

1069897

**LADBROKE LAND LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

TUESDAY



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

Directors	J C Baty M J Noble V Parmar A R Wyatt	(appointed 30 July 2008) (resigned 29 February 2008)
Secretary	Ladbroke Corporate Secretaries Limited	
Registered office	Imperial House, Imperial Drive, Rayners Lane, Harrow, Middlesex, HA2 7JW	
Company registration no	<b>1069897</b>	

The directors present their report and the company's financial statements for the year ended 31 December 2007

**RESULTS AND DIVIDENDS**

The financial statements for the year show a loss of £582,099 (2006 profit of £282,973)

The directors do not recommend a dividend for 2007 (2006 £nil)

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

During the year the company continued to provide managerial and administrative services for Ladbroke Group Properties Limited subsidiary companies

The company's key financial performance indicators during the year were as follows

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
(Loss)/profit after tax	(582,099)	282,973
Intercompany debtors	94,068,060	90,651,881
Intercompany creditors	(90,068,444)	(85,855,489)
Shareholders' funds	4,000,645	4,582,744

**PRINCIPAL RISKS AND UNCERTAINTIES**

Ladbroke plc reviews and evaluates key risks and uncertainties faced by the group as part of the divisional reviews undertaken at its regular board meetings. The impact of risks and uncertainties of the company is considered as part of this review process.

**FUTURE DEVELOPMENTS**

The company does not anticipate any change in its activities in the forthcoming year.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)****DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During the year Ladbrokes plc purchased and maintained on behalf of the company liability insurance for its directors and officers as permitted by section 310 (3) of the Companies Act 1985

**DISCLOSURE OF INFORMATION TO THE AUDITORS**

Each of the directors in office as of the date of approving this report confirm that so far as they are aware, there is no relevant audit information (being information needed by the auditor in connection with preparing its report) of which the auditor is unaware and that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

By Order of the Board



Ladbroke Corporate Secretaries Limited  
Secretary

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

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.

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 to 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LADBROKE LAND LIMITED**

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We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of 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 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.

**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.

*Ernst & Young LLP*  
Ernst & Young LLP  
Registered auditor  
London  
12 August 2008

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

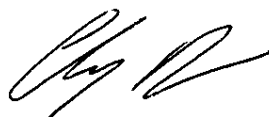
	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
<b>TURNOVER</b>	2	303,299	338,720
Cost of sales		(258,104)	(296,461)
<b>OPERATING PROFIT</b>	3	45,195	42,259
Interest receivable	4	4,644,940	4,514,295
Interest payable	5	(5,272,234)	(4,273,581)
<b>(LOSS)/PROFIT BEFORE TAXATION ON ORDINARY ACTIVITIES</b>		<u>(582,099)</u>	<u>282,973</u>
Taxation	7	-	-
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	11	<u>(582,099)</u>	<u>282,973</u>

Turnover and operating profit derive entirely from continuing operations

There are no recognised gains or losses other than the loss for the year

## BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 £	2006 £
<b>CURRENT ASSETS</b>			
Debtors	8	94,068,366	90,652,510
Cash in hand and at bank		22,494	-
		<hr/>	<hr/>
		94,090,860	90,652,510
<b>CREDITORS - amounts falling due within one year</b>	9	<u>(90,089,944)</u>	<u>(86,069,766)</u>
<b>NET CURRENT ASSETS</b>		<hr/> 4,000,916	<hr/> 4,582,744
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>4,000,916</b>	<hr/> <b>4,582,744</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Profit and loss account	11	4,000,643	4,582,742
		<hr/>	<hr/>
Equity shareholders' funds	11	<b>4,000,645</b>	<b>4,582,744</b>
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J C Baty  
Director

12 AUGUST 2008

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007****1. ACCOUNTING POLICIES****(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

The accounting policies adopted by the company are set out below and are consistent with those of the previous financial year

**(b) Pension scheme**

Contributions are made to Ladbrokes plc's pension scheme and, though the Ladbrokes plc Scheme is a multi-employer defined benefit scheme, it is accounted for in the books of Ladbroke Land Limited as a defined contribution scheme as a fixed contribution is made to the scheme and any surpluses or deficits are accounted for by the ultimate parent company

**(c) Taxation**

No provision for taxation has been made, as an undertaking has been received from the company's ultimate holding company, Ladbrokes plc, that the latter will assume all liabilities for taxation, including those amounts arising as a result of the reversal of timing differences

**2. TURNOVER**

Turnover, which represents management fees received from group companies, arose wholly in the United Kingdom.

**3. AUDIT FEES**

The audit fee for 2007 of £1,300 (2006 £1,300) has been borne by another group company

**4. INTEREST RECEIVABLE**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
From group companies	4,644,940	4,514,295
	<hr/>	<hr/>



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

## 5. INTEREST PAYABLE

	2007 £	2006 £
To group companies	5,272,234	4,273,581

## 6. DIRECTORS AND EMPLOYEES

## (a) Directors' emoluments

The directors' emoluments are borne entirely by other group undertakings and it is not practicable to estimate what portion of their emoluments are attributable to this subsidiary. The directors, all of whom were members of the Ladbrokes Pension Plan, a defined benefit scheme, received total remuneration for the year of £541,817 (2006 £433,558)

## (b) Staff costs and numbers

	2007	2006
Average number of persons employed		
Administration	2	3
	£	£
Employment costs		
Wages and salaries	179,977	225,137
Social security costs	19,797	28,237
Pension costs	29,564	35,964
	229,338	289,338

## 7. TAXATION

No provision has been made in these financial statements for UK corporation tax, as an undertaking has been received from its ultimate holding company, Ladbrokes plc, that the latter will assume all liabilities for any such taxation.

There are no amounts of deferred taxation required to be indemnified in respect of any material timing differences for 2007 or 2006.

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

## 8. DEBTORS

	2007 £	2006 £
Amounts due from group companies	94,068,060	90,651,881
Value added tax	306	629
	<u>94,068,366</u>	<u>90,652,510</u>

## 9. CREDITORS – amounts falling due within one year

	2007 £	2006 £
Bank overdraft	-	146,601
Trade creditors	-	4,822
Amounts due to group companies	90,068,444	85,855,489
Accruals and deferred income	21,500	62,854
	<u>90,089,944</u>	<u>86,069,766</u>

Amounts due to group companies are included under amounts falling due within one year where there are no specified terms as to their repayment and recoverability. While amounts due to group companies are technically repayable on demand and hence are included in creditors falling due within one year, the directors are of the opinion that, in the ordinary course of business, repayment within such a timescale would not be required.

## 10. CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2007 £	2006 £	2007 £	2006 £
Ordinary shares of £1 each	100	100	2	2

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

## 11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit & loss account £	Total £
At 1 January 2006	2	4,299,769	4,299,771
Profit for the year	-	282,973	282,973
At 1 January 2007	2	4,582,742	4,582,744
Loss for the year	-	(582,099)	(582,099)
At 31 December 2007	2	4,000,643	4,000,645

## 12. CONTINGENT LIABILITIES

The company has jointly and severally guaranteed the value added tax liability of Ladbroke plc group companies within the group registration, which amounted to approximately £6.1 million at 31 December 2007 (2006 £4.8 million)

Under the terms of cross guarantee agreements, the company has jointly and severally guaranteed the liabilities of certain other Ladbroke plc group companies in respect of their current financial statements held with UK clearing banks. The amounts under the guarantees are limited to any credit balances on current financial statements held by the company with these banks. At 31 December 2007, the aggregate amount of such credit bank balances was £22,494 (2006 £nil)

## 13. CASH FLOW STATEMENT

The company has taken advantage of the provision of FRS1, which exempts subsidiary undertakings from preparing a cash flow statement where 90% or more of the voting rights are controlled within the group. The ultimate parent company, Ladbroke plc, has included the required consolidated cash flow statement within its consolidated financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007****14. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the provision of FRS8, which exempts subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from disclosing transactions with other entities within the group

The ultimate parent undertaking, Ladbroke plc, has included the required related party disclosures within its group financial statements

**15. ULTIMATE PARENT UNDERTAKING**

The ultimate parent company is Ladbroke plc, a company registered in England and Wales, the financial statements of which are available from the registered office of that company at Imperial House, Imperial Drive, Rayners Lane, Harrow, Middlesex HA2 7JW

Ladbroke plc is the parent undertaking of the only group of undertakings for which group financial statements are prepared and of which the company is a member

The company's immediate parent is Ladbroke Group Properties Limited, a company registered in England and Wales