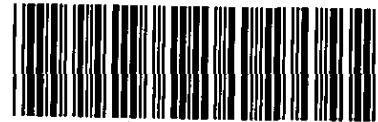


STADE DEVELOPMENTS (HASTINGS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2010

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STADE DEVELOPMENTS (HASTINGS) LIMITED

COMPANY INFORMATION

Directors	Mr H C Moreton Mr M Hopson
Company number	01020999
Registered office	3 Centro Place Pride Park Derby DE24 8RF
Auditors	Cooper Parry LLP Chartered Accountants & Statutory Auditor 3 Centro Place Pride Park Derby DE24 8RF
Bankers	Lloyds Banking PLC 125 Colmore Row Birmingham B3 3AE

STADE DEVELOPMENTS (HASTINGS) LIMITED

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STADE DEVELOPMENTS (HASTINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2010

The directors present their report and the financial statements for the year ended 30 November 2010. The company changed its accounting period in 2009 and therefore the comparative information is only for a nine month period.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the company in the period under review was that of amusement caterers and providers of leisure services.

Business review

During the year turnover has increased by approximately 5% on an annual basis, which was largely due to the acquisition of the Coney Island arcade which was purchased in December 2009.

The gross profit margin has fallen slightly by approximately 3% when compared on an annual basis. This is due to a conscious effort to increase the volume of prizes per machine to attract a greater number of customers.

Overheads include a number of expenses in the year totalling approximately £593,000 relating to the sale of freehold property. The main charge relates to an impairment provision on goodwill of £463,000.

Despite the loss for the year the balance sheet remains strong with net assets of over £3.8 million. The combined balance sheet, including the parent company Cornshire Limited, shows net assets in excess of £7 million.

Since the year end the directors have sold part of the company's freehold and leasehold property for a total consideration of £6.1 million. The proceeds have enabled the directors to reduce the bank loans by approx £6.1 million and the directors now believe the company is in a position to return to profitability in 2011. The directors continue to modernise the other sites by investing in new machines whilst also trying to increase the present margins.

STADE DEVELOPMENTS (HASTINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2010

Results

The loss for the year, after taxation, amounted to £907,208 (2009 profit £194,150)

Directors

The directors who served during the year were

Mr H C Moreton
Mr M Hopson

Principal risks and uncertainties

Overview

The execution of the company's strategy and the management of the business are subject to a number of potential risks, the occurrence of any one of which, may adversely impact on the company's performance. Such risks, and the actions in place to mitigate their potential adverse impact on the company are detailed below

The legislative and regulatory environment

The betting and gaming industry has, in recent years, undergone significant legislative and regulatory change in the UK including for example, the introduction of the Gambling Act 2005 and the implementation of bans on smoking in public places. Future changes to the legislative and regulatory regimes may impact the company's operations

Competition

The company operates in a competitive market from both -

- independent AGC and other gaming and betting operators, and
- leisure activities/product offerings from other businesses in the leisure sector

To mitigate this risk, staff are trained to provide excellent customer service and managers trained to ensure the highest levels of efficiency, professionalism and cleanliness are maintained at all sites, at all times

Interest rate risk

The company's trading income and operating cash flows are independent of any changes or movements in interest rates. The company's exposure to interest rate risk arises primarily from its bank borrowings, the quantum of which is relatively low and the interest rate charged is closely linked to LIBOR. The company has also hedged some of its exposure to interest rate changes by obtaining bank finance with a collar rate applied to it, this ensures that interest suffered cannot exceed certain parameters

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. Cash flow forecasts identifying the liquidity requirements of the company are produced and reviewed regularly to ensure the company has sufficient financial resources for at least the forthcoming twelve month period, where any shortfalls are identified measures are taken to attempt to prevent the situation from arising

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when they fall due. As the trading business operates on a cash basis with its customers, the company's exposure to credit risk is limited. Major sales of old equipment are made on a part exchange basis to businesses that are also suppliers of the company, this way trade debtors can be offset against trade creditors, once again ensuring credit risk is limited

General economic environment

The disposable income of customers and their confidence and willingness to spend money on their leisure activity preferences are, and will, be affected by the general economic environment. The company strives to ensure its facilities, and activities on offer, provide value for money and meet its customers' needs

STADE DEVELOPMENTS (HASTINGS) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2010**

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

This report was approved by the board on 26 July 2011

and signed on its behalf



Mr M Hopson
Director

STADE DEVELOPMENTS (HASTINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STADE DEVELOPMENTS (HASTINGS) LIMITED

We have audited the financial statements of Stade Developments (Hastings) Limited for the year ended 30 November 2010, set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STADE DEVELOPMENTS (HASTINGS) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STADE DEVELOPMENTS
(HASTINGS) LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Adrian Cheatham (Senior statutory auditor)

for and on behalf of
Cooper Parry LLP

Chartered Accountants
Statutory Auditor

3 Centro Place
Pride Park
Derby

DE24 8RF

Date

26 July 2011

STADE DEVELOPMENTS (HASTINGS) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2010**

		30 November 2010 £	9 month period ended 30 November 2009 £
	Note		
Turnover	1,2	6,212,213	5,140,577
Cost of sales		(2,588,693)	(1,845,023)
		<hr/>	<hr/>
Gross profit		3,623,520	3,295,554
Administrative expenses		(4,323,665)	(2,635,914)
Other operating income	3	320,102	250,295
Exceptional items		-	(316,898)
		<hr/>	<hr/>
Operating (loss)/profit	5	(380,043)	593,037
Interest receivable		376	441
Interest payable	8	(563,965)	(399,328)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(943,632)	194,150
Tax on (loss)/profit on ordinary activities	9	36,424	-
		<hr/>	<hr/>
(Loss)/profit for the financial year	18	(907,208)	194,150
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 9 to 20 form part of these financial statements

STADE DEVELOPMENTS (HASTINGS) LIMITED

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30 NOVEMBER 2010**

	30 November 2010 £	9 month period ended 30 November 2009 £
Reported (loss)/profit on ordinary activities before taxation	(943,632)	194,150
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	242,804	169,468
Historical cost (loss)/profit on ordinary activities before taxation	<u>(700,828)</u>	<u>363,618</u>
Historical (loss)/profit for the year after taxation	<u>(664,404)</u>	<u>363,618</u>

The notes on pages 9 to 20 form part of these financial statements

STADE DEVELOPMENTS (HASTINGS) LIMITED
01020999

BALANCE SHEET
AS AT 30 NOVEMBER 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible assets	10		2,673,825		2,568,242
Tangible assets	11		16,341,493		16,033,042
			<u>19,015,318</u>		<u>18,601,284</u>
Current assets					
Stocks	12	125,020		126,518	
Debtors	13	851,715		988,287	
Cash at bank and in hand		933,996		1,181,780	
			<u>1,910,731</u>	<u>2,296,585</u>	
Creditors amounts falling due within one year	14	(1,702,580)		(1,666,024)	
Net current assets			<u>208,151</u>		<u>630,561</u>
Total assets less current liabilities			<u>19,223,469</u>		<u>19,231,845</u>
Creditors' amounts falling due after more than one year	15		(15,393,154)		(14,494,322)
Net assets			<u><u>3,830,315</u></u>		<u><u>4,737,523</u></u>
Capital and reserves					
Called up share capital	17		180,999		180,999
Revaluation reserve	18		4,644,256		4,887,060
Profit and loss account	18		(994,940)		(330,536)
Shareholders' funds	19		<u><u>3,830,315</u></u>		<u><u>4,737,523</u></u>

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

26 July 2011



Mr M Hopson
Director

The notes on pages 9 to 20 form part of these financial statements

STADE DEVELOPMENTS (HASTINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards. Throughout these financial statements comparative figures relate to the nine months period ended 30 November 2009.

The financial statements have been prepared on a going concern basis, which assumes the company will continue in operational existence for the foreseeable future and is based on the continued support of the directors and the company's bankers.

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 represents net takings from machines, exclusive of Value Added Tax.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 20 years.

1.5 Tangible fixed assets and depreciation

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

Freehold property	-	2% straight line
L/Term leasehold property	-	Over the period of the lease
S/Term leasehold property	-	Over the period of the lease
Plant & machinery	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	10% reducing balance
Office equipment	-	25% reducing balance

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

STADE DEVELOPMENTS (HASTINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

1. Accounting policies (continued)

1.7 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.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.9 Stocks

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

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. Turnover

The whole of the turnover is attributable to net takings from machines.

All turnover arose within the United Kingdom.

3. Other operating income

	30 November 2010 £	9 month period ended 30 November 2009 £
Rental and other operating income	320,102	250,295

STADE DEVELOPMENTS (HASTINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

4. Exceptional items

During the year the company incurred costs of £Nil (2009 £316,898) relating to the renovation of the leasehold site acquired in 2008. This expenditure was deemed exceptional by virtue of its size and effect on the company's results for the prior year.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging

	30 November 2010 £	9 month period ended 30 November 2009 £
Amortisation of goodwill	181,364	107,896
Depreciation of tangible fixed assets		
- owned by the company	1,250,622	903,495
- held under finance leases	11,156	9,272
Auditors' remuneration	12,000	12,000
Operating lease rentals		
- other operating leases	189,558	136,400
Loss on sale of tangible assets	173,134	70,741
Impairment of goodwill	463,153	-
	<u> </u>	<u> </u>

6. Staff costs

Staff costs, including directors' remuneration, were as follows

	30 November 2010 £	9 month period ended 30 November 2009 £
Wages and salaries	1,350,900	984,833
Social security costs	106,514	75,097
	<u> </u>	<u> </u>
	1,457,414	1,059,930
	<u> </u>	<u> </u>

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

	30 November 2010 No.	9 month period ended 30 November 2009 No.
Directors	2	2
Operational	88	82
	<u> </u>	<u> </u>
	90	84
	<u> </u>	<u> </u>

STADE DEVELOPMENTS (HASTINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010**

7. Directors' remuneration

	30 November 2010 £	9 month period ended 30 November 2009 £
Emoluments	45,710	34,190

8. Interest payable

	30 November 2010 £	9 month period ended 30 November 2009 £
On bank loans and overdrafts	521,640	376,461
On other loans	42,325	22,867
	563,965	399,328

9 Taxation

	30 November 2010 £	9 month period ended 30 November 2009 £
Analysis of tax charge in the year/9 month period		
Deferred tax		
Accelerated capital allowances	(18,113)	-
Movement in tax losses	(18,311)	-
Total deferred tax (see note 16)	(36,424)	-
Tax on (loss)/profit on ordinary activities	(36,424)	-

STADE DEVELOPMENTS (HASTINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

9. Taxation (continued)

Factors affecting tax charge for the year/9 month period

The tax assessed for the year/9 month period is higher than (2009 lower than) the standard rate of corporation tax in the UK of 21% (2009 21%) The differences are explained below

	30 November 2010 £	9 month period ended 30 November 2009 £
(Loss)/profit on ordinary activities before tax	(943,632)	194,150
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 21%)	(198,163)	40,772
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	123,949	22,658
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	115,688	89,866
Capital allowances for year/9 month period in excess of depreciation	(11,887)	(76,562)
Utilisation of tax losses	(29,587)	(76,734)
Current tax charge for the year/9 month period (see note above)	-	-

Factors that may affect future tax charges

The company have tax losses of £590,000 to carry forward against future trading profits

STADE DEVELOPMENTS (HASTINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010**

10. Intangible fixed assets

	Goodwill £
Cost	
At 1 December 2009	2,877,186
Additions	750,100
	<hr/>
At 30 November 2010	3,627,286
Amortisation	
At 1 December 2009	308,944
Charge for the year	181,364
Impairment charge	463,153
	<hr/>
At 30 November 2010	953,461
Net book value	
At 30 November 2010	2,673,825
	<hr/>
At 30 November 2009	2,568,242
	<hr/>

Since the year end the directors have sold part of the company's freehold and leasehold property which has resulted in an impairment charge in these financial statements

STADE DEVELOPMENTS (HASTINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010**

11. Tangible fixed assets

	Land and buildings £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation						
At 1 December 2009	13,438,249	5,154,714	108,687	2,286,292	84,604	21,072,546
Additions	1,149,005	1,575,651	24,039	22,907	6,218	2,777,820
Disposals	(415,218)	(1,284,900)	(12,000)	(828)	-	(1,712,946)
At 30 November 2010	14,172,036	5,445,465	120,726	2,308,371	90,822	22,137,420
Depreciation						
At 1 December 2009	1,341,043	2,396,805	54,058	1,190,805	56,793	5,039,504
Charge for the year	369,499	715,641	13,655	153,051	9,932	1,261,778
On disposals	(39,290)	(453,237)	(12,000)	(828)	-	(505,355)
At 30 November 2010	1,671,252	2,659,209	55,713	1,343,028	66,725	5,795,927
Net book value						
At 30 November 2010	12,500,784	2,786,256	65,013	965,343	24,097	16,341,493
At 30 November 2009	12,097,206	2,757,909	54,629	1,095,487	27,811	16,033,042

At 30 November 2010, included within the net book value of land and buildings is £5,990,971 (2009 £5,347,449) relating to freehold land and buildings, £4,349,381 (2009 £4,393,282) relating to long term leasehold land and buildings and £2,160,432 (2009 £2,356,475) relating to short term leasehold land and buildings

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

	2010 £	2009 £
Motor vehicles	57,507	44,624

STADE DEVELOPMENTS (HASTINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

Cost or valuation at 30 November 2010 is as follows

	Land and buildings £
At cost	8,358,171
At valuation:	
Professional valuation January 2008	5,813,865
	<u>14,172,036</u>

Freehold and leasehold property has been valued, taking into consideration the professional valuations, on the basis that the properties are fully equipped operational entities having regard to their potential, carried out by Edward Symmons (MRICS) in September 2002, March 2006, April 2007 and January 2008

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2010 £	2009 £
Cost	8,358,171	7,624,384
Accumulated depreciation	(501,643)	(414,238)
	<u>7,856,528</u>	<u>7,210,146</u>
Net book value		

12. Stocks

	2010 £	2009 £
Stocks	125,020	126,518
	<u>125,020</u>	<u>126,518</u>

13. Debtors

	2010 £	2009 £
Trade debtors	480,033	334,586
Other debtors	-	356,656
Prepayments and accrued income	254,091	215,878
Deferred tax asset (see note 16)	117,591	81,167
	<u>851,715</u>	<u>988,287</u>

STADE DEVELOPMENTS (HASTINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010**

**14 Creditors:
Amounts falling due within one year**

	2010	2009
	£	£
Bank loans and overdraft	100,000	350,000
Net obligations under finance leases and hire purchase contracts	11,516	6,552
Trade creditors	1,143,494	860,628
Social security and other taxes	114,095	156,638
Other creditors	173,476	165,509
Accruals and deferred income	159,999	126,697
	<u>1,702,580</u>	<u>1,666,024</u>

**15 Creditors:
Amounts falling due after more than one year**

	2010	2009
	£	£
Bank loans	11,034,000	9,870,000
Net obligations under finance leases and hire purchase contracts	46,695	38,305
Amounts owed to group undertakings	3,471,961	3,471,961
Other creditors	840,498	1,114,056
	<u>15,393,154</u>	<u>14,494,322</u>

STADE DEVELOPMENTS (HASTINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

15. Creditors: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	2010 £	2009 £
Bank loans repayable by instalments	8,764,385	7,930,959

The bank holds the following securities in respect of overdrafts and loans -

Cross Corporate Guarantee between Stade Developments (Hastings) Limited and third parties dated 31 October 2003

First Legal Charge over Pett Level Road, Winchelsea granted by Stade Developments (Hastings) Limited dated 21 March 2006

First Legal Charge over 7-9 Pelham Place, Hastings granted by Stade Developments (Hastings) Limited dated 28 February 2005

First Legal Charge over The Stade, Hastings granted by Stade Developments (Hastings) Limited dated 28 February 2005

First Legal Charge over George Street, Hastings granted by Stade Developments (Hastings) Limited dated 1 June 2005

First Legal Charge over Fantasy Forest, Scarborough granted by Stade Developments (Hastings) Limited dated 17 March 2008

First Legal Charge over the leasehold property demised under the Overhang Lease (title number NK 295979), granted by Stade Developments (Hastings) Limited dated 29 February 2008

First Legal Charge over 5-7 Foreshore Road, Scarborough granted by Stade Developments (Hastings) Limited dated 9th December 2009

All monies Debenture granted by Stade Developments (Hastings) Limited over the whole assets of the company dated 31 October 2003, registered 6 November 2003

A personal guarantee of £3,950,000 given by the director Mr H C Moreton

Hire purchase liabilities are secured by the asset which has been financed

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

	2010 £	2009 £
Between one and five years	46,695	38,305

STADE DEVELOPMENTS (HASTINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2010**

16. Deferred tax asset

	2010	2009
	£	£
At beginning of year/9 month period	81,167	81,167
Released during year/9 month period	36,424	-
	<hr/>	<hr/>
At end of year/9 month period	117,591	81,167
	<hr/>	<hr/>

The deferred tax asset is made up as follows

	2010	2009
	£	£
Accelerated capital allowances	(72,703)	(90,816)
Tax losses carried forward	190,294	171,983
	<hr/>	<hr/>
	117,591	81,167
	<hr/>	<hr/>

17. Share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
180,999 Ordinary shares of £1 each	180,999	180,999
	<hr/>	<hr/>

18. Reserves

	Revaluation reserve	Profit and loss account
	£	£
At 1 December 2009	4,887,060	(330,536)
Loss for the year	-	(907,208)
Transfer between Revaluation reserve and P/L account	(242,804)	242,804
	<hr/>	<hr/>
At 30 November 2010	4,644,256	(994,940)
	<hr/>	<hr/>

19 Reconciliation of movement in shareholders' funds

	2010	2009
	£	£
Opening shareholders' funds	4,737,523	4,543,373
(Loss)/profit for the year/9 month period	(907,208)	194,150
	<hr/>	<hr/>
Closing shareholders' funds	3,830,315	4,737,523
	<hr/>	<hr/>

STADE DEVELOPMENTS (HASTINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

20. Operating lease commitments

At 30 November 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date.		
Within 1 year	32,927	21,000
Between 2 and 5 years	375	375
After more than 5 years	145,802	145,802
	<u>179,104</u>	<u>167,177</u>

21. Directors' benefits: advances, credit and guarantees

During the period Mr H C Moreton loaned the company £63,344 (2009 £363,175) Interest is payable on the loan at 2% above the base rate value There is no formal repayment date on the loan however £114,000 (2009 £114,000) is assumed to be repaid within one year The amount owed to Mr H C Moreton at the period end was

	2010	2009
	£	£
Amount owed to Mr H C Moreton	<u>671,450</u>	<u>864,448</u>

22 Related party transactions

In accordance with Financial Reporting Standard No 8 'Related Party Disclosures', transactions with other group undertakings of The Cornshire Group Limited, a company incorporated in England and Wales, have not been disclosed in these financial statements as the company is a wholly owned subsidiary of a parent entity publishing group financial statements

During the period rental income and a recharge of rates and licence fees amounting to £130,295 (2009 £94,626) was received from Flamingo Park Limited At 30 November 2010 the company was owed £3,405 (2009 £23,792) by Flamingo Park Limited The companies are related through family connections of Mr H C Moreton

During the period various overheads amounting to £41,000 (2009 £35,363) were charged by Property Investments The director Mr H C Moreton is a partner in Property Investments

23. Post balance sheet events

Since the year end the directors have sold part of the company's freehold and leasehold property for a total consideration of £6.1 million As a result it has enabled the company to reduce its bank borrowings by approximately £6.1 million

24. Ultimate parent undertaking and controlling party

The parent company and controlling related party is Cornshire Limited The ultimate controlling party is Mr H C Moreton by virtue of his controlling interest in the parent company