

EDEN FINANCE p.l.c.
A Member of Eden Leisure Group Limited

Report and Financial Statements
for the year ending 31st December 2008

Company No. C-26843

EDEN FINANCE p.l.c.

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EDEN FINANCE p.l.c.

REPORT OF THE DIRECTORS

Directors' Report

The directors present their report, together with the audited financial statements of the company for the financial year ending 31st December 2008.

Principal Activity

The principal activity of Eden Finance p.l.c. was set up to raise financial resources from the capital market to finance the capital project of the companies forming part of the Eden Leisure Group.

Review of Business Development

During the financial year under review, interest income earned on advances to the parent company, Eden Leisure Group Limited totalled €1,653,855, while interest payable to the bondholders amounted to €1,560,680.

During the year under review, the company registered a profit before taxation amounting to €42,041. After deducting taxation thereon, the profit for the year amounted to €27,327.

Statement pursuant to Listing Rule 9.44c issued by the Listing Authority

We confirm that to the best of our knowledge:

1. The financial statements give a true and fair view of the financial position of the Company as at 31st December 2008, and of its financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards.
2. The annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

Directors

Mr. Ian De Cesare (Chairman)
Mr. Kevin De Cesare (Deputy Chairman)
Mr. Walter Camilleri
Mr. Edward Fenech
Dr. Andrea Gera de Petri

In accordance with the company's articles of association, all remaining directors retire from the board and are eligible for re-election.

Auditors

A resolution to reappoint Vincent Curmi & Associates as auditor of the company will be proposed at the forthcoming annual general meeting.

Approved by the Board of Directors and authorised for issue on 30th April 2009 and signed on its behalf by:


Mr. Ian De Cesare
Executive Chairman


Mr. Kevin De Cesare
Deputy Chairman

Eden Place, St. Augustine Street, St. Julians.

EDEN FINANCE p.l.c.

STATEMENT OF COMPLIANCE WITH THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Pursuant to Listing Rules 8.37 and 8.38 issued by the Listing Authority of the Malta Financial Services Authority, Eden Finance p.l.c. (the Company) is hereby reporting on the extent of its adoption of the Code of Principles of Good Corporate Governance contained in the Listing Rules.

The Company acts as a Finance Company to the Eden Leisure Group Ltd and as such has minimal operations emanating from this task. Its primary function is the lending and monitoring of the proceeds of a Bond issued to the public in 2000 to its Parent company for the Eden development project in St. George's Bay. The company has no employees other than the Directors and the Company Secretary.

Although the adoption of the Code is not mandatory the Directors recognize the application of such Principles is in the best interests of the Company. While the Company has implemented the majority of the Code, the Board has decided that the Company has no use for the set up of an Audit or Remuneration Committee, as they would not add value or security to the Stakeholders. The Board believes that these Committees are recommended predominantly for larger equity selling companies traded on the Stock Exchange and would only add administrative costs and difficulties to a company with such limited trading operations.

The Board

The Board of Directors is responsible for the company's affairs, in particular in giving direction to the company and being actively involved in overseeing the systems of control and financial reporting. The Board has discussed the Code and all Directors are aware of their responsibilities as such.

The Board of Directors meets regularly to discuss policy decisions and to discuss the operations of the Parent Company, Eden Leisure Group Ltd. The Board is made up of 5 Directors, 2 of which are completely independent from the Company or any related companies.

Executive Directors

Mr. Ian De Cesare (Chairman)

Mr. Kevin De Cesare (Deputy Chairman)

Mr. Edward Fenech

Non-Executive Directors

Mr. Walter Camilleri

Dr. Andrea Gera de Petri

There is no CEO role required in the Company due to the nature of the Company and as such the Board carries out the policy decisions regarding the Company.

The Memorandum and Article of Association set out the procedures to be followed in the appointment of directors in a very extensive manner. Shareholders, having voting rights and owning no less than 20% of the share capital of the company, are entitled to appoint one director for every such 20% holding. Appointed directors hold office for a period of one year on the lapse of which period, they are eligible for re-election.

The aggregate fees payable to directors during the twelve month period amounted to €8,386. The Board has resolved to disclose these fees in aggregate rather than as separate figures for each director as recommended by the Code.

EDEN FINANCE p.l.c.

STATEMENT OF COMPLIANCE WITH THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Commitment to Maintain an Informed Market

The company communicates with bondholders by way of the Annual Report and Financial statements. The Company also communicates with Bondholders via company announcements made through the Malta Stock Exchange as well as by entertaining queries and requests made by individual bondholders on an ad hoc basis.

The Board has gone further in requesting that the Parent Company's Board, Eden Leisure Group Ltd., meet with financial intermediaries and institutional investors on an annual basis to update them on the performance of the parent company thereby giving significant details on the prospects of the company as a "going concern" as well as offering information that they can make their buying decisions on.

The Board has also continued to implement the annual Investor Relations Program, which aims at giving Bond holders rewards to be used within the company to foster loyalty.

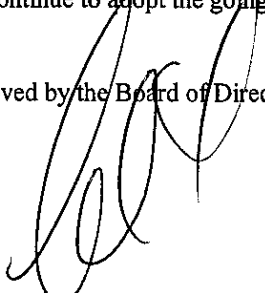
The information as provided above is a fair summary of the Eden Finance p.l.c. adoption of the Code of Good Corporate Governance. Overall, the Company has broadly implemented the Code where the board believes that it would add value to the stakeholders. In certain areas, it was felt that the Code was more suited to companies who held equity on the Exchange and therefore, its implementation would not be useful for a limited operating company like Eden Finance p.l.c.

The Board will continue to monitor the Code in future years and will decide on an annual basis if the position stated above will apply.

Going Concern

Under Corporate Governance requirements, the Directors confirm that, having reviewed the Group's budget and forecast for 2009, they consider that the Group has adequate resources to continue in operation and existence for the foreseeable future. On a longer perspective the going concern viability will become increasingly dependant on the Company succeeding to refinance the bond that is due to mature during the year ending 31st December 2010. The Directors have received reassurances from the ultimate shareholders that they will continually support the Company to ensure that it meets all obligations to bondholders. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Approved by the Board of Directors on 30th April 2009 and signed on its behalf by:



Mr. Ian De Cesare
Executive Chairman



Mr. Kevin De Cesare
Deputy Chairman



**REPORT OF THE AUDITORS ON THE STATEMENT OF COMPLIANCE WITH
THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE**

To the members of Eden Finance p.l.c. pursuant to the Malta Financial Services Authority listing rules.

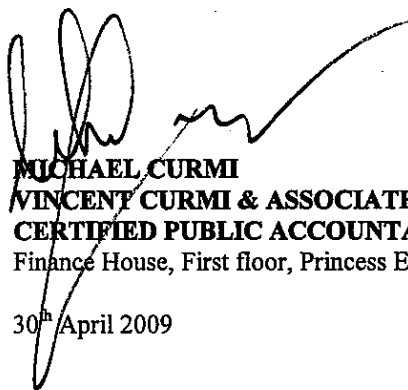
The Malta Financial Services Authority Listing Rules require the Company's Directors to include in their Annual Report a Statement of Compliance to the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance with those Principles.

Our responsibility, as auditors of the Company, is laid down by the Malta Financial Services Authority listing rule 8.39, which requires us to include a report of the Statement of Compliance.

We read the Statement of Compliance and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with these financial statements. Our responsibilities do not extend to considering whether this statement is consistent with other information included in the annual report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures, or its risk and control procedures, nor on the ability of the company to continue in operational existence.

In our opinion, the Statement of Compliance set out on pages 2 to 3 has been properly prepared in accordance with the requirements of the Malta Financial Services Authority Listing Rules 8.37 to 8.38.



MICHAEL CURMI
VINCENT CURMI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
Finance House, First floor, Princess Elizabeth Street, Ta' Xbiex, XBX 1102.

30th April 2009

EDEN FINANCE p.l.c.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' Responsibilities

The directors are required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU, which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss for the year then ended.

In preparing the financial statements, the directors should:-

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors 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.

Vincent Curmi & Associates

Certified Public Accountants



EDEN FINANCE p.l.c.

AUDITORS' REPORT TO THE MEMBERS OF EDEN FINANCE p.l.c.

We have audited the accompanying financial statements of Eden Finance p.l.c. on pages 7 to 18, which comprise the balance sheet as at 31st December 2008, and the income statement, statement of changes in equity and cashflow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by the company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of Eden Finance p.l.c. as at 31st December 2008, and of its financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report and other legal and regulatory requirements

In our opinion, the financial statements have been properly reported in accordance with the Companies Act (Chap. 386).

A handwritten signature in black ink, appearing to read 'Michael Curmi', written over a large, light-colored scribble or watermark.

MICHAEL CURMI
VINCENT CURMI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
Finance House, First floor, Princess Elizabeth Street, Ta' Xbiex, XBX 1102.

30th April 2009

EDEN FINANCE p.l.c.

INCOME STATEMENT

FOR THE YEAR ENDING 31ST DECEMBER 2008

	<i>Notes</i>	2008 €	2007 €
Investment income	4	1,653,855	1,653,855
Finance costs	5	(1,560,680)	(1,560,680)
Net interest earned		93,175	93,175
Administrative expenses		(51,134)	(53,424)
Profit before taxation	6	42,041	39,751
Income tax expense	7	(14,714)	(13,913)
Profit for the year		27,327	25,837
Earnings per share		5c5	5c2


EDEN FINANCE p.l.c.

BALANCE SHEET AS AT 31ST DECEMBER 2008

	Notes	2008 €	2007 €
Non-current assets			
Held-to-maturity investments	8	1,164,687	1,164,687
Loans and receivables	9	23,293,734	23,293,734
Deferred taxation		2,091	13,305
		<u>24,460,512</u>	<u>24,471,726</u>
Current assets			
Trade and other receivables	10	827,196	692,178
Cash and cash equivalents		1,978	2,395
		<u>829,175</u>	<u>694,573</u>
Total Assets		<u><u>25,289,686</u></u>	<u><u>25,166,299</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	1,164,687	1,164,687
Retained earnings		255,382	228,055
		<u>1,420,069</u>	<u>1,392,742</u>
Non-Current liabilities			
Debt securities in issue	12	23,293,734	23,293,734
Current liabilities			
Trade and other payables	11	575,883	479,823
Total Creditors		<u>23,869,617</u>	<u>23,773,557</u>
Total Equity and Liabilities		<u><u>25,289,686</u></u>	<u><u>25,166,299</u></u>

These financial statements were approved by the Board of Directors on 30th April 2009 and were signed on its behalf by:


Mr. Jan De Cesare
Executive Chairman

Mr. Kevin De Cesare
Deputy Chairman


EDEN FINANCE p.l.c.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31ST DECEMBER 2008

	Share Capital €	Retained Earnings €	Total €
At 1 January 2007	1,164,687	202,218	1,366,905
Profit for the year	-	25,837	25,837
	<hr/>	<hr/>	<hr/>
At 31 December 2007	1,164,687	228,055	1,392,742
Profit for the year	-	27,327	27,327
	<hr/>	<hr/>	<hr/>
At 31 December 2008	1,164,687	255,382	1,420,069

EDEN FINANCE p.l.c.

CASH FLOW STATEMENT

FOR THE YEAR ENDING 31ST DECEMBER 2008

	<i>Notes</i>	2008	<i>2007</i>
		€	€
Cash flows from operating activities			
Profit before taxation		42,041	39,751
<i>Adjustments for:</i>			
Movement in debtors		(135,018)	(73,445)
Movement in creditors		108,011	20,275
<i>Cash flows from operations</i>		15,034	(13,419)
Income tax paid		-	-
Net movement in cash and cash equivalents		15,034	(13,419)
Cash and cash equivalents at the beginning of the year		(13,056)	363
Cash and cash equivalents at the end of the year	<i>14</i>	1,978	(13,056)

EDEN FINANCE p.l.c.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2008

1. Reporting Entity

Eden Finance p.l.c. (the 'Company') is a limited liability company domiciled and incorporated in Malta.

2. Basis of Preparation

2.1 Statement of Compliance

By virtue of Regulation 3 of Legal Notice 19 of 2009, *Accountancy Profession (Accounting and Auditing Standards) Regulations, 2009*, published under the Accountancy Profession Act, compliance with generally accepted accounting principles and practice has been defined as adherence to international accounting standards as adopted by the EU. The legal notice has been deemed to come into force on 1 October 2008, and accordingly these financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU ("the applicable framework"). All references in these financial statements to IAS, IFRS or SIC / IFRIC interpretations refer to those adopted by the EU.

The change in the applicable framework from IFRS issued by the International Accounting Standards Board, in use for the comparative period, did not result in any changes in the Company's accounting policies, and accordingly, no adjustment was required to the corresponding figures included in the current year's financial statements. In addition, this change did not impact the year end financial position and the current year's financial performance and cash flows.

These financial statements have also been prepared and presented in accordance with the provisions of the Companies Act, 1995 enacted in Malta, to the extent that such provisions do not conflict with the requirement of the applicable framework.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis and on the going concern basis.

2.2.1 Going concern basis

During the financial period ended 31 December, 2000, the Company issued 100,000 6.7% redeemable bonds of €232.9373 each to the public. The proceeds received therefrom were advanced to Eden Leisure Group Limited, the parent company, at annual interest rate of 7.1%.

The ability of Eden Finance p.l.c. to meet its obligations, both in terms of servicing of its debt and ultimately repaying the bond holders on the redemption date is thus dependent on the ability of Eden Leisure Group Limited to meet its obligations towards Eden Finance p.l.c.

Due to the availability of the banking facilities to the parent company, and having reviewed the Group's budget and forecast for 2009, the Directors consider that the Group has adequate resources to ensure that liabilities will continue to be met as and when they fall due. The directors believe that it is appropriate to prepare the financial statements on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. On a longer perspective the going concern viability is dependant on the Group succeeding to refinance the bond that is due to mature during the year ending 31st December 2010. These financial statements do not include any adjustments should the above mentioned forecasted cashflows not materialise.

EDEN FINANCE p.l.c.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2008

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as significant and critical in terms of the requirements of IAS 1 (revised).

3. Principal accounting policies

Other financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Trade and other receivables

Trade receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

(ii) Investments

The company's investments are classified into the following categories – financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

Non-derivative financial assets with fixed or determinable payments and fixed maturity that the company has the positive intention and ability to hold to maturity other than those that upon initial recognition are designated as at fair value through profit or loss, those that are designated as available-for-sale financial assets and those that meet the definition of loans and receivables are classified as held-to-maturity investments.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that are held for trading or are designated upon initial recognition as at fair value through profit or loss or as available-for-sale financial assets or those for which the company may not recover substantially all of its initial investment other than because of credit deterioration.

EDEN FINANCE p.l.c.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2008

3. Principal accounting policies (continued)

(iii) Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial.

(iv) Trade and other payables

Trade payables are classified with current liabilities and are stated at their nominal value.

(v) Shares issued by the company

Ordinary shares issued by the company are classified as equity instruments.

Impairment

All assets are tested for impairment. At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated. Impairment losses are recognised immediately in profit or loss.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Revenue recognition

Revenue is recognized to the extent that it is probable that future economic benefits will flow to the company and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing. Borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

EDEN FINANCE p.l.c.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2008

3. Principal accounting policies (continued)

Taxation

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also dealt with in equity.

The charge/credit for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for the carry forward of unused tax losses and unused tax credits, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences (or the unused tax losses and unused tax credits) can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to settle its current tax assets and liabilities on a net basis.

4. Investment income

	2008	2007
	€	€
Interest receivable on loans advanced to a group Company (note i)	1,653,855	1,653,855

- (i) Eden Finance p.l.c. shall receive interest on the loan amount at the rate of 7.1% per annum which shall be received annually in arrears on the 1st October of each year during the term.

5. Finance costs

This amount represents interest payable on the debt securities in issue, as set out in note 12 to these financial statements.

6. Profit before taxation

Profit before taxation is stated after auditors' remuneration amounting to €1,596 and directors' remuneration amounting to €8,386

EDEN FINANCE p.l.c.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2008

7. Taxation

Income tax has been provided for at the rate of 35% on the taxable income for the year.

	2008 €	2007 €
Tax charge for the year:		
Deferred taxation	14,714	13,913

	2008 €	2007 €
The tax expense and the tax charge using the statutory Income tax rate of 35% are reconciled as follows:		
Profit before taxation	42,041	39,751
Tax charge at 35%	14,714	13,913
Deferred tax movement	(14,714)	(13,913)
Tax losses	11,214	13,913
Group losses claimed	3,500	-
Tax charge for the year	14,714	13,913

8. Held-to-maturity investment

	2008 €	2007 €
Investment in a group company	1,164,687	1,164,687

This investment represents 100% holding of the 6.25% preference shares of €2.329373 each 2007-2010 within Eden Entertainment Limited. This investment is being carried at cost, since the effect of amortisation has no material impact on the financial statements.

9. Loans and receivables

	2008 €	2007 €
	23,293,734	23,293,734

This represents the funds raised by the bond issue which have been advanced to the Eden Leisure Group Limited at an annual interest rate of 7.1% per annum. The loan will be repaid in full on the 28th September 2010. Eden Leisure Group Limited, the guarantor in respect of the company's bond issue has undertaken to pay all amounts of principal and interest that will become due and payable by the company to bondholders under the bonds.

EDEN FINANCE p.l.c.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2008

10. Trade and other receivables

	2008	2007
	€	€
Accrued income (i)	413,563	413,464
Amounts owed by group companies	400,533	263,433
Prepayments	13,100	15,281
	<u>827,196</u>	<u>692,178</u>

(i) This represents accrued interest receivable as at the year-end in respect of the loan advanced to Eden Leisure Group Limited.

11. Trade and other payables

	2008	2007
	€	€
Bank overdraft	-	15,451
Trade creditors	13,176	-
Bond interest accrued	346,774	347,480
Amounts owed to group companies	118,240	30,740
Other accruals	97,693	86,152
	<u>575,883</u>	<u>479,823</u>

12. Debt securities in issue

This amount represents 100,000 redeemable bonds with a nominal value of €232.94 each. These bonds bear interest at a rate of 6.7% per annum payable annually in arrears on the 12th October of each year. The bonds will be redeemed on the 12th October 2010, subject to the right of the company to purchase bonds on the open market before redemption date. Any bonds so purchased shall be cancelled.

Pursuant to, and subject to the terms and conditions contained in the Offering Memorandum dated 18th September 2000, the payment of the bonds and interest thereon is guaranteed by the parent company, which has bound itself jointly and severally liable for the payment of the bonds and interest thereon.

13. Called up issued share capital

	2008	2007
	€	€
Authorised Share Capital		
500,000 Ordinary Shares of €2.329373 each	1,164,687	1,164,687
Issued and Fully Paid Up		
500,000 Ordinary Shares of €2.329373 each	1,164,687	1,164,687

EDEN FINANCE p.l.c.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2008

14. Cash and cash equivalents

For the purpose of the cash flow statement, the year end cash and cash equivalents comprise the following:

	2008 €	2007 €
Cash at bank	1,978	2,395
Bank overdraft	-	(15,451)
	<u>1,978</u>	<u>(13,056)</u>

15. Fair values of financial assets and financial liabilities

At 31 December 2008 and 2007, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities.

16. Financial risk management

Overview

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Fair Values

This note presents information about the company's exposure to each of the above risks, the company's objectives and policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

16.1 Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the loans advanced to the Parent Company, and accrued interest charges thereon.

The Board retains direct responsibility for affecting and monitoring the investments made by the company, and in this capacity it has adjourned itself periodically on the financial affairs of Eden Leisure Group Limited, the guarantors of the bonds.

The directors believe that the credit risk on such loans and receivables is limited when considering the state of the financial affairs of the Parent Company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2008

16. Financial risk management (continued)

16.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company forms part of the Eden Leisure Group. The company has advanced amounts borrowed by way of bonds to its parent company. This implies that the company has received settlement of interest receivable from the parent company in order to be able to meet its interest payables as they fall due. On a longer perspective the going concern viability is dependant on the Group succeeding to refinance the bond that is due to mature during the year ending 31st December 2010. The directors do not foresee and are unaware of any circumstances whereby the parent company would not honour its commitment.

16.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

16.3.1 Interest rate risk

In view of the nature of its activities, the company's transactions mainly consist of earning interest income on the loan affected from the proceeds of the secured bonds issue and servicing its borrowings. However, the company's income and operating cash flows are substantially independent of changes in market interest rates. The company's principal interest-bearing financial instruments, which consist of a loan to a group undertaking and secured bonds issued to financial institutions and the general public, are subject to fixed interest rates. The company has secured a spread between the return on its investments and its cost of borrowings. Also these instruments have similar terms and maturity profiles as disclosed in Notes 9 and 12 to these financial statements.

17. Related party transactions

Related party transactions are entered into on a commercial basis with entities which are related by way of common shareholders who are able to exercise significant influence over the company's operations. Transactions with these companies principally include advances affected by the company out of the bond issue proceeds as disclosed in Note 9 to the financial statements. Interest receivable earned from these transactions is disclosed in Note 4 and year end balances in this respect are disclosed in Note 10 to the financial statements.

18. Parent company

The company is a subsidiary of Eden Leisure Group Limited, the registered office of which is situated at Eden Place, St. Augustine Street, St. Julians, Malta.
Consolidated financial statements are prepared by Eden Leisure Group Limited.

19. Comparative information

All comparative financial information has been converted into euro using the Irrevocably Fixed Conversion Rate of €1 : Lm0.429300. This change in comparative presentation has been made for information purposes only. Certain comparative figures have been changed to comply with this year's presentation.

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DETAILED INCOME STATEMENT FOR THE YEAR ENDING 31ST DECEMBER 2008

Appendix I

	2008 €	2007 €
Interest receivable	1,653,855	1,653,855
Interest payable	(1,560,680)	(1,560,680)
Net interest earned	93,175	93,175
Administrative expenses		
Directors fees	8,386	10,280
Legal and professional fees	1,291	1,351
Audit fees	1,596	1,596
Stock exchange charges	15,517	15,544
General office expenses	1,000	1,143
Management fee payable	23,294	23,294
Bank charges	50	216
	51,134	53,424
Profit before taxation	42,041	39,751