

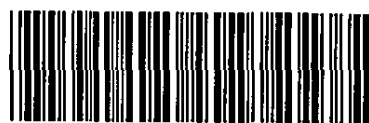
**SJC 15 Limited**

**Directors' report and consolidated  
financial statements**

**Registered number 03377811**

**31 December 2009**

**TUESDAY**



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## **Company information**

**Directors** SPD Akins  
GH Akins, Junior

**Secretary** SPD Akins

**Registered office** 6 Bottle Lane  
Nottingham  
NG1 2HL

**Registered number** 03377811

**Auditors** KPMG LLP  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

## **Directors' report**

The directors present their report and financial statements of the group for the year ended 31 December 2009

### **Principal activities**

The principal activities of the group during the year were in the leisure industry and property development. These activities included the operation of bars and nightclubs and promotion of musical entertainment, the operation of betting shops and property investment, management and development.

### **Business review and risks**

#### *Holding company*

The company is the holding company for the leisure and property groups.

Underlying turnover fell in the year by 13% although gross profit has increased by 9% as a full year of rentals were received on the group's recent major property developments, unprofitable operations were closed and the event promotion business delivered improved results.

Risks include those commercial in nature relating to its subsidiary businesses. Competitive pressure in the UK is a continuing risk for the group along with growth in competition, changes in consumer taste, and the downturn in national economic landscape. The group manages this risk by providing innovative solutions and outstanding quality. We continually work to develop an understanding of our customers' needs. Our businesses' core values help to ensure that we meet these objectives.

#### *Property investment, management and development*

No significant developments were started or completed in the year. The development of the properties presents both construction and commercial risks relating to the letting and investment markets.

#### *Casino*

The company benefits from the ownership of a Casino gaming Licence although during the year the group did not open its Victoria Club casino operation.

#### *Night clubs and event promotion*

During the year the division returned to net profits as a result of previous investments in external promotions. The risks to the business are commercial growth in competition, changes in consumer taste and continuing nervousness in the national economic landscape.

### **Results**

The result for the year after taxation amounted to a loss of £4,113,066 (2008 £395,755 loss).

During the year the directors have not recommended the payment of a dividend (2008 £nil).

### **Directors**

SPD Akins  
GH Akins Junior

## **Directors' report** *(continued)*

### **Employee involvement**

The maintenance of a highly skilled workforce is essential to the future of the group. Every effort is made to ensure the future career development of existing staff, particularly in areas of new technology and quality. The health and safety at work of all employees is constantly reviewed by the directors to ensure the high standard set in previous year is maintained. It is also their policy to ensure that

- Full and fair consideration is given to all applicants for employment, irrespective of colour or creed
- Disabled persons are given equal consideration for employment, training, career development and promotional opportunities within the group. In cases where existing employees become disabled (whether from illness or accident) every effort will be made to continue their employment, in the same or some other job more suited to their disability

Every effort is made to constantly review and implement action with regard to

- Youth training – in order to seek the best applicants for full employment
- Adult training – to maintain full employment for existing employees

Considerable importance is placed on regular and informal consultation with all sections of the workforce

The group has complied with statutory minimum wage requirements

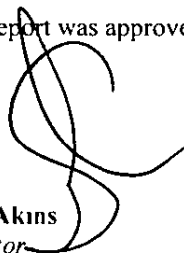
### **Disclosure of information to auditors**

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 auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

### **Auditors**

Cooper Parry LLP resigned as auditors during the year and KPMG LLP were appointed. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

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



**SPD Akins**  
*Director*

21 June 2010

## **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 year. Under that law they have elected to prepare the group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and to prevent and detect fraud and other irregularities



## **Report of the independent auditors to the members of SJC 15 Limited**

We have audited the financial statements of SJC 15 Limited for the year ended 31 December 2009 set out on pages 6 to 21. 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 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 Directors' Responsibilities Statement set out 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 applicable law 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 web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's loss 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.

### **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 by the parent company or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

**Philip Charles** (*Senior Statutory Auditor*)

*for and on behalf of KPMG LLP, Statutory Auditor*

*Chartered Accountants*

St Nicholas House

Park Row

Nottingham NG1 6FQ

21 June 2010

**Consolidated profit and loss account**  
*for the year ended 31 December 2009*

|  | <i>Note</i> | <b>2009</b><br><b>£000</b> | 2008<br>£000 |
|--|-------------|----------------------------|--------------|
| <b>Turnover</b>                                    | 2           | <b>12,315</b>              | 14 136       |
| Cost of sales                                      |             | <b>(4,947)</b>             | (8 143)      |
| <b>Gross profit</b>                                |             | <b>7,368</b>               | 5 993        |
| <i>Administrative expenses</i>                     |             |                            |              |
| - other  |             | (5,240)                    | (4,834)      |
| - exceptional                                      | 11          | (5,308)                    | -            |
| Total administrative expenses                      |             | <b>(10,548)</b>            | (4,834)      |
| Other operating income                             |             | -                          | 92           |
| <b>Operating (loss) / profit</b>                   | 3           | <b>(3,180)</b>             | 1 251        |
| Profit on disposal of fixed assets                 |             | 161                        | -            |
| Interest receivable and similar income             | 6           | -                          | 111          |
| Interest payable and similar charges               | 7           | (1,683)                    | (1 758)      |
| <b>Loss on ordinary activities before taxation</b> |             | <b>(4,702)</b>             | (396)        |
| Tax on loss on ordinary activities                 | 8           | 589                        | -            |
| <b>Loss for the financial year</b>                 | 20          | <b>(4,113)</b>             | (396)        |

In both the current and preceding year the group made no material acquisitions and had no discontinued operations

**Consolidated statement of total recognised gains and losses**  
*for the year ended 31 December 2009*

|   | <i>Note</i> | <b>2009</b><br><b>£000</b> | 2008<br>£000 |
|---|-------------|----------------------------|--------------|
| Loss for the financial year after taxation                    |             | <b>(4,113)</b>             | (396)        |
| Unrealised (deficit) / surplus on revaluation of properties   | 20          | (1,405)                    | 1 041        |
| <b>Total recognised gains and losses relating to the year</b> |             | <b>(5,518)</b>             | 645          |

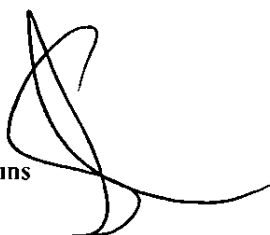


**Consolidated balance sheet**  
*as at 31 December 2009*

|   | Note | 2009<br>£000 | 2009<br>£000  | Restated<br>2008<br>£000 | Restated<br>2008<br>£000 |
|---|------|--------------|---------------|--------------------------|--------------------------|
| <b>Fixed assets</b>   |      |              |               |                          |                          |
| Intangible fixed assets                                       | 9    |              | -             |                          | -                        |
| Tangible fixed assets   | 10   |              | 4,172         |                          | 3,327                    |
| Investment property   | 11   |              | 47,407        |                          | 54,672                   |
|   |      |              | <u>51,579</u> |                          | <u>57,999</u>            |
| <b>Current assets</b>   |      |              |               |                          |                          |
| Stock and work in progress                                    | 14   | 717          |               | 1,587                    |                          |
| Debtors   | 15   | 4,253        |               | 2,707                    |                          |
| Cash at bank and in hand                                      |      | 584          |               | 814                      |                          |
|   |      | <u>5,554</u> |               | <u>5,108</u>             |                          |
| <b>Creditors</b> amounts falling due within one year          | 16   | (10,482)     |               | (12,811)                 |                          |
| <b>Net current liabilities</b>                                |      |              | (4,928)       |                          | (7,703)                  |
| <b>Total assets less current liabilities</b>                  |      |              | <u>46,651</u> |                          | <u>50,296</u>            |
| <b>Creditors</b> amounts falling due after more than one year | 17   |              | (22,786)      |                          | (21,000)                 |
| <b>Provisions for liabilities</b>                             | 18   |              | (87)          |                          | -                        |
| <b>Net assets</b>   |      |              | <u>23,778</u> |                          | <u>29,296</u>            |
| <b>Capital and reserves</b>                                   |      |              |               |                          |                          |
| Called up share capital                                       | 19   |              | 833           |                          | 833                      |
| Share premium account   | 20   |              | 7,391         |                          | 7,391                    |
| Revaluation reserve   | 20   |              | 7,836         |                          | 9,241                    |
| Merger reserve  | 20   |              | -             |                          | -                        |
| Profit and loss account                                       | 20   |              | 7,718         |                          | 11,831                   |
| <b>Shareholders' funds</b>                                    | 21   |              | <u>23,778</u> |                          | <u>29,296</u>            |

The financial statements were approved by the board on 21 June 2010 and were signed on its behalf by

**SPD Akins**  
Director



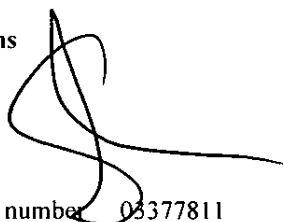
Company number 03377811

**Company balance sheet**  
*as at 31 December 2009*

|  | <i>Note</i> | <b>2009</b>  | <b>2008</b>    |
|--|-------------|--------------|----------------|
|  |             | <b>£000</b>  | <b>£000</b>    |
| <b>Fixed assets</b>                                  |             |              |                |
| Tangible assets                                      | 10          | 1,700        | 857            |
| Fixed asset investments                              | 12          | 5,233        | 8 335          |
|  |             | <u>6,933</u> | <u>9 192</u>   |
| <b>Current assets</b>                                |             |              |                |
| Debtors  | 15          | 1,496        | -              |
| <b>Creditors</b> amounts falling due within one year | 16          | (10)         | (1 071)        |
|  |             | <u>1,486</u> | <u>(1,071)</u> |
| <b>Net current assets/(liabilities)</b>              |             |              |                |
|  |             | <u>8,419</u> | <u>8 121</u>   |
| <b>Total assets less current liabilities</b>         |             |              |                |
| <b>Provisions for liabilities</b>                    | 18          | (87)         | -              |
|  |             | <u>8,332</u> | <u>8 121</u>   |
| <b>Net assets</b>                                    |             |              |                |
|  |             | <u>8,332</u> | <u>8 121</u>   |
| <b>Capital and reserves</b>                          |             |              |                |
| Called up share capital                              | 19          | 833          | 833            |
| Share premium account                                | 20          | 7,391        | 7 391          |
| Revaluation reserve                                  | 20          | 843          | -              |
| Profit and loss account                              | 20          | (735)        | (103)          |
|  |             | <u>8,332</u> | <u>8 121</u>   |
| <b>Net assets</b>                                    | 21          | <u>8,332</u> | <u>8 121</u>   |

The financial statements were approved by the board on 21 June 2010 and were signed on its behalf by

**SPD Akins**  
*Director*



Company number 03377811

**Consolidated cash flow statement**  
*for the year ended 31 December 2009*

|   | <i>Note</i> | <b>2009</b><br><b>£000</b> | <b>2008</b><br><b>£000</b> |
|---|-------------|----------------------------|----------------------------|
| Net cash flow from operating activities         | 22          | <b>1,889</b>               | 1 950                      |
| Returns on investments and servicing of finance | 23          | <b>(1,683)</b>             | (1,647)                    |
| Taxation  |             | <b>214</b>                 | (220)                      |
| Dividends paid                                  |             | -                          | -                          |
| Capital expenditure and financial investment    | 23          | <b>(306)</b>               | (2,825)                    |
| Financing                                       | 23          | <b>2,000</b>               | -                          |
| Increase/(decrease) in cash in the year         | 24          | <b>2,114</b>               | (2 742)                    |

**Reconciliation of net cash flow to movement in net debt**  
*for the year ended 31 December 2009*

|   | <i>Note</i> | <b>2009</b><br><b>£000</b> | <b>2008</b><br><b>£000</b> |
|---|-------------|----------------------------|----------------------------|
| Increase/(decrease) in cash in the year       |             | <b>2,114</b>               | (2 742)                    |
| Cash flow from change in debt financing       |             | <b>(2,000)</b>             | -                          |
| Changes in net debt resulting from cash flows |             | <b>114</b>                 | (2 742)                    |
| Opening net debt                              |             | <b>(25,840)</b>            | (23,098)                   |
| Closing net debt                              | 24          | <b>(25,726)</b>            | (25 840)                   |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements

#### *Basis of preparation of financial statements*

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention, as modified by the revaluation of freehold investment properties

The group financial statements incorporate the results of the group's subsidiary undertakings up to 31 December 2009. A separate profit and loss account for the holding company has not been presented as provided by s408 of the Companies Act 2006

#### *Turnover*

Turnover comprises revenue recognised by the group in respect of goods and services supplied and rent receivable, exclusive of value added tax

Benefits given as incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

#### *Intangible fixed assets*

Purchased goodwill and trademarks are stated at cost less amortisation. Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

|           |                   |
|-----------|-------------------|
| Goodwill  | 5% straight line  |
| Trademark | 20% straight line |

#### *Tangible fixed assets*

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

|                       |  |
|-----------------------|--|
| Freehold property     | 2% straight line                       |
| Leasehold property    | Over the period of the lease           |
| Plant and machinery   | 20% straight line                      |
| Motor vehicles        | 25% straight line and reducing balance |
| Fixtures and fittings | 10% to 25% straight line               |

No depreciation is provided in the year of acquisition whilst a full year's depreciation is provided in the year of disposal

#### *Investment properties*

In accordance with Statement of Standard Accounting Practice No 19 Accounting for investment properties

- i) investment properties are revalued annually at open market values. Surpluses and deficits arising and the aggregate surplus or deficit is transferred to the revaluation reserve except that any permanent diminution in the value of an investment property is taken to the profit and loss account for the period, and
- ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run

This treatment, as regards certain of the Company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. These properties are primarily for investment and the Directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified

## Notes (continued)

### 1 Accounting policies (continued)

#### *Operating leases*

Rentals under operating leases are charged on a straight line basis over the lease term

#### *Stock and work in progress*

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

Work in progress is valued at the lower of cost and estimated net realisable value and is disclosed after deduction of provisions for known and expected losses

Included in the cost of work in progress are finance costs incurred in the construction of the work in progress. At 31 December 2009 these amounted to £nil (2008 £nil)

#### *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

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

#### *Pensions*

The group makes payments into employee personal pension plans. The pension charge represents the amounts payable by the group to these plans in respect of the year

### 2 Turnover

The turnover and result before taxation are attributable to the principal activities of the group and relate to sales in the United Kingdom

### 3 Operating profit

The operating profit is stated after charging/(crediting)

|   | 2009<br>£000 | 2008<br>£000 |
|---|--------------|--------------|
| Depreciation of owned fixed assets                                | 262          | 665          |
| Impairment of goodwill  | -            | 147          |
| Lease costs – land and buildings                                  | 45           | 79           |
| Profit on sale of tangible fixed assets                           | 161          | 7            |
|   | <hr/>        | <hr/>        |
| <i>Auditors' remuneration</i>                                     |              |              |
| Audit of these financial statements                               | 5            | 5            |
| Amounts receivable by auditors and their associates in respect of |              |              |
| - audit of subsidiaries   | 41           | 33           |
| - other services in respect of taxation                           | 13           | 33           |
| - all other services  | -            | 5            |
|   | <hr/>        | <hr/>        |

**Notes (continued)**

**4 Staff costs**

|                       | <b>2009</b>         | <b>2008</b>  |
|-----------------------|---------------------|--------------|
|                       | <b>£000</b>         | <b>£000</b>  |
| Wages and salaries    | <b>2,433</b>        | 2 275        |
| Social security costs | <b>163</b>          | 150          |
|                       | <u><b>2,596</b></u> | <u>2,425</u> |

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

|                | <b>2009</b>       | <b>2008</b>   |
|----------------|-------------------|---------------|
|                | <b>Number</b>     | <b>Number</b> |
| Entertainment  | <b>139</b>        | 251           |
| Administration | <b>11</b>         | 10            |
|                | <u><b>150</b></u> | <u>261</u>    |

**5 Directors' remuneration**

|            | <b>2009</b> | <b>2008</b> |
|------------|-------------|-------------|
|            | <b>£000</b> | <b>£000</b> |
| Emoluments | <u>-</u>    | <u>-</u>    |

**6 Interest receivable and similar income**

|                     | <b>2009</b> | <b>2008</b> |
|---------------------|-------------|-------------|
|                     | <b>£000</b> | <b>£000</b> |
| Interest receivable | <u>-</u>    | <u>111</u>  |

**7 Interest payable and similar charges**

|                              | <b>2009</b>         | <b>2008</b>  |
|------------------------------|---------------------|--------------|
|                              | <b>£000</b>         | <b>£000</b>  |
| On bank loans and overdrafts | <b>1,396</b>        | 1,483        |
| On other loans (note 26)     | <b>287</b>          | 275          |
|                              | <u><b>1,683</b></u> | <u>1 758</u> |

## Notes (continued)

### 8 Taxation

#### a) Analysis of tax charge for the year

|  | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|
| <i>Current tax</i>                           |              |              |
| Tax on loss on ordinary activities           | 42           | -            |
| Adjustments in respect of previous years     | -            | -            |
| <i>Deferred tax</i>                          |              |              |
| Origination / reversal of timing differences | (126)        | -            |
| Adjustment in respect of prior periods       | (505)        | -            |
|  | <u>(589)</u> | <u>-</u>     |

#### b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2008 higher) than the standard rate of corporation tax 28% (2008 28%) for reasons explained below

|  | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|
| Loss on ordinary activities before tax   | (4,702)      | (396)        |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28%) | (1,317)      | (111)        |
| <i>Effects of</i>  |              |              |
| Expenses not deductible for tax purposes   | 247          | 67           |
| Depreciation on eligibles  | 12           | -            |
| Differences between capital allowances and depreciation  | (217)        | (266)        |
| Chargeable gain  | 2            | 100          |
| Loss carried forward   | 3            | 210          |
| Loss brought forward   | (68)         | -            |
| Income taxed at small company rate   | (7)          | -            |
| Other timing differences   | 70           | -            |
| Adjustments in respect of previous years   | -            | -            |
|  | <u>42</u>    | <u>-</u>     |

**Notes (continued)**

**9 Intangible fixed assets**

| <b>Group</b>                    | <b>Patents and<br/>trademarks<br/>£000</b> | <b>Goodwill<br/>£000</b> | <b>Total<br/>£000</b> |
|---------------------------------|--|--------------------------|-----------------------|
| <i>Cost</i>                     |  |                          |                       |
| At 1 January                    | 2  | 147                      | 149                   |
| Disposals                       | -  | (147)                    | (147)                 |
|                                 | <hr/>                                      | <hr/>                    | <hr/>                 |
| At 31 December 2009             | 2  | -                        | 2                     |
|                                 | <hr/>                                      | <hr/>                    | <hr/>                 |
| <i>Accumulated amortisation</i> |  |                          |                       |
| At 1 January 2009               | 2  | 147                      | 149                   |
| Disposals                       | -  | (147)                    | (147)                 |
|                                 | <hr/>                                      | <hr/>                    | <hr/>                 |
| At 31 December 2009             | 2  | -                        | 2                     |
|                                 | <hr/>                                      | <hr/>                    | <hr/>                 |
| <i>Net book value</i>           |  |                          |                       |
| At 31 December 2009             | -  | -                        | -                     |
|                                 | <hr/>                                      | <hr/>                    | <hr/>                 |
| At 31 December 2008             | -  | -                        | -                     |
|                                 | <hr/>                                      | <hr/>                    | <hr/>                 |

**10 Tangible fixed assets**

| <b>Group</b>                        | <b>Freehold<br/>property<br/>£000</b> | <b>Leasehold<br/>property<br/>£000</b> | <b>Plant and<br/>machinery<br/>£000</b> | <b>Motor<br/>vehicles<br/>£000</b> | <b>Fixtures<br/>and fittings<br/>£000</b> | <b>Total<br/>£000</b> |
|-------------------------------------|---------------------------------------|--|---|------------------------------------|---|-----------------------|
| <i>Cost</i>                         |                                       |  |   |                                    |   |                       |
| At 1 January 2009                   | 3 230                                 | 345                                    | 692                                     | 33                                 | 5,715                                     | 10 015                |
| Additions                           | -                                     | -                                      | 231                                     | -                                  | 47  | 278                   |
| Disposals                           | -                                     | (203)                                  | -                                       | (20)                               | (3,890)                                   | (4 113)               |
| Revaluations                        | 680                                   | -                                      | -                                       | -                                  | -   | 680                   |
|                                     | <hr/>                                 | <hr/>                                  | <hr/>                                   | <hr/>                              | <hr/>                                     | <hr/>                 |
| At 31 December 2009                 | 3 910                                 | 142                                    | 923                                     | 13                                 | 1 872                                     | 6 860                 |
|                                     | <hr/>                                 | <hr/>                                  | <hr/>                                   | <hr/>                              | <hr/>                                     | <hr/>                 |
| <i>Accumulated<br/>depreciation</i> |                                       |  |   |                                    |   |                       |
| At 1 January 2009                   | 540                                   | 215                                    | 559                                     | 29                                 | 5 345                                     | 6 688                 |
| Charge for the year                 | 44                                    | 22                                     | 10                                      | 4                                  | 182                                       | 262                   |
| Disposals                           | -                                     | (194)                                  | -                                       | (20)                               | (3,885)                                   | (4 099)               |
| Revaluations                        | (163)                                 | -                                      | -                                       | -                                  | -   | (163)                 |
|                                     | <hr/>                                 | <hr/>                                  | <hr/>                                   | <hr/>                              | <hr/>                                     | <hr/>                 |
| At 31 December 2009                 | 421                                   | 43                                     | 569                                     | 13                                 | 1 642                                     | 2,688                 |
|                                     | <hr/>                                 | <hr/>                                  | <hr/>                                   | <hr/>                              | <hr/>                                     | <hr/>                 |
| <b>At 31 December 2009</b>          | <b>3,489</b>                          | <b>99</b>                              | <b>354</b>                              | <b>-</b>                           | <b>230</b>                                | <b>4,172</b>          |
|                                     | <hr/>                                 | <hr/>                                  | <hr/>                                   | <hr/>                              | <hr/>                                     | <hr/>                 |
| At 31 December 2008                 | 2 690                                 | 130                                    | 133                                     | 4                                  | 370                                       | 3 327                 |
|                                     | <hr/>                                 | <hr/>                                  | <hr/>                                   | <hr/>                              | <hr/>                                     | <hr/>                 |



## Notes (continued)

### 10 Tangible fixed assets (continued)

| Company                           | Freehold<br>property<br>£000 |
|-----------------------------------|------------------------------|
| <i>Cost</i>                       |                              |
| At 1 January and 31 December 2009 | 1 020                        |
| Revaluation (note 11)             | 680                          |
|                                   | <hr/> 1 700 <hr/>            |
| <i>Accumulated depreciation</i>   |                              |
| At 1 January 2009                 | 163                          |
| Revaluation                       | (163)                        |
|                                   | <hr/> - <hr/>                |
| At 31 December 2009               | -                            |
| <i>Net book value</i>             |                              |
| At 31 December 2009               | 1,700                        |
|                                   | <hr/>                        |
| At 31 December 2008               | 857                          |
|                                   | <hr/>                        |

### 11 Investment property

| Group                         | Freehold properties (as restated)    |                   |               |
|-------------------------------|--------------------------------------|-------------------|---------------|
|                               | Assets under<br>construction<br>£000 | Completed<br>£000 | Total<br>£000 |
| <i>Cost and valuation</i>     |                                      |                   |               |
| At 1 January 2009             | -                                    | 53,788            | 53 788        |
| Restated                      | 1,438                                | (554)             | 884           |
|                               | <hr/>                                | <hr/>             | <hr/>         |
| Restated as at 1 January 2009 | 1 438                                | 53 234            | 54 672        |
| Additions                     | 68                                   | 250               | 318           |
| Disposals                     | -                                    | (115)             | (115)         |
| Transferred                   | (873)                                | 873               | -             |
| Revaluations                  | -                                    | (7 468)           | (7 468)       |
|                               | <hr/>                                | <hr/>             | <hr/>         |
| At 31 December 2009           | 633                                  | 46,774            | 47,407        |
|                               | <hr/>                                | <hr/>             | <hr/>         |

The investment properties were revalued as at 4 December 2009 by Jones Lang LaSalle external qualified valuers and members of the Royal Institute of Chartered Surveyors, on an open market value basis in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The directors believe there is no material difference between the 4 December 2009 valuation and the open market value of the properties at 31 December 2009. The freehold property (note 10) was revalued by the directors as at 31 December 2009 at its open market value which was based on the sale of the property in 2010. The prior year balances have been restated as certain properties/sites had been incorrectly categorised as development stock. There is no impact on the prior year results or on the net assets at 31 December 2008.

The exceptional costs of £5 308,000 include £5,221,000 relating to the above impairment and £87,000 relating to the onerous lease provision set out in note 18. The remainder of the impairment, £2,247,000, reverses previous revaluations and therefore is reflected within the statement of total recognised gains and losses.

## Notes (continued)

### 11 Investment property (continued)

The historical cost of the freehold properties was £46,348,000 (2008 £44,655,000)

Finance costs incurred in the construction of investment properties are included in the balance sheet at valuation. At 31 December 2009 these amounted to £1,456,158 (2008 £1,456,158)

### 12 Fixed asset investments

| Company                    | Shares<br>in group<br>Undertakings<br>£000 |
|----------------------------|--|
| <i>Cost</i>                |  |
| At 1 January 2009          | 8,335                                      |
| Additions                  | -  |
| Disposals/dissolved        | (3,102)                                    |
|                            | <hr/>                                      |
| <b>At 31 December 2009</b> | <b>5,233</b> <hr/>                         |

### 13 Principal subsidiaries

The following companies are wholly owned subsidiaries and are all registered in England and Wales

| Company name                                     | Principal activity                  |
|--|-------------------------------------|
| Geo Akins (Holdings) Limited                     | Holding company                     |
| Bildurn (Holdings) Ltd                           | Holding company                     |
| Daybrook House Promotions Ltd                    | Operation of bars and nightclubs    |
| Victoria Club Limited                            | Casino                              |
| Jalland & Co Limited                             | Operation of betting shops          |
| SJC 14 Limited                                   | Property investment                 |
| Bildurn (Properties) Limited                     | Property investment and development |
| Armgrade Estates Limited                         | Property investment                 |
| Longcliffe Estates Limited                       | Property investment                 |
| Bildurn Estates Limited                          | Property investment                 |
| Rock City Limited (formerly Miltenplace Limited) | Dormant                             |
| Akins Automatics Limited                         | Dormant                             |
| Gresham Hotel Limited                            | Dissolved in the year               |
| Miltenplace Limited (formerly Rock City Limited) | Dissolved in the year               |
| Templebond Limited                               | Dissolved in the year               |
| Mercia Developments (Nottingham) Limited         | Dissolved in the year               |
| Armgrade Limited                                 | Dissolved in the year               |
| Victoria Fine Arts and Antiques Limited          | Sold in the year (note 26)          |

**Notes (continued)**

**14 Stocks and work in progress**

|                                     | <b>Group</b> |                             |
|-------------------------------------|--------------|-----------------------------|
|                                     | <b>2009</b>  | <b>As restated<br/>2008</b> |
|                                     | <b>£000</b>  | <b>£000</b>                 |
| Work in progress                    | 626          | 1,509                       |
| Finished goods and goods for resale | 91           | 78                          |
|                                     | <u>717</u>   | <u>1 587</u>                |

As set out in note 11 in prior years certain properties had been incorrectly categorised as development stock and the prior year balances have been restated

**15 Debtors**

|                                    | <b>Group</b> |              | <b>Company</b> |             |
|------------------------------------|--------------|--------------|----------------|-------------|
|                                    | <b>2009</b>  | <b>2008</b>  | <b>2009</b>    | <b>2008</b> |
|                                    | <b>£000</b>  | <b>£000</b>  | <b>£000</b>    | <b>£000</b> |
| Trade debtors                      | 924          | 956          | -              | -           |
| Related party debtors (note 26)    | 1,161        | -            | -              | -           |
| Amounts owed by group undertakings | -            | -            | 1,496          | -           |
| Corporation tax                    | -            | 201          | -              | -           |
| Other taxes                        | 8            | -            | -              | -           |
| Other debtors                      | 1,409        | 386          | -              | -           |
| Deferred tax                       | 631          | -            | -              | -           |
| Prepayments and accrued income     | 120          | 1 164        | -              | -           |
|                                    | <u>4,253</u> | <u>2 707</u> | <u>1,496</u>   | <u>-</u>    |

**16 Creditors, amounts falling due within one year**

|                                    | <b>Group</b>  |               | <b>Company</b> |              |
|------------------------------------|---------------|---------------|----------------|--------------|
|                                    | <b>2009</b>   | <b>2008</b>   | <b>2009</b>    | <b>2008</b>  |
|                                    | <b>£000</b>   | <b>£000</b>   | <b>£000</b>    | <b>£000</b>  |
| Bank loans and overdrafts          | 3,525         | 5,653         | -              | -            |
| Trade creditors                    | 338           | 664           | -              | -            |
| Amounts owed to group undertakings | -             | -             | 10             | 1,071        |
| Corporation tax                    | 55            | -             | -              | -            |
| Social security and other taxes    | 418           | 360           | -              | -            |
| Other creditors                    | 4,383         | 4 844         | -              | -            |
| Accruals and deferred income       | 1,763         | 1,290         | -              | -            |
|                                    | <u>10,482</u> | <u>12 811</u> | <u>10</u>      | <u>1 071</u> |

**Notes (continued)**

**17 Creditors: amounts falling due after more than one year**

|            | <b>Group</b>  |        |
|------------|---------------|--------|
|            | <b>2009</b>   | 2008   |
|            | <b>£000</b>   | £000   |
| Bank loans | <b>22,786</b> | 21 000 |

The bank loans are secured by way of fixed and floating charges over certain assets of the group

Of the bank loans, an amount of £21 0 million is due for repayment on 31 July 2013. The bank loan interest rate charged is 1.05% above the British Bankers' Association LIBOR plus a mandatory cost based on a formula. Interest rate swap agreements have been entered into to fix the interest at 3.76% (over £11 0 million), 4.77% (over £7.4 million) and 5.18% (over £3.5 million).

An amount of £1.8 million is repayable in instalments with final repayment April 2014. The bank loan interest rate charged is 2.5% above the bank's LIBOR. An interest rate swap agreement has been entered into to fix the interest over the term of the loan at 6.03%.

**18 Provisions for liabilities**

|                   | <b>2009</b> | 2008 |
|-------------------|-------------|------|
|                   | <b>£000</b> | £000 |
| Group and company |             |      |
| Onerous lease     | <b>87</b>   | -    |

The company is guarantor to a lease entered into by a subsidiary on a vacant property which terminates November 2020. Rents received from sub-let or assignment are expected to be less than the guaranteed rentals payable.

**19 Share capital**

|   | <b>2009</b> | 2008 |
|---|-------------|------|
|   | <b>£000</b> | £000 |
| <i>Authorised</i>                         |             |      |
| 8,326,380 Ordinary shares of 10p each     | <b>833</b>  | 833  |
| <i>Allotted, called up and fully paid</i> |             |      |
| 8,326 380 Ordinary shares of 10p each     | <b>833</b>  | 833  |

## Notes (continued)

### 20 Reserves

| Group                              | Share<br>premium<br>account<br>£000 | Revaluation<br>reserve<br>£000 | Merger<br>reserve<br>£000 | Profit and<br>loss account<br>£000 |
|------------------------------------|-------------------------------------|--------------------------------|---------------------------|------------------------------------|
| At 1 January 2009                  | 7,391                               | 9 312                          | (10,251)                  | 22 011                             |
| Prior year adjustment              | -                                   | (71)                           | 10 251                    | (10,180)                           |
| Restated as at 1 January 2009      | 7,391                               | 9,241                          | -                         | 11,831                             |
| Loss for the year                  | -                                   | -                              | -                         | (4 113)                            |
| Revaluation of investment property | -                                   | (1,405)                        | -                         | -                                  |
| At 31 December 2009                | 7 391                               | 7,836                          | -                         | 7 718                              |

Amounts within the revaluation reserve and merger reserve, £71,000 and £10,251,000 respectively, have been restated within the prior year profit and loss account. This restatement did not impact the net assets as at 31 December 2009 or the results for the year then ended.

| Company             | Share<br>premium<br>account<br>£000 | Profit and<br>loss account<br>£000 |
|---------------------|-------------------------------------|------------------------------------|
| At 1 January 2009   | 7 391                               | (103)                              |
| Loss for the year   | -                                   | (632)                              |
| At 31 December 2009 | 7 391                               | (735)                              |

### 21 Reconciliation of movement in shareholders' funds

|                                     | Group        |              | Company      |              |
|-------------------------------------|--------------|--------------|--------------|--------------|
|                                     | 2009<br>£000 | 2008<br>£000 | 2009<br>£000 | 2008<br>£000 |
| Loss for the year                   | (4,113)      | (396)        | (632)        | (20)         |
| Dividend paid                       | -            | -            | -            | -            |
| Revaluation of investment property  | (1,405)      | 1 041        | 843          | -            |
| Shares issued in the year           | -            | -            | -            | 61           |
| Net movement in shareholders' funds | (5,518)      | 645          | 211          | 41           |
| Opening shareholders' funds         | 29,296       | 28 651       | 8,121        | 8 080        |
| Closing shareholders' funds         | 23,778       | 29 296       | 8,332        | 8 121        |

The company has taken advantage of the exemption contained within s408 of the Companies Act 2006 not to present its own profit and loss account.

The group result for the year includes a loss of £632,000 (2008: £20,400 loss) attributable to the company.

**Notes (continued)**

**22 Net cash flow from operations**

|                                       | 2009<br>£000 | 2008<br>£000 |
|---------------------------------------|--------------|--------------|
| Operating profit                      | (3,180)      | 1,405        |
| Depreciation of tangible fixed assets | 262          | 666          |
| Provision against investment property | 5,221        | -            |
| Decrease in stocks                    | 870          | 1,255        |
| Decrease in debtors                   | (1,116)      | 538          |
| Decrease in creditors                 | (168)        | (1 914)      |
|                                       | <hr/>        | <hr/>        |
| Net cash flow from operations         | 1,889        | 1 950        |
|                                       | <hr/>        | <hr/>        |

**23 Analysis of cash flows for headings netted in the cash flow statement**

|   | 2009<br>£000 | 2008<br>£000 |
|---|--------------|--------------|
| <i>Returns on investments and servicing of finance</i>                |              |              |
| Interest received   | -            | 111          |
| Interest paid   | (1,683)      | (1,758)      |
|   | <hr/>        | <hr/>        |
| Net cash outflow from returns on investments and servicing of finance | (1,683)      | (1,647)      |
|   | <hr/>        | <hr/>        |
| <i>Capital expenditure and financial investment</i>                   |              |              |
| Purchase of tangible fixed assets and investment properties           | (596)        | (2 833)      |
| Sale of tangible fixed assets   | 290          | 8            |
|   | <hr/>        | <hr/>        |
| Net cash outflow from capital expenditure                             | (306)        | (2 825)      |
|   | <hr/>        | <hr/>        |
| <i>Financing</i>  |              |              |
| New secured loans   | 2,000        | -            |
| Loans repaid  | -            | -            |
|   | <hr/>        | <hr/>        |
| New cash inflow from financing  | 2,000        | -            |
|   | <hr/>        | <hr/>        |

**24 Analysis of changes in net debt**

|                                   | Opening<br>balance<br>£000 | Cash flow<br>£000 | Closing<br>balance<br>£000 |
|-----------------------------------|----------------------------|-------------------|----------------------------|
| Cash at bank and in hand          | 813                        | (229)             | 584                        |
| Bank overdraft                    | (2 353)                    | 2 343             | (10)                       |
|                                   | <hr/>                      | <hr/>             | <hr/>                      |
|                                   | (1 540)                    | 2 114             | 574                        |
| <i>Debt</i>                       |                            |                   |                            |
| Debt due within one year          | (3,300)                    | (214)             | (3,514)                    |
| Debt due after more than one year | (21,000)                   | (1,786)           | (22,786)                   |
|                                   | <hr/>                      | <hr/>             | <hr/>                      |
| Net debt                          | (25,840)                   | 114               | (25,726)                   |
|                                   | <hr/>                      | <hr/>             | <hr/>                      |

## Notes (continued)

### 25 Operating lease commitments

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as follows

|                            | Land and buildings |      |
|----------------------------|--------------------|------|
|                            | 2009               | 2008 |
|                            | £000               | £000 |
| <i>Expiry date</i>         |                    |      |
| Within one year            | -                  | -    |
| After more than five years | 70                 | 45   |

### 26 Related party transactions

#### Group

Included within other creditors is £3,664,564 (2008 £3,733,270) due to the directors, SPD Akins and GH Akins Junior. During the year the group has accrued interest of £250,527 (2008 £191,586) on these loans.

Also included in other creditors is £527,432 (2008 £854,106) due to GH Akins Senior and EM Akins, who are connected parties of the directors. During the year the group has accrued interest of £36,257 (2008 £83,323) on these loans.

Included within related party debtors is £300,000 (2008 £227,420) owed by the Geo Akins (Holdings) Limited Executive Pension Scheme. SPD Akins and GH Akins Junior are Trustees of the scheme.

Also included within related party debtors is £861,000 owed by Victoria Fine Arts & Antiques Limited. SPD Akins and GD Akins Junior are shareholders of the company, following the sale by the group of this subsidiary during the year. The consideration was £nil and the impact on the group profit and loss account was £nil.

#### Company

Advantage has been taken of the exemption provided by FRS 8 not to disclose transaction with group companies as consolidated financial statements are prepared.

### 27 Controlling party

The company is controlled by Mr SPD Akins and Mr GH Akins Junior, directors and shareholders of SJC 15 Limited.