

**Notes to the Consolidated Financial Statements  
For the Year Ended 31 March 2011**

21. CREDITORS: Amounts falling due after more than one year	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Obligations under finance lease	-	18,795,991	-	18,795,991
Trade creditors	50,000	50,000	50,000	50,000
Other loans	195,000	215,000	195,000	215,000
	<u>245,000</u>	<u>19,060,991</u>	<u>245,000</u>	<u>19,060,991</u>

22. LEASING COMMITMENTS	Group		Company	
	2011 £	2010 £	2011 £	2010 £
The group had annual commitments under non-cancellable leases as follows:				
Other operating leases:				
Due to expire - within one year	-	3,067	-	3,067
- within two to five years	11,539	2,224	11,539	2,224
- more than five years	4,925	-	4,925	-
	<u>4,925</u>	<u>-</u>	<u>4,925</u>	<u>-</u>

### 23. OBLIGATIONS UNDER FINANCE LEASES AND OTHER LOANS

During 2001 the company entered into a lease and leaseback arrangement with Lombard Property Facilities Limited in respect of freehold property and equipment and exhibitions.

Financial Reporting Standard 5 requires the company to report the substance of transactions. The substance of the above transactions is that of a finance lease being granted to Magna Trust. The company has therefore continued to recognise the expenditure on the freehold property and equipment and exhibitions as tangible fixed assets and the monies received from Lombard Property Facilities Limited as a commitment under finance leases.

Under the terms of the underlease, an option can be exercised by either party for a further lease to be granted by Lombard Property Facilities Limited, in consideration for an option price being paid by Magna Trust. The option lease was exercised on 14th April 2011 for £18,727,202 and the liability was settled out of the £18,963,890 bank deposit shown in note 16 above. The post 31 March 2011 effect of this transaction was the removal of £18,727,202 from both current assets and current liabilities and the release of £236,688 from the bank deposit into general unrestricted funds.

The commitments are as follows:	Other Loans	Finance Lease	Other Loans	Finance Lease
	2011 £	2011 £	2010 £	2010 £
Within one year	180,000	18,727,202	170,000	-
Between one and two years	20,000	-	20,000	18,795,991
Between two and five years	60,000	-	60,000	-
Over five years	115,000	-	135,000	-
	<u>375,000</u>	<u>18,727,202</u>	<u>385,000</u>	<u>18,795,991</u>

The finance lease is secured by fixed and floating charges over the assets of the company. In addition, the company has placed funds on deposit as security for the above arrangement. At 31 March 2011 the balance on these funds was £18,963,890.

Other loans are secured by a charge over part of the company's property. There are two loans, one is repaid in quarterly instalments until December 2021 with an interest charge of 2% over base rate, the other is repayable by 29th September 2011 with an interest charge of 2% over base rate.