

Adare Lexicon Limited

Directors' report and
financial statements

Year ended 31 October 2010

Registered Number 3014889

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Adare Lexicon Limited

Directors and financial statements

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Adare Lexicon Limited

Directors' report and other information

Directors	R Whiteside K Herbert
Secretary	Marrons Consultancies Limited
Registered office	1 Meridian South Meridian Business Park Leicester LE19 1WY England
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
Solicitors	Marrons 1 Meridian South Meridian Business Park LE19 1WY England
Bankers	The Bank of Scotland 116 Wellington Street Leeds LS1 4LT England

Adare Lexicon Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 October 2010

Results and dividends

The profit for the year, after taxation, amounted to £177,000 (*18 month period ended 31 October 2009 £342,000*) The directors do not recommend the payment of a dividend (*18 month period ended 31 October 2009 £Nil*)

Principal activity and review of the business

The company has not traded in the current year or preceding financial period and the directors have no intention of recommencing trading in the foreseeable future

During the year, the directors considered the carrying value of the company's land and deemed this to be impaired This resulted in an impairment write-down of £400,000 being charged to the profit and loss account during the year.

Risks and uncertainties

In the opinion of the directors, there are no significant risks and uncertainties impacting the company

Directors, secretary and their interests

Mr R Whiteside and Mr K Herbert were directors of the company's ultimate parent undertaking, ACICS Limited, at 31 October 2010 and their interests are disclosed in that company's financial statements

Post balance sheet events

There were no post balance sheet events impacting the company

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Adare Lexicon Limited

Directors' report (*continued*)

Auditor

Pursuant to Section 487 of the Companies Act, 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office

On behalf of the board



K Herbert
Director

5 January 2011

Adare Lexicon Limited

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 period. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgements 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, and
- 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 its financial statements comply with the Companies Act, 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board



K Herbert
Director



KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Adare Lexicon Limited

We have audited the financial statements of Adare Lexicon Limited for the year ended 31 October 2010 which set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at <http://www.frc.org.uk/apb/scope/UKNP>.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act, 2006



Independent auditor's report to the members of Adare Lexicon Limited
(continued)

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

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Tom McEvoy (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

5 January 2011

Adare Lexicon Limited

Statement of accounting policies

for the year ended 31 October 2010

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in England and Wales

Cash flow statement

The company has availed of the exemption available in FRS 1 - Cash Flow Statements (Revised), not to present a cash flow statement as it is a wholly owned subsidiary undertaking of ACICS Limited, a company incorporated in England which prepares a consolidated cash flow statement which includes the cash flows of this company

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows.

Freehold property	-	50 years
Fixtures and fittings	-	5 years
Plant and machinery	-	3-7 years

Land is not depreciated

Depreciation is charged on new assets in the month following satisfactory commissioning. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Investment properties

Investment properties are revalued annually and are not depreciated or amortised. Where the valuation indicates a permanent diminution in the value of the property, the permanent diminution is charged to the profit and loss account to the extent that the deficit on revaluation exceeds any previous revaluation reserve relating to the property.

Taxation

Corporation tax is calculated based on the taxable profits for the period. 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 that result in an obligation to pay more, or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets
- 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 difference can be deducted

Deferred tax is measured on a non-discounted 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.

Adare Lexicon Limited

Profit and loss account for the year ended 31 October 2010

	Notes	Year ended 31 October 2010 £'000	18 month period ended 31 October 2009 £'000
Discontinued operations			
Administrative expenses		(23)	(194)
Impairment of tangible fixed asset	5	(400)	-
		<hr/>	<hr/>
Operating loss	1	(423)	(194)
Interest receivable	2	814	1,053
Interest payable	3	(4)	(5)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		387	854
Tax on profit on ordinary activities	4	(210)	(512)
		<hr/>	<hr/>
Profit retained for the financial period	12	177	342
		<hr/>	<hr/>

The company had no recognised gains and losses in the current year and preceding financial period other than those dealt with in the profit and loss account above

On behalf of the board



K Herbert
Director

Adare Lexicon Limited

Balance sheet at 31 October 2010

	<i>Notes</i>	31 October 2010 £'000	31 October 2009 £'000
Fixed assets			
Tangible assets	5	-	1,648
Investment property	6	1,237	-
		<hr/>	<hr/>
		1,237	1,648
		<hr/>	<hr/>
Current assets			
Debtors	7	11,264	11,191
Creditors: amounts falling due within one year	9	(480)	(968)
		<hr/>	<hr/>
Net current assets		10,784	10,223
		<hr/>	<hr/>
Total assets less current liabilities		12,021	11,871
		<hr/>	<hr/>
Provision for liabilities and charges	10	-	(27)
		<hr/>	<hr/>
Net assets		12,021	11,844
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	12,021	11,844
		<hr/>	<hr/>
Shareholders' funds	13	12,021	11,844
		<hr/>	<hr/>

On behalf of the board



K Herbert
Director

Adare Lexicon Limited

Notes

forming part of the financial statements

1 Operating loss

	Year ended 31 October 2010 £'000	18 month period ended 31 October 2009 £'000
Operating loss is stated after charging		
Depreciation of tangible fixed assets		
- owned	3	55
Impairment of tangible fixed asset	400	-
Auditor's remuneration	-	-
Directors' remuneration	-	-
Loss on disposal of fixed assets	8	-

The audit fee is borne by a fellow group undertaking (18 month period ended 31 October 2009 same)

2 Interest receivable

	Year ended 31 October 2010 £'000	18 month period ended 31 October 2009 £'000
From other group undertakings	814	1,042
From third parties	-	11
	<u>814</u>	<u>1,053</u>

3 Interest payable

	Year ended 31 October 2010 £'000	18 month period ended 31 October 2009 £'000
On bank overdrafts	4	5

Adare Lexicon Limited

Notes (continued)

4 Tax on profit on ordinary activities

(a) Analysis of charge in period

	Year ended 31 October 2010 £'000	18 month period ended 31 October 2009 £'000
<i>Current tax</i>		
UK corporation tax on profits for the period	223	240
Adjustments to tax charge in respect of prior periods	14	(4)
	<hr/>	<hr/>
Total current tax (note 4 (b))	237	236
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 10)	(27)	276
	<hr/>	<hr/>
Tax on profit on ordinary activities	210	512
	<hr/>	<hr/>

(b) Factors affecting current tax charge in period

The tax assessed for the year is higher (*18 month period ended 31 October 2009 lower*) than the standard rate of corporation tax in the United Kingdom. The differences are explained below

	Year ended 31 October 2010 £'000	18 month period ended 31 October 2009 £'000
Profit on ordinary activities before tax	387	854
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (<i>18 month period ended 31 October 2009 28%</i>)	108	239
<i>Effects of</i>		
Expenses not deductible for tax purposes	3	12
Depreciation in excess of capital allowances	-	3
Impairment of tangible fixed asset	112	-
Other timing differences	-	(14)
Adjustments to tax charge in respect of prior periods	14	(4)
	<hr/>	<hr/>
Current tax charge for period (note 4 (a))	237	236
	<hr/>	<hr/>

Adare Lexicon Limited

Notes (continued)

5 Tangible fixed assets	Freehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 31 October 2009	1,992	205	2,197
Transfer to investment property (note 6)	(1,992)	-	(1,992)
Disposals	-	(205)	(205)
	<hr/>	<hr/>	<hr/>
At 31 October 2010	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation/impairment			
At 31 October 2009	353	196	549
Depreciation charged during the year	2	1	3
Impairment charged during the year *	400	-	400
Transfer to investment property (note 6)	(755)	-	(755)
Disposals	-	(197)	(197)
	<hr/>	<hr/>	<hr/>
At 31 October 2010	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 October 2010	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 2009	1,639	9	1,648
	<hr/>	<hr/>	<hr/>

- * During the year, the directors considered the carrying value of the land held by the company and deemed this to be impaired. This resulted in an impairment charge of £400,000 being charged to the profit and loss account in the year. This land was subsequently transferred to investment property (see note 6) as it is not used by the company and is held for sale.

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Notes (continued)

6 Investment properties	31 October 2010 £'000
<i>At cost/valuation</i>	
At beginning of year	-
Transferred from tangible fixed assets (note 5)	1,237
	<hr/>
At end of year	1,237
	<hr/>

The company holds an investment property in Shipley, West Yorkshire. Subsequent to a valuation undertaken by the directors during the year (prior to its transfer from tangible fixed assets), the company wrote down the carrying value of its property by £400,000 reflecting the impact of the general economic conditions on the open market value of the property.

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Attention is drawn to the risks associated with the valuation of investment properties, particularly at the current time. The property valuations have been prepared in a period of continuing market uncertainty. This has resulted in a reduced quantity of properties being sold and little market activity in some areas. The lack of market activity has meant that valuations may not have as high a degree of certainty as would be the case in a more stable market and may affect the ultimate value of the property. Notwithstanding the increased level of uncertainty in property markets generally at present, the directors are satisfied with the basis upon which these valuations have been prepared.

7 Debtors	31 October 2010 £'000	31 October 2009 £'000
Amounts falling due within one year		
Prepayments and other debtors	1	42
Amounts owed by parent undertaking	8,653	8,764
Amounts owed by fellow group undertakings	2,610	2,385
	<hr/>	<hr/>
	11,264	11,191
	<hr/>	<hr/>

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Notes (continued)

8 Deferred tax (liability)/asset	31 October 2010 £'000	31 October 2009 £'000
At beginning of period	(27)	249
Credited/(charged) to profit and loss account in period (note 4(a))	27	(276)
	<hr/>	<hr/>
At end of period	-	(27)
	<hr/>	<hr/>
<i>Deferred tax (liability)/asset arise as follows</i>		
Other timing differences	-	-
Accelerated capital allowances	-	(27)
	<hr/>	<hr/>
	-	(27)
	<hr/>	<hr/>
9 Creditors: amounts falling due within one year	31 October 2010 £'000	31 October 2009 £'000
Bank overdraft	3	193
Trade creditors	-	29
Amounts owed to fellow group undertakings	254	506
Corporation tax	223	240
	<hr/>	<hr/>
	480	968
	<hr/>	<hr/>
10 Provision for liabilities and charges	Deferred tax 31 October 2010 £'000	Total 31 October 2010 £'000
At beginning of year	27	27
Credited in year (note 8)	(27)	(27)
	<hr/>	<hr/>
At end of period	-	-
	<hr/>	<hr/>

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Notes (continued)

11 Share capital	31 October 2010 £'000	31 October 2009 £'000
<i>Authorised, allotted, called up and fully paid</i> 1 ordinary share of £1	-	-
12 Profit and loss account	31 October 2010 £'000	31 October 2009 £'000
At beginning of period	11,844	11,502
Profit for the period	177	342
At end of period	12,021	11,844
13 Reconciliation of shareholders' funds	31 October 2010 £'000	31 October 2009 £'000
At beginning of period	11,844	11,502
Total recognised gains and losses for the financial period	177	342
At end of period	12,021	11,844

14 Bank and other security

The bank loans, bank overdraft and loan notes of the ACICS Limited group are secured by way of a first debenture from certain group undertakings (including Adare Lexicon Limited) comprising a legal charge over properties owned by the group and a floating charge over all of the assets of such undertakings together with intergroup cross guarantees from certain group undertakings

15 Ultimate parent undertaking

The company's immediate parent undertaking is Adare Group Limited and its ultimate parent undertaking is ACICS Limited. All of these companies are incorporated in England and Wales.

The only consolidated financial statements in which the results of Adare Lexicon Limited at 31 October 2010 are included is that of ACICS Limited. Copies of the consolidated financial statements of ACICS Limited are filed at Companies House, Crown Way, Cardiff.

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Notes *(continued)*

16 Related party transactions

In accordance with FRS 8, the company has not disclosed its transactions with other group companies as its results are consolidated into the financial statements of its ultimate parent company which are publicly available

17 Approval of financial statements

The financial statements were approved by the directors on 5 January 2011