasing or manufacturing stock and includes an appropriate amount of overhead

Certain operating supplies are treated as a base stock and renewals and replacements of such stock are written off to the profit and loss account as incurred

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Leases

Assets which are subject to finance leases are capitalised and the related depreciation charged to the profit and loss account Lease payments are treated as consisting of interest and capital, interest being charged to the profit and loss account on an actuarial basis Rental payments in respect of operating leases are charged to the profit and loss account on a straight line basis Provision has been established for future anticipated costs related to leased premises no longer occupied by the Company

Property provision

Provision is made for future rental expenses and related costs of leasehold property (net of estimated sub lease income) where space is either vacant or not planned to be used for ongoing operations

Pensions

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

Pensions (continued)

the fair value of plan assets of contributions received and benefits paid during the year The difference between the expected return on plan assets and the interest cost is recognised in the income statement as other finance income or expense

Actuarial gains and losses are recognised in full in the statement of recognised gains and losses in the period in which they occur

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly Fair value is based on market price information and in the case of quoted securities is the published bid price The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme

Segmental reporting

As a wholly owned subsidiary of AHG Venice Ltd at 31 December 2008, the company has taken advantage of the exemption available under SSAP 25 not to provide segmental information

Cash flow statement

As a wholly owned subsidiary of AHG Venice Limited at 31 December 2008, the company is exempt from the requirement to present a cash flow statement under FRS1, as a consolidated cash flow statement is included in that company's financial statements, which are publicly available

Related party transactions

As a wholly owned subsidiary of AHG Venice Ltd at 31 December 2008, the Company has taken advantage of the exemption available under FRS 8 and has not disclosed details of transactions with other group companies

Derivatives

The Company uses forward foreign currency contracts due to reduce exposure to foreign exchange rates The Company also uses interest rate swaps to adjust interest rate exposures

Forward foreign currency contracts

The criteria for forward foreign currency contracts are

- the instrument must be related to a firm foreign currency commitment,
- it must involve the same currency as the hedged item, and
- it must reduce the risk of foreign currency exchange movements on the Group's operations

The rates under such contracts are used to record the hedged item As a result, gains and losses are offset against the foreign exchange gains and losses on the related financial assets and liabilities, or where the instrument is used to hedge a committed future transaction, are not recognised until the transaction occurs

Notes to the financial statements

at 31 December 2008

1. Accounting policies (continued)

Interest rate swaps

The Company's criteria for entering interest rate swaps transactions are

- the instrument must be related to an asset or a liability, and
- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa

Interest differentials are recognised by accruing with net interest payable Interest rate swaps meeting the criteria for hedge accounting are not revalued to fair value or shown on the Group balance sheet at the period-end If they are terminated early, any gain/loss is spread over the remaining maturity of the original instrument

2. Turnover

Turnover is the value of goods and services sold to third parties, including excise duties, as part of the Company's trading activities, after deducting discounts and sales based taxes

3. Operating loss

The operating profit is stated after charging/(crediting)

		Year ended 31 December 2008 £000	*15 months ended 31 December 2007 £000*
Depreciation of owned tangible fixed assets		1,326	524
Impairment costs		1,568	-
Repairs and maintenance		294	334
Operating leases	- plant and machinery	103	99
Operating leases	- land and buildings	406	59
Auditors' remuneration	- audit of financial statements	-	15

The auditors' fee for the period of £14,200 was settled by a related company – De Vere Hotel and Leisure Limited

4. Employee costs

Particulars of employee costs including those of directors

	Year ended 31 December 2008 £000	*15 months ended 31 December 2007 £000*
Wages and salaries	3,878	4,691
Social security costs	357	442
Pension costs	232	324
Redundancy	58	-
	4,525	5,457

Notes to the financial statements

at 31 December 2008

4. Employee costs (continued)

The average number of persons engaged in the Company's operations was 113 all at G&J Greenalls (31 December 2007 - 107)

The directors were paid by a related company – AHG Management Services Limited in their capacity as directors of that company and details of their remuneration can be found in financial statements of that company

5. Exceptional items

	Year ended 31 December 2008 £000	*15 months ended 31 December 2007 £000*
Profit on disposal of fixed assets	-	17,583
Profit on sale of Joint Venture investment	-	3,484
	-	21,067

In 2007 the profit on disposals of fixed assets arose from the sale of surplus property interests

In 2007 the Company sold its 50% investment in the Joint Venture Company Daresbury Park Developments Limited at a profit of £3,484,000

6. Income from investments

	Year ended 31 December 2008 £000	*15 months ended 31 December 2007 £000*
Dividends received from Group undertakings	-	200,000

During 2007 the company received a £200 million dividend from its subsidiary De Vere Group Investments Limited

Notes to the financial statements

at 31 December 2008

7. Interest receivable

	Year ended 31 December 2008 £000	15 months ended 31 December 2007 £000
Bank and short term ınterest	5	553
Interest receıvable from Group undertakıngs	56,639	23,336
	56,644	23,889
Exceptıonal ınterest		
Interest rate swap - settlement	14,524	-
	71,168	23,889

Durıng the perıod all outstandıng ınterest rate swaps were settled (the related debt havıng been settled ın the prevıous year) whıch resulted ın a credıt to the profit and loss account of £14,524,000

8. Interest payable

	Year ended 31 December 2008 £000	15 months ended 31 December 2007 £000
Bank and short-term ınterest	75	588
Interest payable to Group undertakıngs	37,788	-
	37,863	588
Interest rate swap contracts – market-to-market	-	3,387
	37,863	3,975

Notes to the financial statements

at 31 December 2008

9. Tax on profit on ordinary activities

a) Tax on profit on ordinary activities

The tax charge/(credit) is made up as follows

	Year ended 31 December 2008 £000	15 months ended 31 December 2007 £000
Current tax		
Adjustment in respect of prior periods	678	-
Total current tax (charge)/credit	678	-
Deferred tax – adjustment in respect of prior year	-	(2,660)
– current year (note 19)	12,948	(5,578)
– effect of rate change from 30% to 28%	-	(1,053)
Tax on profit on ordinary activities	13,626	(9,291)

b) Factors affecting the current tax charge

The tax charge assessed on the profit on ordinary activities differs from the standard rate of corporation tax in the UK of 28 5% (2007 30%) The differences are reconciled below

	Year ended 31 December 2008 £000	15 months ended 31 December 2007 £000
Profit on ordinary activities before taxation	25,174	239,670
Notional tax charge at UK corporation tax rate of 28 5% (2007 30%)	7,172	71,901
Capital allowances less than/(in excess of) depreciation	307	(427)
Capital gains not attracting tax	-	(6,320)
Utilisation of tax losses	(7,901)	(5,112)
Expenses not deductible/income not chargeable	150	(42)
Non-taxable Group dividend income	-	(60,000)
Impairment – fixed assets	447	-
Deduction for items charged for prior periods	(175)	-
Adjustment in respect of prior periods	678	-
Total current tax charge (note 9(a))	678	-

Notes to the financial statements

at 31 December 2008

10. Dividends

	Year ended 31 December 2008 £000	*15 months ended 31 December 2007 £000*
Interim dividend	-	200,000

No dividend was paid or proposed during the year (2007 £200 million)

11. Tangible fixed assets

	Leasehold Properties £000	*Fixtures and fittings £000*	*Total £000*
Cost or valuation			
At 31 December 2007	6,309	9,173	15,482
Additions during period	982	2,331	3,313
At 31 December 2008	7,291	11,504	18,795
Depreciation			
At 31 December 2007	67	1,054	1,121
Charge for the period	622	1,004	1,626
Impairment	1,568	-	1,568
At 31 December 2008	2,257	2,058	4,315
Net book value			
At 31 December 2008	5,034	9,446	14,480
At 31 December 2007	6,242	8,119	14,361

Notes to the financial statements

at 31 December 2008

11. Tangible fixed assets (continued)

	Year ended 31 December 2008 £000	*15 months ended 31 December 2007 £000*
Properties		
Freehold	5,034	6,204
Short leasehold	-	38
	5,034	6,242
Fixtures and fittings	9,446	8,119
Net book values	14,480	14,361

When any indicators of impairment are identified, investments in subsidiaries are reviewed for impairment based on each investment in accordance with FRS 11 'Impairment of Fixed Assets and Goodwill' For the purpose of the impairment review in the period, the Directors have assessed an income generating unit as being an individual hotel The carrying value of these assets was compared to the recoverable amount which is the higher of value in use and net realisable value

The value in use has been calculated for the hotel by preparing a discounted cash flow using the five year EBITDA projections by operating unit prepared by management for business planning purposes The future cash flows have been discounted using a discount rate of 9 5% The net realisable value has been based on the directors' assessment of the current market value of the hotel

This has resulted in an impairment charge of £1,568,000 being recorded in the current year profit and loss account

12. Investments

	Subsidiary undertakings £000	*Joint ventures £000*	*Total £000*
Cost and net book value			
At 31 December 2007 and 2008	179,745	-	179,745

Notes to the financial statements

at 31 December 2008

12. Investments (continued)

The subsidiary undertakings and joint ventures of the Company at 31 December 2008 and 31 December 2007 all of which were registered in England and Wales were

Name of company	*Holding*	*Period ended*	*Nature of business*
De Vere Investments Limited	Ordinary shares	31/12/08	Holding Co
Greenalls Midlands Limited	Ordinary shares	31/12/08	Non-Trading
Greenalls Midlands Limited	Preference shares	31/12/08	Non-Trading
JA Devenish Limited	Ordinary shares	31/12/08	Non-Trading
JA Devenish Limited	Preference shares	31/12/08	Non-Trading
China Lane Limited	Ordinary shares	31/12/08	Non-Trading
De Vere Credit Limited	Ordinary shares	31/12/08	Holding Co
Limewood Developments Limited	Ordinary shares	31/12/08	Non-Trading
The Belfry	Ordinary shares	31/12/08	Dormant
Cambrian Soft Drinks Limited	Ordinary shares	31/12/08	Dormant
The Chester Northgate Brewery Company Limited	Ordinary shares	31/12/08	Dormant
Davenports Brewery Limited	Ordinary shares	31/12/08	Dormant
De Vere Hotels Limited	Ordinary shares	31/12/08	Dormant
De Vere Leasing Limited	Ordinary shares	31/12/08	Dormant
Drew & Co Wine Cellars Limited	Ordinary shares	31/12/08	Dormant
Gilbert and John Greenall Limited	Ordinary shares	31/12/08	Dormant
Greenall Pelican Limited	Ordinary shares	31/12/08	Dormant
Groves & Whitnall Limited	Ordinary shares	31/12/08	Dormant
Groves & Whitnall Limited	Preference shares	31/12/08	Dormant
G W Group Property Development Limited	Ordinary shares	31/12/08	Dormant
Jermcam Limited	Ordinary shares	31/12/08	Dormant
Jermcam Limited	Preference shares	31/12/08	Dormant
Lawread Limited	Ordinary shares	31/12/08	Dormant
Magee Marshall and Company Limited	Ordinary shares	31/12/08	Dormant
Mont Blanc Limited	Ordinary shares	31/12/08	Dormant
Harvey Prince & Company Limited	Ordinary shares	31/12/08	Dormant
Sablehurst Limited	Ordinary shares	31/12/08	Dormant
The Shrewsbury & Wem Brewery Company Limited	Ordinary shares	31/12/08	Dormant
Speed 8014 Limited	Ordinary shares	31/12/08	Dormant
Springbrook Landscapes Limited	Ordinary shares	31/12/08	Dormant
Stretton Leisure Limited	Ordinary shares	31/12/08	Dormant
Tavern 1993 Limited	Ordinary shares	31/12/08	Dormant
University Arms Hotel Limited	Ordinary shares	31/12/08	Dormant

Notes to the financial statements

at 31 December 2008

13. Stocks

	2008 £000	2007 £000
Raw materials	1,813	4,625
Finished goods	2,423	1,621
Consumables	36	60
	4,272	6,306

The difference between historic cost of stocks and their replacement cost is not material

14. Debtors

	2008 £000	2007 £000
Due within one year		
Trade debtors	5,389	4,984
Other debtors	547	235
Value Added Tax	143	127
Corporation Tax	-	673
Prepayments	318	241
	6,097	6,260
Due after more than one year		
Deferred tax asset (note 19)	1,795	14,743
Amounts due from Group undertakings	897,085	568,562
	898,880	583,305

The future profitability of the company will have a direct effect on the recoverability of the deferred tax asset

15. Creditors: amounts falling due within one year

	Notes	2008 £000	2007 £000
Short-term loans repayable on demand	17	211	1,315
Bank overdraft	17	22	-
Trade creditors		5,235	6,716
Social security and PAYE		141	117
Other creditors		313	871
Accruals and deferred income		3,374	1,927
		9,296	10,946

Notes to the financial statements

at 31 December 2008

16. Creditors: amounts falling due in more than one year

	2008 £000	2007 £000
Due after more than one year		
Amounts due to Group undertakings	619,349	316,739
Interest rate swap cancellation	-	14,360
	619,349	331,099

17. Borrowings

	Notes	2008 £000	2007 £000
Amounts falling due within one year			
Unsecured loan stocks 2005-2013	15	211	1,315
Plus/(less) – bank overdraft/(cash)	15	22	(15,503)
		233	(14,188)

18. Provisions for liabilities and charges

The reconciliation of the movement of the property provision during the period is as follows

	2008 £000	2007 £000
Net liability at the start of the period	536	1,031
Addition	444	-
Utilised in the period	(598)	(495)
Net liability at the end of the period	382	536

The property provision represents rents payable and allowances for dilapidations on vacant leasehold properties The majority of this provision is expected to be utilised over the next three years

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at 31 December 2008

19. Deferred taxation

	2008 £000	2007 £000
Capital allowances in excess of depreciation	(663)	(1,074)
Tax losses carried forward	2,458	15,645
Deferred tax on pension provision	-	172
Deferred tax asset (note 14)	1,795	14,743

Reconciliation of the movement in deferred tax asset during the period

	2008 £000	2007 £000
At 1 January 2008	14,743	24,034
Prior year adjustment	-	(2,660)
Deferred tax charge in the profit and loss account (note 9)	(12,948)	(5,578)
Effect of rate change from 30% to 28%	-	(1,053)
At 31 December 2008 (note 14)	1,795	14,743

20. Share capital

	2008 £000	2007 £000
Authorised		
178,953,569 Ordinary shares of 31 $^{1}/_{9}$ p each	55,674	55,674
Allotted, called up and fully paid		
87,106,070 Ordinary shares of 31 $^{1}/_{9}$ p each	27,100	27,100

During the period no Ordinary shares options were issued (31 December 2007 316,703)

Notes to the financial statements

at 31 December 2008

21. Movements on reserves and reconciliation of movements in equity shareholders' funds

	Share capital £000	*Share premium £000*	*Other reserve £000*	*Profit and loss account £000*	*Total Share-holders' funds £000*
At 26 September 2007	27,001	28,913	272,633	102,828	431,375
Shares issued in the year	99	1,046	-	-	1,145
Profit for the year	-	-	-	230,379	230,379
Equity dividends	-	-	-	(200,000)	(200,000)
At 31 December 2007	27,100	29,959	272,633	133,207	462,899
Profit for the period	-	-	-	11,548	11,548
At 31 December 2008	27,100	29,959	272,633	144,755	474,447

22. Pension commitments

Certain employees are members of The Greenalls Group Pension & Life Assurance Scheme which is a multi-employer scheme FRS 17 "Retirement Benefits" requires the inclusion of the fair value of the assets and liabilities arising from retirement benefit obligations However, it is not possible to identify the share of assets and liabilities relating to individual companies Consequently, in accordance with the FRS 17 treatment for such schemes, the Company has charged contributions to the profit and loss account as incurred The pension charge for the period was £232,000 (31 December 2007 - £324,000)

Full disclosures for the Greenalls Group Pension & Life Assurance Scheme can be found in the financial statements of De Vere Hotels and Leisure Limited

23. Commitments under operating leases

Company as lessee

At 31 December 2008 the Company had the following annual commitments under operating leases

	Leases ending			
	Within one year £000	*Between one & five years £000*	*After five years £000*	*Total £000*
Commitments in respect of operating leases for the next financial year				
Other operating leases	-	124	-	124
Operating leases on land and buildings	-	309	926	1,235
	-	433	926	1,359

Notes to the financial statements

at 31 December 2008

23. Commitments under operating leases (continued)

At 31 December 2007 the Company had the following annual commitments under operating leases

		Leases ending		
	Within one year	*Between one & five years*	*After five years*	*Total*
	£000	*£000*	*£000*	*£000*
Commitments in respect of operating leases for the next financial year				
Other operating leases	-	32	-	32
Operating leases on land and buildings	-	-	406	406
	-	32	406	438

24. Contingent liabilities

Pursuant to a loan facility agreement between HBOS and AHG Venice Finance No 2 Limited, a fellow subsidiary of the AHG Venice Limited group of companies, there is a charge over all the Company's assets The total borrowings under the loan facility agreement at 31 December 2008 amounted to £1,168,832,000 (2007 £1,087,879,000)

25. Post balance sheet event

On 8 March 2010 the AHG Venice Limited group of companies was acquired by AHG Venice Group Limited, a company established for the purposes of restructuring the AHG Venice Limited group

On the same day, the restructured group entered into a revised borrowing facilities agreement with Bank of Scotland plc, the substance of which was to re-finance the group

The directors are pleased to report that these transactions have had the effect of re-financing the group to which the Company belongs, thereby assuring the Company's ability to continue as a going concern

The directors further anticipate that the re-financing should if necessary permit the Company to strengthen its balance sheet by way of either recapitalisation and /or cancellation of intra group indebtedness

Further details of the group's re-financing are available in the financial statements of the Company's previous ultimate parent AHG Venice Limited

Given the continued decline in property market values and worsening of the UK trading environment since 31 December 2008, the directors are of the opinion that further indications of asset impairment are in existence during 2009 The Company has therefore carried out an impairment review during September 2009, which indicates that the carrying value of the Company's fixed assets has been further impaired by approximately £2,029,000 The directors have assessed this impairment as having arisen post 31 December 2008 therefore it has not been reflected in the profit and loss account for the period ended 31 December 2008

Notes to the financial statements

at 31 December 2008

26. Ultimate parent company and controlling party

The ımmedıate parent company of De Vere Group Lımıted ıs AHG Venıce Fınance No 3 Lımıted whıch ıs regıstered ın England and Wales

The ultımate parent company and controllıng party of De Vere Hotels No 1 Lımıted at 31 December 2008 was AHG Venıce Lımıted whıch ıs regıstered ın England and Wales The accounts of the company are ıncluded wıthın the consolıdated accounts of AHG Venıce Lımıted whıch can be obtaıned from Companıes House

At the date of ıssuıng these financıal statements, the Company's ultımate parent was AHG Venıce Group Lımıted