EDEN LEISURE GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31st DECEMBER 2009

Company No. C- 4529

EDEN LEISURE GROUP LIMITED

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Directors:-	Mr. Ian De Cesare (Managing) Mr. Kevin De Cesare (Executive)
Bankers:-	HSBC Bank Malta p.l.c., Commercial Branch, Republic Street, Valletta. Lombard Bank Malta p.l.c., 67 Republic Street, Valletta.
Registered Office:-	Eden Place, St. Augustine Street, St. George's Bay. St. Julians.
Auditors:-	Vincent Curmi & Associates, Finance House, Princess Elizabeth Street, Ta' Xbiex.

The directors present their report together with the audited financial statements of the Group and the Company for the year ending 31st December 2009.

Principal activities
The Group is Malta's leading operator in the Leisure and Hospitality industry. The establishments operated by the Group include Eden Cinemas, Eden SuperBowl, Cynergi Health & Fitness Club, 89.7 Bay (Radio), Bay Arena, Beauty Studio and the Eden Car Park. The Group owns the largest five star property, InterContinental Malta, which is operated by InterContinental Hotel Group

Review of the business

In 2009, the Group achieved an EBITDA of €4.1m when compared to €5.9m in 2008. The Group's results have been impacted by the international economic climate especially in the Hospitality sector. Group turnover amounted to €19.3m, a decline of 15% over 2008.

The Group managed to reduce its cost base by 9%, shedding €1.6m from total expenditure. This was the result of tighter controls and continual investment in new energy efficient equipment.

The Cinemas, SuperBowl and Car Park registered improvements in both revenue and GOP in 2009 and contributed around 72% of entertainment revenue and GOP to the Group. Bay Radio and Cynergi registered declines in both revenue and GOP while the largest drop was registered from the Bay Arena, primarily due to the reduction of medium sized music events and large conferences that would typically book this venue. The Group's entertainment business is expected to pick up lost ground with the general upturn of the local and international economic sentiment.

The hotel showed the biggest drop in revenue and GOP for the Group. Through initiatives taken, the latter half of the year saw increased market penetration and occupancy, over the first half. Clearly the international recession and economic crisis had a significant impact on tourism in Malta, however 2010 is showing significant positive signs for the year ahead.

The Group has continued to invest in planned refurbishing programmes to improve its facilities including the main restaurant Harruba, the lobby and a number of bedrooms as well as implementing a significant IT upgrade of the WiFi and broadband structure which is expected to yield positive commercial results in the year ahead.

The Group within all its business segments has invested in and is currently undergoing energy efficiency programmes to reduce consumption and expense brought about by increased utility rates. In addition to this, the Group has actively embarked on the replacement of a significant number of energy saving bulbs.

The group has successfully restructured its debt which together with the planned €15m bond issue in June, subject to Listing Authority approval, will have sufficient funds to redeem the €23m bond issue by maturity date. The Group has adopted a cautious risk policy with regards to interest rate fluctuation which has been mitigated with an 8 year Interest Rate Swap on over 60% of its bank borrowing. In 2009 the Group took a charge of €448,000 in its profit and loss account which will not crystallise if the instrument is held up to maturity.

Total debt continued to decrease throughout the year with a reduction of €1.1m. The Group generated sufficient cash to cover its requirements with a surplus for the year.

Results
The profit and loss account is set out on page 5.

Directors
The directors in office at the end of the year are listed on the previous page. The directors served on the board throughout the year and shall continue in office in accordance with the Company's Memorandum and Articles of Association.

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 Group and 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 Group and 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 Group and 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 Group and of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

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

This report was approved by the board of directors on the 30 April 2010 and signed on its behalf:

Mr. Ian DeCesare
Managing Director

Mr. Kevin DeCesare
Executive Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF

EDEN LEISURE GROUP LIMITED

We have audited the accompanying financial statements of the Eden Leisure Group Limited on pages 5 to 30, which comprise the Group's and the Company's balance sheets as at 31 December 2009, and the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' 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 the Group and of the Company as at 31 December 2009, and of its financial performance and its cash flows 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).

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

30 April 2010

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■ CAROL CASSAR TORREGGIANI MQR, B.A. (Hons) Business Management, ACCA, CPA

EDEN LEISURE GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2009

	Notes	Group		Company	
		2009	*2008*	**2009**	*2008*
		€	*€*	**€**	*€*
Continuing Operations:					
Revenue	4	**19,334,779**	*22,735,723*	**341,005**	*192,975*
Costs					
Direct costs		**(9,481,097)**	*(10,296,502)*	**(144,592)**	*(20,449)*
Other operating expenses		**(3,872,722)**	*(4,368,010)*	**(180,786)**	*(36,306)*
		(13,353,819)	*(14,664,512)*	**(325,378)**	*(56,755)*
Other operating income	5	**218,591**	*218,717*	**6,834,011**	*6,834,138*
Gross Profit		**6,199,551**	*8,289,928*	**6,849,639**	*6,970,358*
Administrative expenses		**(2,095,807)**	*(2,356,059)*	**(173,087)**	*(208,724)*
Depreciation charge		**(2,784,498)**	*(2,719,072)*	**(2,629,237)**	*(2,603,590)*
Operating Profit		**1,319,246**	*3,214,797*	**4,047,315**	*4,158,044*
Share of losses in associated undertakings		**(77,125)**	*(27,774)*	-	-
Loss on financial instruments designated at fair value through profit or loss		**(447,709)**	-	**(447,709)**	-
Finance costs	6	**(2,554,550)**	*(2,847,941)*	**(2,536,789)**	*(2,820,720)*
Loss on sale of fixed assets		**(113,301)**	*(73,038)*	**(113,301)**	*(73,038)*
		(3,192,685)	*(2,948,753)*	**(3,097,799)**	*(2,893,758)*
(Loss)/Profit before Taxation	7	**(1,873,439)**	*266,044*	**949,516**	*1,264,286*
Tax Credit/(Expense)	9	**437,003**	*(259,548)*	**(577,170)**	*(519,737)*
(Loss)/Profit for the Year from Continuing Operations		**(1,436,436)**	*6,496*	**372,346**	*744,549*
Discontinued operations:					
Loss for the year from discontinued operations	10	**(64,500)**	*(139,231)*	**-**	-
Comprehensive (Loss)/Income for the Year		**(1,500,936)**	*(132,735)*	**372,346**	*744,549*
Attributable to:					
Equity holders of the company		**(1,469,976)**	*(65,904)*	**372,346**	*744,549*
Minority interest		**(30,960)**	*(66,831)*	-	-
		(1,500,936)	*(132,735)*	**372,346**	*744,549*

EDEN LEISURE GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2009

	Notes	Group 2009 €	Group 2008 €	Company 2009 €	Company 2008 €
ASSETS					
Non-current Assets					
Property, plant and equipment	11	**82,360,172**	*84,474,291*	**77,592,252**	*79,551,107*
Investment property	12	**2,544,328**	*2,544,328*	**2,544,328**	*2,544,328*
Investment in group undertaking	13	-	-	**2,576,670**	*2,576,670*
Investment in associated undertakings	13	**783,004**	*860,128*	**575,048**	*575,048*
Financial assets at fair value through profit or loss	13	**1,163,179**	*1,163,179*	**1,163,179**	*1,163,179*
		86,850,683	*89,041,926*	**84,451,477**	*86,410,332*
Current Assets					
Inventories	14	**1,080,643**	*1,277,138*	**934,028**	*1,076,017*
Trade and other receivables	15	**2,889,650**	*3,442,823*	**3,206,544**	*3,122,209*
Cash at bank and in hand		**857,996**	*1,135,546*	**23,677**	*23,677*
		4,828,289	*5,855,507*	**4,164,249**	*4,221,903*
Total Assets		**91,678,972**	*94,897,433*	**88,615,726**	*90,632,235*
EQUITY AND LIABILITIES					
Capital and Reserves					
Called up issued share capital	20	**16,581,688**	*16,581,688*	**16,581,688**	*16,581,688*
Revaluation reserve	21	**15,458,678**	*15,599,845*	**15,165,802**	*15,306,969*
Fair value gains reserve		**396,236**	*396,236*	**396,236**	*396,236*
Profit and loss account		**88,765**	*1,417,574*	**5,743,573**	*5,230,060*
		32,525,367	*33,995,343*	**37,887,299**	*37,514,953*
Minority interest		**(96,351)**	*(65,391)*	-	-
		32,429,016	*33,929,952*	**37,887,299**	*37,514,953*
Non-current Liabilities					
Trade and other payables	18	**239,747**	*349,856*	**239,747**	*957,895*
Interest-bearing borrowings	19	**16,540,118**	*42,738,926*	**15,285,851**	*41,278,169*
Deferred tax liabilities	16	**4,602,857**	*5,074,811*	**4,477,993**	*5,304,593*
		21,382,722	*48,163,593*	**20,003,591**	*47,540,657*
Current Liabilities					
Financial liabilities at fair value through profit or loss	17	**447,709**	-	**447,709**	-
Trade and other payables	18	**9,472,672**	*9,368,336*	**3,743,517**	*4,190,037*
Interest-bearing borrowings	19	**27,946,853**	*3,435,552*	**26,533,610**	*1,386,588*
		37,867,234	*12,803,888*	**30,724,836**	*5,576,625*
Total Liabilities		**59,249,956**	*60,967,481*	**50,728,427**	*53,117,282*
Total Equity and Liabilities		**91,678,972**	*94,897,433*	**88,615,726**	*90,632,235*

These financial statements were approved by the Board of Directors on the 30 April 2010 and signed on its behalf:-

Mr. Ian De Cesare
Managing Director

Mr. Kevin De Cesare
Executive Director

EDEN LEISURE GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2009

Group

	Share capital	Revaluation reserve	Unrealised fair value gains reserve	Profit and loss account	Total	Minority interest	Total
	€	€	€	€	€	€	€
Balance at 1st January 2008	**16,581,688**	**1,152,648**	**396,236**	**1,483,478**	**19,614,050**	**-**	**19,614,050**
Issue of share capital	-	-	-	-		*1,440*	*1,440*
Loss for the year	-	-	-	*(65,904)*	*(65,904)*	*(66,831)*	*(132,735)*
Increase in revaluation reserve net of deferred tax	-	*14,447,197*	-	-	*14,447,197*	-	*14,447,197*
Balance at 31st December 2008	**16,581,688**	**15,599,845**	**396,236**	**1,417,574**	**33,995,343**	**(65,391)**	**33,929,952**
Loss for the year	-	-	-	*(1,469,976)*	*(1,469,976)*	*(30,960)*	*(1,500,936)*
Difference between historical depreciation charge and actual depreciation for the year calculated on a revalued amount	-	*(141,167)*	-	*141,167*	-	-	-
Balance at 31st December 2009	**16,581,688**	**15,458,678**	**396,236**	**88,765**	**32,525,367**	**(96,351)**	**32,429,016**

Company

	Share capital	Revaluation reserve	Unrealised fair value gains reserve	Profit and loss account	Total
	€	€	€	€	€
Balance as at 1st January 2008	**16,581,688**	**859,772**	**396,236**	**4,720,254**	**22,557,950**
Loss acquired on merger	-	-	-	*(234,743)*	*(234,743)*
Profit for the year	-	-	-	*744,549*	*744,549*
Increase in revaluation reserve net Of deferred tax	-	*14,447,197*	-	-	*14,447,197*
Balance at 31st December 2008	**16,581,688**	**15,306,969**	**396,236**	**5,230,060**	**37,514,953**
Profit for the year	-	-	-	*372,346*	*372,346*
Difference between historical depreciation charge and actual depreciation for the year calculated on a revalued amount	-	*(141,167)*	-	*141,167*	-
Balance at 31st December 2009	**16,581,688**	**15,165,802**	**396,236**	**5,743,573**	**37,887,299**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2009

	Note	Group		Company	
		2009	*2008*	**2009**	*2008*
		€	*€*	**€**	*€*
Cashflow from operating activities					
(Loss)Profit before taxation from continuing operations		**(1,873,439)**	*266,044*	**949,516**	*1,264,286*
(Loss)Profit before taxation from discontinued operations		**(99,449)**	*(214,202)*	**-**	-
(Loss)Profit before taxation		**(1,972,888)**	*51,842*	**949,516**	*1,264,286*
Adjustments for:					
Depreciation		**2,784,498**	*2,719,072*	**2,629,237**	*2,603,590*
Interest payable		**2,554,550**	*2,847,941*	**2,536,789**	*2,820,720*
Loss on sale of fixed assets		**113,301**	*73,038*	**113,301**	*73,038*
Losses acquired on merger		**-**	-	**-**	*(234,743)*
Fair value movement in financial instruments		**447,709**	-	**447,709**	-
Operating profit before working capital changes		**3,927,170**	*5,691,893*	**6,676,552**	*6,526,891*
Movement in stocks		**196,495**	*41,103*	**141,989**	*34,692*
Movement in receivables / group company balances		**553,173**	*591,412*	**(84,335)**	*(713,609)*
Movement in payables		**316,776**	*(38,486)*	**(234,079)**	*(663,663)*
Cash generated from operations		**4,993,614**	*6,285,922*	**6,500,127**	*5,184,311*
Interest paid		**(2,554,550)**	*(2,847,941)*	**(2,536,789)**	*(2,820,720)*
Tax paid		**-**	*(92)*	**-**	-
Net cash flows from operating activities		**2,439,064**	*3,437,889*	**3,963,338**	*2,363,591*
Cashflow from investing activities					
Payments to acquire tangible fixed assets		**(996,123)**	*(779,821)*	**(996,123)**	*(777,190)*
Movement in share of assets in associates		**77,125**	*27,773*	**-**	-
Proceeds from sale of fixed assets		**-**	*75,833*	**-**	*75,833*
Movement in investments		**-**	*(582,000)*	**-**	*581,127*
Net cash flows used in investing activities		**(918,998)**	*(1,258,215)*	**(996,123)**	*(120,230)*
Cashflow from financing activities					
Issue of share capital		**-**	*1,440*	**-**	-
Movement of short and long term borrowings		**(1,101,166)**	*(1,923,123)*	**(903,384)**	*(1,754,292)*
Other long term loans		**(148,080)**	*(181,600)*	**(1,101,109)**	*(181,600)*
Loans from related/group companies		-	**-**	**(2,011,810)**	*(216,347)*
Net cash flows used in financing activities		**(1,249,246)**	*(2,103,283)*	**(3,025,303)**	*(2,152,239)*
Net movement in cash and cash equivalents		**270,820**	*76,391*	**(58,088)**	*91,122*
Cash and cash equivalents at the beginning of the year		**(767,056)**	*(843,447)*	**(10,010)**	*(101,132)*
Cash and cash equivalents at the end of the year	22	**(496,236)**	*(767,056)*	**(68,098)**	*(10,010)*

1. Basis of Preparation

The financial statements of the Company and the consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the requirements of the Companies Act, 1995.

These financial statements have been prepared under the historical cost convention as modified by the fair valuation of the non-current asset categories of property, plant and equipment and investment property.

2009 was a challenging year for the economic world which experienced the worst recession on record, after the extreme volatility and disruption in the global capital and credit markets. This impacted on the performance of the tourist and entertainment industries worldwide.

The entertainment business declined marginally both on revenues and gross operating profit from 2008 results but remained above the 2007 figures.

The hospitality operation was worst hit with a decline in revenues of 19% for a gross operating profit of just over €2m, (2008 €3.5m). The sector saw a marked improvement in operating performance in the second half of 2009 with occupancy levels surpassing 2008 levels albeit on a lower average daily rate. The improved performance has continued into 2010 with business on the books showing continual signs of recovery from the lows achieved between the end of 2008 and first half of 2009. Conference business is picking up steadily with more enquiries as 2010 progresses and more importantly confirmed business is in line with budgets.

The directors continue to directly monitor revenues and put in place cost cutting measures to lower the cost base of the Group until the full recovery from this downturn and be prepared to exploit opportunities as they arise.

Borrowing arrangements made with the lenders of Eden leisure Group Limited, namely HSBC Bank (Malta) p.l.c. and Lombard Bank Malta p.l.c are in place and all obligations to date have been paid. Infact, during 2010, HSBC Bank (Malta) p.l.c. has showed further confidence in the Group and has sanctioned increased loan facilities to restructure its current debt and better repayment arrangements for the total amount borrowed.

Also, at a board meeting held on 26 March 2010, the Board of Directors of Eden Finance p.l.c. approved the submission of an application to the Listing Authority of the MFSA requesting the admissibility to listing of a €15,000,000 new bond issue, the proceeds of which will be used to redeem maturing bonds.

The directors are satisfied that with the additional bank facilities in place, with the proceeds from the new bond issue and a stable operating performance, sufficient funds will be made available to finance the maturing bonds and have sufficient working capital to operate the Company and the Group in the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements. These financial statements do not include any adjustments should the above strategies not materialise.

Standards, interpretations and amendments to published standards that are not yet effective
Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the group's accounting periods beginning after 1st January 2009. The group has not early adopted these revisions to the requirements of IFRS's as adopted by the EU and the company's directors are of the opinion that there are no requirements that will have a possible significant impact on the group's financial statements in the period of initial application.

2. Principal Accounting Policies

A summary of the more important accounting policies, which have been applied consistently, is set out below:-

Basis of Consolidation
(i) Subsidiaries
A subsidiary is an entity that is controlled by the company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group financial statements include the financial statements of the parent Company and all its subsidiaries. The results of the subsidiaries acquired or disposed of during the period are included in the Group income statement from the date of their acquisition or up to date of their disposal.

(ii) Associated undertakings
An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's share of profits of associated undertakings is included in the Group income statement, whilst the Group's share of post acquisition reserves is added to the cost of the investments in the Group balance sheet. The Group's share of losses in associated undertakings is only included in the Group's financial statements up to the par value of the shares held by the investing Company in the associated undertakings. The financial results of associated undertakings are taken from the latest audited financial statements.

(iii) Jointly controlled entities
A joint venture is a contractual arrangement whereby the company and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating decisions relating to the activities require the unanimous consent of the parties sharing control. Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group's share of profits of the jointly controlled entity is included in the Group income statement, whilst the Group's share of post acquisition reserves is added to the cost of the investments in the Group balance sheet. The Group's share of losses in jointly controlled entities is only included in the Group's financial statements up to the par value of the shares held by the investing Company in the jointly controlled entity. The financial results of jointly controlled entities are taken from the latest audited financial statements.

(iv) Eliminations on consolidation
Intra-group balances and transactions, and any unrealised gains arising from the intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise, against the investment in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Property, Plant & Equipment
Property, plant and equipment are initially recorded at cost and are subsequently stated at market value, based on valuations by external independent valuers, less depreciation. Valuations are carried out at regular intervals, unless the directors consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not defer materially from that which would be determined using fair values at the end of the reporting period. Plant and equipment are stated at historical cost less depreciation. Assets in the course of construction are not depreciated.

Costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Increases in the carrying amount arising on revaluation are credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the income statement) and depreciation based on the assets original costs, net of any related deferred taxes is transferred from the revaluation reserve to retained earnings.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of a revalued asset, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation is provided on the reducing balance method at rates intended to write down the cost of the assets over their expected useful lives. The annual rates used, which are consistent with those applied in the previous years are:

Freehold buildings	2%
Motor vehicles	20%
Furniture, fixtures and fittings	15%
Computer equipment	33%
Equipment	6.5%-15%
Other fixed assets	10%-15%

Investment Property
Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property comprises freehold and leasehold land and buildings, and land and buildings held under long term operating leases.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discontinued cash flow projections.

These valuations are reviewed periodically by the Group directors.

The fair value of investment property reflects, among other factors, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit loss account during the financial period in which they are incurred. Changes in fair values are recorded in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and is stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

An item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

Financial instruments
Financial assets and financial liabilities are recognized when the company becomes a party to contractual provisions of the instrument. Financial assets and financial liabilities are initially recognized 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 recognized amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial assets are derecognized 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 derecognized 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) Investments

Financial assets are classified into the following specified categories: financial assets are as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets at (FVTPL) as they are principally acquired for the purpose of selling in the near future.

Financial assets at (FVTPL) are stated at fair value, with any resultant gain or loss recognised in the profit and loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

(ii) Derivative financial instruments

Derivative financial instruments are initially recognised and subsequently measured at fair value. Fair values are obtained from discounted cash flow models. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Group designates interest rate swaps as hedges of the exposure to variability in interest rate movements which arise on bank borrowings. Changes in the fair value of interest rate swaps that are designated and qualify as fair value hedging instruments, are recognised in profit or loss.

(iii) 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.

(iv) Trade and other payables

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

(v) Borrowings

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

(vi) Ordinary shares issued by the company

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdraft. In the balance sheet, the bank overdraft is included in borrowings in current liabilities.

Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognized for future operating losses.

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 recognized immediately in the income statement.

An impairment loss recognized 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 recognized.

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 recognized for the asset in prior years. Impairment reversals are recognized immediately in the income statement.

Revenue Recognition
Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts where applicable. 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 recognized:

- Sales from operations of the hotel and entertainment establishments are recognised upon the performance of services and supply of goods, net of sales taxes and discounts.
- Sales of property are recognised when the significant risks and rewards of ownership of the property being sold are effectively transferred to the buyer.
- Rental income relating to operating leases is recognised as it accrues, unless collectability is in doubt.

Borrowing costs
Borrowing costs are capitalised within tangible fixed assets in so far as they relate to the specific external financing of assets under development. Such borrowing costs are capitalised up to the time that the assets are bought into use. Other borrowing costs are recognised as an expense in the year to which they relate.

Operating Leases
(i) Where a Group Company is a lessee
Leases of assets were a significant portion of the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

(ii) Where a Group Company is a lessor
Assets leased out under operating leases are included in investment property in the balance sheet. These assets are fair valued annually on a basis consistent with similarly owned investment property.

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.

Under this method the group is required to make a provision for deferred income taxes on the revaluation of certain fixed assets. Such deferred tax is charged or credited directly to the revaluation reserve. Deferred income tax on the difference between the actual depreciation on the property and the equivalent depreciation based on the historical cost of the property is realised through the income statement.

Under this method the group is required to make a provision for deferred income taxes of the fair valuation of investment property.

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 to the period when the asset is realised or the liability is settled based on the tax rates that have been 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.

Currency translation

The financial statements of the company are presented in its functional currency, the Euro, being the currency of the primary economic environment in which the company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segmental reporting is restricted when it is considered arbitrary or difficult to segment an entities assets and liabilities.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the company's directors, except as follows, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS1 (revised).

3. Critical accounting estimates and judgements (continued)

Fair value of property, plant and equipment

Determining the fair value of property, plant and equipment requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of property, plant and equipment of the group at the end of the reporting period was €82,360,172.

4. Business Segments

For management purposes the Group is organised in two operating divisions – hospitality, entertainment and other related operations. These divisions are the basis of which the Group reports its primary segment information.

2009	Entertainment & other related operations	Hospitality operations	Total
	€	€	€
Revenue	*6,726,165*	*12,608,614*	**19,334,779**
Segment results from operations	**2,098,313**	**2,005,431**	**4,103,744**
Depreciation charge			*(2,784,498)*
Share of losses of associates			*(77,125)*
Loss on financial instruments designated at fair value through profit or loss			*(447,709)*
Finance costs			*(2,554,550)*
Sale of non current assets			*(113,301)*
Loss before taxation			**(1,873,439)**
Tax credit			*437,003*
Loss from continuing operations			**(1,436,436)**
Loss from discontinuing operations			**(64,500)**
Loss for the year			**(1,500,936)**

2008	Entertainment & other related operations	Hospitality operations	Total
	€	€	€
Revenue	*7,241,471*	*15,494,252*	**22,735,723**
Segment results from operations	**2,386,304**	**3,547,565**	**5,933,869**
Depreciation charge			*(2,719,072)*
Share of losses of associates			*(27,774)*
Finance costs			*(2,847,941)*
Sale of non current assets			*(73,038)*
Profit before taxation			**266,044**
Tax expense			*(259,548)*
Profit from continuing operations			**6,496**
Loss from discontinuing operations			**(139,231)**
Loss for the year			**(132,735)**

5. Other Operating Income

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Rents receivable	**-**	*757*	-	*757*
Operating fees	**136,181**	*100,005*	**6,751,601**	*6,715,426*
Interest receivable	**82,410**	*117,955*	**82,410**	*117,955*
	218,591	*218,717*	**6,834,011**	*6,834,138*

6. Finance costs

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Interest on bank overdraft and loans	**993,870**	*1,244,596*	**882,934**	*1,123,442*
Interest on other loans	**1,560,680**	*1,603,345*	**1,653,855**	*1,697,278*
	2,554,550	*2,847,941*	**2,536,789**	*2,820,720*

7. (Loss)/Profit on Ordinary Activities before Taxation

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
This is stated after charging:				
Directors' remuneration	**151,821**	*151,401*	-	-
Difference on exchange	**(3,788)**	*(906)*	**-**	*(469)*
Bad debts	**41,335**	*24,206*	**129,245**	-

The analysis of the amounts that are payable to the auditors is as follows

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Total remuneration payable to the company's auditors for the audit of the Group's financial statements	**28,571**	*28,571*	**8,153**	*8,153*

8. Staff costs and Employee Information

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Wages and salaries	**6,012,579**	*6,459,367*	**1,778,488**	*1,720,189*
Taxes and other benefits	**641,729**	*654,321*	**111,742**	*111,919*
	6,654,308	*7,113,688*	**1,890,230**	*1,832,108*
Recharged to subsidiaries	**-**	*-*	**(1,890,230)**	*(1,832,108)*
	6,654,308	*7,113,688*	-	-

The average weekly number of full time equivalents including directors employed by the Company during the year was:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	Number	*Number*	**Number**	*Number*
Administrative	**46**	*46*	**15**	*13*
Operational	**298**	*349*	**96**	*100*
	344	*395*	**111**	*113*

9. Tax on Ordinary Activities

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Group undertakings:				
Deferred tax charge	**(437,003)**	*259,455*	**577,170**	*519,737*
Tax charge	-	*93*	-	-
	(437,003)	*259,548*	**577,170**	*519,737*
Associated undertakings:				
Deferred tax charge	-	-	-	-
	(437,003)	*259,548*	**577,170**	*519,737*

	Group		Company	
The tax expense and the tax charge using the statutory income tax rate of 35% are reconciled as follows	**2009** **€**	*2008* *€*	**2009** **€**	*2008* *€*
Profit before taxation from continuing operations	**(1,814,930)**	*266,044*	**1,397,513**	*1,264,286*
Tax charge at 35%	**(635,226)**	*93,115*	**489,130**	*442,500*
Depreciation on fixed assets not allowable for tax purposes by way of capital allowances	**(452,683)**	*(387,261)*	**(505,522)**	*(426,240)*
Movement in deferred tax	**(437,003)**	*259,455*	**577,170**	*519,737*
Tax losses absorbed	**995,046**	*240,756*	**998,709**	*(41,496)*
Statutory deductions	**127,813**	*36,421*	**45,236**	*25,563*
Other differences	-	*17,115*	**-**	*(274)*
Tax effect on non-taxable income	-	*(53)*	-	*(53)*
Tax losses transferred	**(34,950)**	-	**(1,027,553)**	-
Tax charge for the year	**(437,003)**	*259,548*	**577,170**	*519,737*

10. Discontinued Operations

During the third quarter of 2009 Eden Leisure Group decided to terminate the Bay Mobile operation. The termination was effected since the operation was no longer considered feasible.

The loss for the year from discontinued operations is analysed as follows:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Loss from Bay Mobile operation for the year	**(99,450)**	*(214,202)*	-	-
Tax credit for the year	**34,950**	*74,971*	-	-
	(64,500)	*(139,231)*	-	-

Attributable to:

	Group		Company	
	2009	*2008*	**2009**	*2008*
Equity holders of the company	**(33,540)**	*(72,400)*	-	-
Minority interest	**(30,960)**	*(66,831)*	-	-
	(64,500)	*(139,231)*	-	-

The results of the Bay Mobile operation for the year from 1 January to 31 December are as follows:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Revenue	**46,593**	*35,970*	-	-
Cost of sales	**(61,230)**	*(32,945)*	-	-
Operating (loss)/profit	**(14,637)**	*3,025*	-	-
Administrative expenses	**(84,813)**	*(217,227)*	-	-
	(99,450)	*(214,202)*	-	-

The cashflows generated from the Bay Mobile operation for the year from 1 January to 31 December are as follows:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Operating cashflows	**(26,960)**	*(169,696)*	-	-
Investing cashflows	-	*1,440*	-	-
	(26,960)	*(168,256)*	-	-

11. Property, Plant and Equipment
Group

	Land and Buildings	Furniture Fixtures & Fittings	Equipment	Computer Equipment	Motor Vehicles	Other Fixed Assets	Total
	€	€	€	€	€	€	€
Cost/Valuation							
As at 1st January 2008	*51,658,522*	*11,864,852*	*10,587,197*	*983,780*	*322,386*	*12,072,025*	*87,488,762*
Additions	*80,725*	*381,972*	*298,195*	*134,383*	-	*30,655*	*925,930*
Disposals	-	*(270,891)*	*(6,212)*	*(41,765)*	-	*(5,697)*	*(324,565)*
Revaluation surplus	*15,812,949*	-	-	-	-	-	*15,812,949*
As at 1st January 2009	*67,552,196*	*11,975,933*	*10,879,180*	*1,076,398*	*322,386*	*12,096,983*	*103,903,076*
Additions	*22,102*	*508,505*	*133,408*	*87,008*	*995*	*31,661*	*783,679*
Disposals	-	*(257,603)*	*(16,673)*	*(29,386)*	-	-	*(303,662)*
As at 31st December 2009	*67,574,298*	*12,226,835*	*10,995,915*	*1,134,020*	*323,381*	*12,128,644*	*104,383,093*
Depreciation							
As at 1st January 2008	*3,342,433*	*6,336,075*	*6,644,408*	*749,139*	*265,375*	*3,475,148*	*20,812,578*
Depreciation charge	*584,738*	*866,715*	*576,319*	*119,192*	*11,405*	*560,703*	*2,719,072*
Eliminated on disposals	-	*(138,244)*	*(1,938)*	*(33,927)*	-	*(1,585)*	*(175,694)*
Revaluation surplus	*(3,927,171)*	-	-	-	-	-	*(3,927,171)*
As at 1st January 2009	-	*7,064,546*	*7,218,789*	*834,404*	*276,780*	*4,034,266*	*19,428,785*
Depreciation charge	*829,898*	*792,557*	*518,956*	*107,454*	*9,321*	*526,312*	*2,784,498*
Eliminated on disposals	-	*(154,660)*	*(10,010)*	*(25,691)*	-	-	*(190,361)*
As at 31st December 2009	*829,898*	*7,702,443*	*7,727,735*	*916,167*	*286,101*	*4,560,577*	*22,022,921*
Net Book Value							
As at 31st December 2009	***66,744,400***	***4,524,392***	***3,268,180***	***217,853***	***37,280***	***7,568,067***	***82,360,172***
As at 1st January 2009	*67,552,196*	*4,911,387*	*3,660,391*	*241,994*	*45,606*	*8,062,717*	*84,474,291*

11. Property, Plant and Equipment (continued)
Company

	Land and Buildings	Furniture Fixtures & Fittings	Equipment	Computer Equipment	Motor Vehicles	Other Fixed Assets	Total
	€	€	€	€	€	€	€
Cost/Valuation							
As at 1st January 2008	*47,660,280*	*10,880,912*	*10,145,524*	*909,397*	*315,573*	*12,067,549*	*81,979,235*
Additions	*80,725*	*380,509*	*297,623*	*133,787*	-	*30,655*	*923,299*
Disposals	-	*(270,891)*	*(6,212)*	*(41,765)*	-	*(5,697)*	*(324,565)*
Revaluation surplus	*15,448,663*	-	-	-	-	-	*15,448,663*
As at 1st January 2009	*63,189,668*	*10,990,530*	*10,436,935*	*1,001,419*	*315,573*	*12,092,507*	*98,026,632*
Additions	*22,102*	*508,505*	*133,408*	*87,008*	*995*	*31,665*	*783,683*
Disposals	-	*(257,603)*	*(16,673)*	*(29,386)*	-	-	*(303,662)*
As at 31st December 2009	*63,211,770*	*11,241,432*	*10,553,670*	*1,059,041*	*316,568*	*12,124,172*	*98,506,653*
Depreciation							
As at 1st January 2008	*3,292,312*	*5,741,475*	*6,448,395*	*694,070*	*261,499*	*3,473,024*	*19,910,775*
Depreciation charge	*570,836*	*808,095*	*540,855*	*112,621*	*10,815*	*560,370*	*2,603,592*
Eliminated on disposals	-	*(138,244)*	*(1,938)*	*(33,927)*	-	*(1,585)*	*(175,694)*
Revaluation surplus	*(3,863,148)*	-	-	-	-	-	*(3,863,148)*
As at 1st January 2009	-	*6,411,326*	*6,987,312*	*772,764*	*272,314*	*4,031,809*	*18,475,525*
Depreciation charge	*759,133*	*742,730*	*489,561*	*102,950*	*8,851*	*526,013*	*2,629,238*
Eliminated on disposals	-	*(154,660)*	*(10,010)*	*(25,691)*	-	-	*(190,361)*
As at 31st December 2009	*759,133*	*6,999,396*	*7,466,863*	*850,023*	*281,165*	*4,557,821*	*20,914,401*
Net Book Value							
As at 31st December 2009	***62,452,637***	***4,242,036***	***3,086,807***	***209,018***	***35,403***	***7,566,351***	***77,592,252***
As at 1st January 2009	*63,189,668*	*4,579,204*	*3,449,623*	*228,655*	*43,259*	*8,060,698*	*79,551,107*

During the previous financial year, on 31 December 2008, the directors approved revaluations of the property owned by the Group and classified under property, plant and equipment, after assessing the valuation made by an independent architect. This valuation was determined on the basis of open market valued after considering the intrinsic value of the property and net potential returns. The directors have reassessed the value of the property, plant and equipment owned by the group and believe that no impairment adjustment is required to the 2009 carrying amount.

12. Investment Property

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
As at 1st January	**2,544,328**	*2,544,328*	**2,544,328**	*2,544,328*
Increase in fair value	-	-	-	-
As at 31st December	**2,544,328**	*2,544,328*	**2,544,328**	*2,544,328*

Investment property is valued annually on 31 December at fair value comprising open market value approved by the Directors on the basis of an independent professional valuation prepared by Group's architect.

13. Financial Assets

Company	**Shares in Group undertakings**	**Shares in Associated undertakings**	**Total**
	€	**€**	**€**
At 1st January 2009	*2,576,670*	*575,048*	*3,151,718*
Additions	-	-	-
At 31st December 2009	*2,576,670*	*575,048*	*3,151,718*

Shares in group and associated undertakings represent the following investments:

	Registered Address	**Principal Activity**	**2009 % holding**	**2008 % holding**
Group				
Eden Finance p.l.c.	Eden Place St. Augustine Street St. George's Bay	Finance company	99.99	99.99
Eden Entertainment Limited	Eden Place St. Augustine Street St. George's Bay	Entertainment operating company	99.99	99.99
Eden Super Bowl Limited	Eden Place St. Augustine Street St. George's Bay	Entertainment operating company	99.99	99.99
Roxy Management Limited	Eden Place St. Augustine Street St. George's Bay	Property management company	-	99.99
Baytel Limited	Eden Place St. Augustine Street St. George's Bay	Mobile virtual network operator	52.00	-
Eden Hospitality Limited	Eden Place St. Augustine Street St. George's Bay	Hotel management company	99.99	99.99

13. Financial Assets (continued)

The Groups Associates are shown below:

Sunny Resorts Limited	Eden Place St. Augustine Street St. George's Bay	Management property company	33.33	33.33
Axis Limited	St. George's Road, St. Julians	Entertainment company	50.00	50.00

Summarised financial information in respect of the Group's associates is set out below:

	Group	
	2009	*2008*
	€	*€*
Opening net book value	**860,128**	*887,902*
Share of losses of Associated undertakings (net of deferred tax)	**(77,125)**	*(27,774)*
Closing net book value	**783,004**	*860,128*
Net assets	**2,305,906**	*2,460,544*
Group share of net assets	**783,004**	*860,128*

Other financial investments	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
As at 1st January	**1,163,179**	*581,179*	**1,163,179**	*581,179*
Additions	-	*582,000*	-	*582,000*
As at 31st December	**1,163,179**	*1,163,179*	**1,163,179**	*1,163,179*

This investment represents 11,632 Eden Finance p.l.c. 6.7% bonds of €100 each owned by Eden Leisure Group as at 31st December 2009, the Market price as at 31st December 2009 was €100.50.

14. Inventories

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Food, beverage and consumables	**134,737**	*189,244*	**-**	-
Crockery and linen	**881,617**	*1,023,605*	**869,739**	*1,011,728*
Other stocks	**64,289**	*64,289*	**64,289**	*64,289*
	1,080,643	*1,277,138*	**934,028**	*1,076,017*

15. Trade and other receivables

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Trade receivables	**2,558,765**	*3,109,225*	**216,832**	*179,734*
Amounts owed by related/group undertakings (i)	**194,953**	*129,857*	**2,934,138**	*2,905,198*
Prepayments and accrued income	**135,932**	*203,741*	**55,574**	*37,277*
	2,889,650	*3,442,823*	**3,206,544**	*3,122,209*

(i) Amounts due by group and related undertakings are unsecured, interest free and are repayable on demand.

16. Deferred Taxation

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% / 12% (2007 – 35% / 12%).

The movement in the deferred tax account is as follows:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
At the beginning of the year	**(5,074,811)**	*402,597*	**(5,304,593)**	*79,758*
Profit and loss account – charge/(credit) (note 9)	**437,003**	*(259,455)*	**(577,170)**	*(519,737)*
Tax credit on discontinued operations (note 10)	**34,951**	*74,971*	**-**	*-*
Effect due to revaluation	**-**	*(5,292,924)*	**-**	*(4,864,614)*
Transfer of tax losses	**-**	*-*	**1,403,770**	*-*
At the end of the year	**(4,602,857)**	*(5,074,811)*	**(4,477,993)**	*(5,304,593)*

The following amounts are shown in the balance sheet:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Deferred tax assets	**5,673,280**	*5,033,796*	**5,269,661**	*4,262,717*
Deferred tax liabilities	**(10,276,137)**	*(10,108,607)*	**(9,747,654)**	*(9,567,310)*
	(4,602,857)	*(5,074,811)*	**(4,477,993)**	*(5,304,593)*

Deferred tax assets primarily relate to provisions, tax losses and unabsorbed capital allowances which have no expiry date. Deferred tax liabilities relate to revaluation, fair value gains and temporary differences on fixed assets.

17. Financial Liabilities at Fair Value Through Profit or Loss

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Fair value				
Financial liabilities classified as held for trading				
- Derivative financial instruments	**447,709**	-	**447,709**	-

Derivative financial instruments comprise interest-rate swaps and are classified with financial assets or financial liabilities classified as held for trading.

The notional principal amounts of the outstanding interest rate swap at the end of the reporting period amounted to €18,000,000 (2008: nil).

At the end of the reporting period, the fixed interest rates on interest rate swap is 3.11% per annum. The floating rate is the three-month EURIBOR. The interest rate swaps settle on a quarterly basis and the company settles the difference between the fixed and the floating interest rate.

18. Trade and Other Payables

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Falling due within one year				
Trade payables	**5,181,456**	*5,312,769*	**305,731**	*190,434*
Capital creditors	-	*212,440*	**-**	*212,440*
Amounts owed to related undertakings	-	-	**1,762,810**	*2,164,807*
Accruals and deferred income	**3,182,248**	*2,733,799*	**515,510**	*494,444*
Other payables	**1,108,968**	*1,109,328*	**1,159,466**	*1,127,912*
	9,472,672	*9,368,336*	**3,743,517**	*4,190,037*
Falling due after more than one year				
Amounts owed to related and group undertakings	-	-	-	*608,039*
Other payables	**239,747**	*349,856*	**239,747**	*349,856*
	239,747	*349,856*	**239,747**	*957,895*

19. Interest – bearing borrowings

	Group 2009 €	Group *2008* €	Company 2009 €	Company *2008* €
Falling due within one year				
Bank overdrafts (i)	**1,354,232**	*1,902,602*	**91,775**	*33,687*
Bank loans (i)	**3,336,858**	*1,532,950*	**3,148,101**	*1,352,901*
Related company loans (ii)	-	-	**23,293,734**	-
Debt securities (iii)	**23,255,763**	-	-	-
	27,946,853	*3,435,552*	**26,533,610**	*1,386,588*
Falling due after more than one year				
Bank loans (i)	**16,540,118**	*19,445,192*	**15,285,851**	*17,984,435*
Related company loans (ii)	-	-	-	*23,293,734*
Debt securities (iii)	-	*23,293,734*	-	-
	16,540,118	*42,738,926*	**15,285,851**	*41,278,169*
Total borrowings	**44,486,971**	*46,174,478*	**41,819,461**	*42,664,757*

(i) The bank overdraft and bank loans are secured by general hypothecs and a special privilege over the Group's assets. The Group's and Company's banking facilities as at 31st December 2009 amounted to €4,407,740 (2008: €4,177,395) for the Group, and €1,658,956 (2008: €1,428,734) for the Company.

(ii) These represent funds raised by the bond issue which have been advanced to Eden Leisure Group Limited at an annual interest rate of 7.1% per annum. The loan is due for repayment in full on the 28th September 2010.

(iii) These represent funds raised by the last issue by Eden Finance p.l.c. at an annual interest rate of 6.7%. The bond will be repaid on the 12th October 2010.

	Group 2009 €	Group *2008* €	Company 2009 €	Company *2008* €
Interest rate exposure:				
At floating rates	**3,193,237**	*22,880,744*	**525,727**	*19,371,023*
At fixed rates	**41,293,734**	*23,293,734*	**41,293,734**	*23,293,734*
Total borrowings	**44,486,971**	*46,174,478*	**41,819,461**	*42,664,757*

	Group 2009	Group *2008*	Company 2009	Company *2008*
Weighted average effective interest rates at the balance sheet date:	**%**	*%*	**%**	*%*
Bank overdrafts	**5.00**	*4.12*	**5.00**	*4.50*
Bank loans – variable rate	**5.96**	*4.59*	**5.00**	*4.45*
Bank loans – fixed rate swap	**5.61**	-	**5.61**	-
Bond issue	**6.70**	*6.70*	**7.10**	*7.10*

	Group 2009 €	Group *2008* €	Company 2009 €	Company *2008* €
Maturity of long term borrowings:				
Between 1 and 5 years	**10,651,162**	*33,604,613*	**9,766,657**	*32,766,301*
Over 5 years	**5,888,956**	*9,134,313*	**5,519,194**	*8,511,868*
	16,540,118	*42,738,926*	**15,285,851**	*41,278,169*

20. Called up Issued Share Capital

	Company 2009/*2008* Authorised €	*Issued and Called up €*
"A" Ordinary shares of €2.329373 each	**8,330,695**	*8,330,695*
"B" Ordinary shares of €2.329373 each	**8,250,993**	*8,250,993*
	16,581,688	*16,581,688*

21. Revaluation reserve

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
As at 1st January	**15,599,845**	*1,152,648*	**15,306,969**	*859,772*
Gain on revaluation of property	**-**	*19,740,120*	**-**	*19,311,811*
Deferred tax liability arising on revaluation of property	**-**	*(5,292,923)*	**-**	*(4,864,614)*
Depreciation on revalued buildings	**(141,167)**	*-*	**(141,167)**	*-*
As at 31st December	**15,458,678**	*15,599,845*	**15,165,802**	*15,306,969*

The revaluation reserve was created on the revaluation of the Group's and Company's property plant and equipment and investment property. The revaluation reserve is a non-distributable reserve.

22. Cash and Cash Equivalents

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Cash in hand and bank	**857,996**	*1,135,546*	**23,677**	*23,677*
Bank overdraft	**(1,354,232)**	*(1,902,602)*	**(91,775)**	*(33,687)*
	(496,236)	*(767,056)*	**(68,098)**	*(10,010)*

23. Capital Commitments

Capital expenditure

Commitments for capital expenditure not provided for in these financial statements are as follows:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Authorised but not contracted	**81,153**	*68,000*		-
Contracted but not provided for	**48,567**	*300,568*		-

Operating lease commitments where the Group company is a lessee

The future minimum operating lease payments under a non cancellable operating lease are as follows:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Not later than 1 year	**98,137**	*96,203*	-	-
Later than 1 year and not later than 5 years	**392,546**	*392,546*	-	-
Later than 5 years	**1,014,329**	*1,112,466*	-	-
	1,505,012	*1,601,215*	-	-

Operating lease commitments where the Group company is a lessor

The future minimum operating lease payments under a non cancellable operating lease are as follows:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Not later than 1 year	**136,676**	*90,666*	**136,676**	*90,666*
Later than 1 year and not later than 5 years	**411,743**	*390,685*	**411,743**	*390,685*
Later than 5 years	-	-	-	-
	548,419	*481,351*	**548,419**	*481,351*

24. Contingent Liabilities

At 31st December 2009, the Group had contingent liabilities in respect of:

(i) Guarantees amounting to €40,298 given to third party creditors.
(ii) Performance bond guarantees amounting to GBP 402,000 given to a third party.
(iii) Tax in dispute amounting to approximately €10,578 including penalties in respect of assessments raised on the Company. The Directors are of the opinion that these claims are unfounded.
(iv) Eden Leisure Group Limited guaranteed the payment of the nominal value of the bonds issued by Eden Finance p.l.c. for subscription to the general public, amounting to €23,294,090 on the redemption date and of the interest amounts payable in respect of the bonds on each interest payment date. All bonds are due for redemption on 12th October 2010. The bonds are subject to interest at the rate of 6.7% payable annually in arrears on 12th October in each year. The guarantors irrevocably and unconditionally guarantee the due and punctual performance of all the obligations undertaken by the Company under the terms and conditions of the bond issue.
(v) A guarantee amounting to €1,800,000 in favour of HSBC in relation to the interest rate swap.

25. Financial Risk Management

The Group's activities potentially expose it to a variety of financial risks on its financial assets and financial liabilities. The key components of financial risks to the Group are: cash flow interest rate risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

<u>Cash flow and fair value interest rate risk</u>
The Group's interest rate risk arises on its interest bearing borrowings. Borrowings issued at variable rates, comprising bank borrowings, expose the Group to cash flow interest rate risk. The Group's borrowings are subject to an interest rate that varies according to revisions made to the Bank's Base Rate. The Group has adopted a cautious risk policy with regards to interest rate fluctuation which has been mitigated with an 8 year Interest Rate Swap on €18,000,000 of its bank borrowing. The Directors monitor the level of floating rate borrowings as a measure of cash flow risk taken on. Interest rates on these financial instruments are linked with the Central Intervention Rate issued by the European Central Bank. Also debt securities, carried at cost, are issued at fixed rates and therefore, do not expose the Group to fair value interest rate risk.

Based on the above, the Directors consider the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period keeping all other variables constant, to amount to +/- €16,000.

<u>Credit risk</u>
Credit risk arises from cash and cash equivalents, deposits with banks, investments, as well as credit risk exposures to customers, including outstanding receivables and committed transactions. The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2009	*2008*	**2009**	*2008*
	€	*€*	**€**	*€*
Carrying amounts				
Other financial investments	**1,163,179**	*1,163,179*	**1,163,179**	*1,163,179*
Trade and other receivables	**2,889,650**	*3,442,823*	**3,206,544**	*3,122,209*
Cash at hand and in bank	**857,996**	*1,135,546*	**23,677**	*23,677*
	4,910,825	*5,741,548*	**4,393,400**	*4,309,065*

25. Financial Risk Management (continued)

Other financial investments comprise debt securities issued by a Group Company as described in note 13, and therefore in the directors opinion do not attract credit risk.

Group companies bank only with local financial institutions with high quality standing or rating. The Group has no concentration of credit risk that could materially impact on the sustainability of its operations. However, in common with similar business concerns, the failure of specific large customers could have a material impact on the Group's results.

The Group assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of services are effected to customers with an appropriate credit history in the case of credit sales.

Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Group's standard payment and service delivery terms and conditions are offered. The Group's review includes external credit worthiness databases when available. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance represents specific provisions against individual exposures.

Included in the Group's trade receivable balance are the following debtors which are past due at the reporting date for which the group has not provided as the amounts are still considered recoverable:

	Group	
	2009	*2008*
	€	*€*
91 – 120 days	**240,961**	*345,194*
121 – 150 days	**172,895**	*225,507*
Over 150 days	**158,793**	*170,115*
	572,649	*740,816*

Included in the Group's impairment provision are individually impaired trade receivables which either have been placed into liquidation or which are in unexpectedly difficult economic situation:

	Group	
	2009	*2008*
	€	*€*
Local receivables	**104,489**	*59,011*
Foreign receivables	**26,882**	*27,947*
	131,371	*86,958*

The Company's receivables also include advances to Group undertakings on which no credit risk is considered to arise.

Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and interest-bearing borrowings dislosed in notes 18 and 19. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meeting the Group's obligations.

25. Financial Risk Management (continued)

As at the end of the reporting period, the Group is in a net current liability position of €33,038,945. This was effectively financed by the Group's overdraft, short-term bank loan facilities and debt securities in issue that are maturing in October 2010.

The Directors monitor liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve month period. After the reporting period the Group has obtained increased loan facilities to restructure its current debt and better repayment arrangements for the total amount borrowed. Also the Group, through its finance company has submitted an application to the Listing Authority of the MFSA requesting the admissibility to listing of a €15,000,000 new bond issue, the proceeds of which will be used to redeem maturing bonds. With this additional financing, the Group is confident that it will be able to meet its commitments as and when they fall due.

The table below analyses the Groups financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, which do not reflect any changes due to the refinancing arrangments made after the end of the reporting period.

	Group	
	2009	*2008*
	€	*€*
Within one year		
Trade and other payables	**9,472,672**	*9,368,333*
Bank borrowings	**5,318,932**	*4,423,859*
Debt securities	**24,462,638**	*1,560,680*
	39,254,242	*15,352,872*
Between 2 and 5 years		
Trade and other payables	**239,747**	*349,856*
Bank borrowings	**12,263,030**	*13,218,577*
Debt securities	**-**	*24,464,244*
	12,502,777	*38,032,677*
Over 5 years		
Bank borrowings	**6,172,404**	*9,758,371*
	57,929,423	*63,193,920*

<u>Fair values</u>
At 31 December 2009 and 31 December 2008 the carrying amounts of payables, receivables and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of long-term borrowings are not materially different from their carrying amounts.

26. Comparative Figures

Certain comparative figures have been changed to comply with this year's presentations.

27. Statutory Information

Eden Leisure Group Limited is a limited liability Company and is incorporated in Malta.