

Ellerman Investments Limited

(registered number: 1848089)

Report and Consolidated Financial Statements For the year ended 31 December 2009

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Ellerman Investments Limited

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Ellerman Investments Limited

Report of the Directors for the year ended 31 December 2009

(registered number: 1848089)

The Directors present their report and audited accounts for the Company and its subsidiaries (the Group) for the year ended 31 December 2009

Principal activities

The Group's main business activities are property management and the supply of IT services and equipment

Review of business and results

The results of the Group for the year are set out in the consolidated profit and loss account on page 7

Future Developments

Directors

The Directors of the Company during the year ended 31 December 2009 were

A S Barclay
H M Barclay
R K Mowatt
P L Peters
M Seal

Results and dividend

The loss for the year of £4.8 million (2008 loss £14.3 million) has been transferred to reserves. The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2009 (2008 Nil).

Charitable donations

Donations of £1,210,000 (2008 £89,000) were made by the Group during the year for charitable purposes.

Employee involvement

The Group has continued to maintain its commitment to employee involvement throughout the business.

Employees are kept well informed of the performance and objectives of the Group through personal briefings, regular meetings and e-mail.

Ellerman Investments Limited

Report of the Directors for the Year Ended 31 December 2009 (continued) (registered number. 1848089)

Equal opportunities

The Group is committed to an active Equal Opportunities Policy from recruitment and selection, through training and development, appraisal and promotion to retirement

It is the Group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit

The Group is responsive to the needs of its employees, customers and the community at large and are an organisation that endeavours to use everyone's talents and abilities to the full

Creditor payment policy

For all trade creditors, it is the Company's and Group's policy to

- agree the terms of payment at the start of business with that supplier,
- ensure that suppliers are aware of the terms of payment, and
- pay in accordance with its contractual and other legal obligations

It is the company's policy in respect of all suppliers to agree payment terms in advance of the supply of goods and to adhere to those payment terms

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the Directors are required to

- a) select suitable accounting policies and then apply them consistently,
- b) make judgements and estimates that are reasonable and prudent,
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

Ellerman Investments Limited

Report of the Directors for the Year Ended 31 December 2009 (continued) (registered number: 1848089)

Statement of Directors' Responsibilities (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors and disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's and Group's auditors are unaware and the Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's and Group's auditors are aware of that information.

Financial risk management

The Group's activities expose it to liquidity and interest rate risk. The Group's overall financial risk management objective is to minimise its potential adverse effects on the financial performance of the Group.

(a) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funding requirements for working capital. The Group has debt facilities that are designed to ensure that it has sufficient available funds for operations and planned expansions.

(c) Interest rate risk

The Group has interest bearing assets which consist of cash balances.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP, as auditors to the Company will be proposed at the annual general meeting.

By Order of the Board

For and on behalf of Broomfield Secretarial Services Limited

Company Secretary



Director MICHAEL SEAL

27th April 2010

Ellerman Investments Limited

Independent Auditors' Report to the members of Ellerman Investments Limited

We have audited the group and parent company financial statements (the "financial statements") of Ellerman Investments Limited for the year ended 31 December 2009 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's loss and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Ellerman Investments Limited

Independent Auditors' Report to the members of Ellerman Investments Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, and
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Alison Lees (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 April 2010

Ellerman Investments Limited

Consolidated Profit and Loss Account for the year ended 31 December 2009

	<i>NOTE</i>	2009 £'000	2008 £'000
Turnover including share of joint ventures			
Continuing operations		4,703	2,906
Discontinued operations		-	27,084
	2	4,703	29,990
Less Share of joint venture turnover – continuing operations	13	-	(164)
Group turnover		4,703	29,826
Cost of sales		(2,175)	(9,272)
Gross profit		2,528	20,554
Total operating expenses	3	(7,317)	(26,898)
Operating loss			
Continuing operations		(4,789)	(14,400)
Discontinued operations		-	8,056
Group operating loss	4	(4,789)	(6,344)
Share of operating (loss)/profit in joint ventures	13	(43)	147
Total operating loss. Group and share of joint ventures	2	(4,832)	(6,197)
Profit on sale of freehold property		-	3,036
Net finance and other charges	7	(458)	(11,094)
Loss on ordinary activities before taxation		(5,290)	(14,255)
Taxation credit on ordinary activities	8	540	-
Loss retained for the year		<u>(4,750)</u>	<u>(14,255)</u>

Ellerman Investments Limited

Consolidated Statement of Total Recognised Gains and Losses for the year ended 31 December 2009

	2009 £'000	2008 £'000
Reported loss for the year	(4,750)	(14,255)
Actuarial loss on pension schemes	(324)	(177)
Profit on sale of subsidiaries	-	707,082
Total gains and losses recognised	<u>(5,074)</u>	<u>692,660</u>

Consolidated Statement of Historical Cost Profits and Losses for the year ended 31 December 2009

	2009 £'000	2008 £'000
Reported loss on ordinary activities before taxation	(5,290)	(14,255)
Depreciation on re-valued buildings at historical cost	-	(1,082)
Depreciation on re-valued buildings at valuation	-	1,355
Difference between historical cost depreciation and the actual charge for the year	-	273
Historical cost loss on ordinary activities before taxation	<u>(5,290)</u>	<u>(13,982)</u>

Ellerman Investments Limited

Consolidated Balance Sheet as at 31 December 2009 (registered number. 1848089)

	NOTE	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	10	517	650
Investments in joint ventures	13		
Share of gross assets		-	478
Share of gross liabilities		-	(211)
		517	267
			917
Current assets			
Debtors amounts falling due within one year	14	2,084	811
Debtors amounts falling due after more than one year	14	749,145	750,053
Cash at bank and in hand	15	2,876	3,187
		754,105	754,051
Creditors amounts falling due within one year	16	(13,691)	(3,540)
Net current assets		740,414	750,511
Total assets less current liabilities		740,931	751,428
Creditors amounts falling due after more than one year	17	(17,900)	(23,323)
Net assets		723,031	728,105
Capital and reserves			
Called up share capital	19	16,283	16,283
Profit and loss reserve	20	706,748	711,822
Total capital employed	22	723,031	728,105

The financial statements on pages 7 to 27 were approved by the board of directors on 27th Nov 2010 and were signed on its behalf by



Director MICHAEL SEAL



Director RIGEL KENT MOWATT

Ellerman Investments Limited

Company Balance Sheet as at 31 December 2009 (registered number: 1848089)

		2009	2008
	NOTE	£'000	£'000
Fixed assets			
Tangible assets	11	441	532
Investments	12	1	112
		442	644
Current assets			
Debtors amounts falling within one year	14	606	345
Debtors amounts falling due after more than one year	14	749,145	750,053
Cash at bank and in hand		710	455
		750,461	750,853
Creditors amounts falling due within one year	16	(10,173)	(212)
Net current assets		740,288	750,641
Total assets less current liabilities		740,730	751,285
Creditors – amounts falling due after more than one year	17	(17,900)	(23,323)
Net assets		<u>722,830</u>	<u>727,962</u>
Capital and reserves			
Called up share capital	19	16,283	16,283
Profit and loss account	20	706,547	711,679
Total shareholders' funds	23	<u>722,830</u>	<u>727,962</u>

The financial statements on pages 7 to 27 were approved by the Board of Directors on 27th April 2010 and were signed on its behalf by



Director MICHAEL SEAL



Director RIGEL KENT MOWATT

Ellerman Investments Limited

Consolidated Cash Flow Statement for the year ended 31 December 2009

	2009		2008	
	£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities		(5,759)		5,691
Returns on investment and servicing of finance				
Interest received	101		243	
Interest paid	(559)		(10,539)	
Net cash outflow from returns on investments and servicing of finance		(458)		(10,296)
Taxation				
UK Corporation tax refund		540		-
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(119)		(1,197)	
Loan repaid by immediate holding company	150		-	
Loans repaid by associated undertakings	5,335		-	
Proceeds from sale of fixed assets	-		8,325	
		5,366		7,128
Investment acquisitions and disposals				
Cash disposed of with subsidiary undertakings		-		(6,953)
Net cash outflow before use of liquid resources and financing		(311)		(4,430)
Financing				
Decrease in borrowings		-		(2,023)
Decrease in cash		<u>(311)</u>		<u>(6,453)</u>

Ellerman Investments Limited

Consolidated Cash Flow Statement for the year ended 31 December 2009 (continued)

Reconciliation of operating loss to operating cash flows

	2009 £'000	2008 £'000
Operating loss	(4,789)	(6,344)
Depreciation	252	4,154
Amortisation of intangible assets	-	566
Increase in stock	-	(3,334)
Increase in debtors	(1,049)	(748)
(Decrease)/increase in creditors	(173)	11,397
Net cash (outflow)/inflow from operating activities	<u>(5,759)</u>	<u>5,691</u>

Reconciliation of net cash flow to movement in net debt

	2009 £'000	2008 £'000
(Decrease)/increase in cash for the year	(311)	500
Cash disposed of with subsidiary undertakings	-	(6,953)
	(311)	(6,453)
Decrease in debt	-	308,024
	(311)	301,571
Net debt at start of year	(6,813)	(308,384)
	<u>(7,124)</u>	<u>(6,813)</u>

Analysis of changes in net debt

	1 January 2009 £'000	Cash flows £'000	31 December 2009 £'000
Cash at bank and in hand	3,187	(311)	2,876
Director's loan	(10,000)	-	(10,000)
	<u>(6,813)</u>	<u>(311)</u>	<u>(7,124)</u>

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

1 Principal accounting policies

Basis of accounting

The accounts are prepared on a going concern basis in accordance with the Companies Act 2006 and applicable Accounting Standards. A summary of the more important accounting policies which with the exception of the changes noted below, have been applied consistently with the prior year is set out below.

Basis of consolidation

The consolidated accounts include the accounts of the Company and all of its subsidiary undertakings and joint ventures. The results of subsidiaries acquired or disposed of during the year are included from the date of their acquisition or up to the date of their disposal. Profits relating to intra-group trading have been eliminated.

Turnover

Turnover is recognised net of Valued Added Tax and is wholly earned in the United Kingdom. The principal revenue streams are property management and IT services.

Tangible fixed assets

Tangible fixed assets were held at modified historical cost less depreciation. Advantage was taken of the exemption provided by FRS 15 – “Tangible fixed assets” to freeze the value of revalued assets at their pre-FRS 15 valuations. The depreciation charged to the profit and loss account is based on the revalued amount, not the original historical cost. Each year a transfer is made from the revaluation reserve to the profit and loss reserve equivalent to the difference between the depreciation charged on original historical cost and that on the modified amount.

The Company separates its properties into components where they have significantly different useful economic lives and depreciates each component as appropriate. Depreciation on all tangible fixed assets, other than land, has been provided on a straight line basis over the following periods as follows:

Leasehold improvements	Period of lease
Equipment, fixtures and vehicles	4 to 15 years

Fixed asset investments

Company

The company's investments are carried at cost and impairment provisions are booked when a diminution in value occurs.

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

1 Principal accounting policies (continued)

Taxation

Corporation tax is provided on taxable profits at the standard rate of corporation tax in the United Kingdom of 28 percent (2008 28.5 percent)

Deferred tax is accounted for on an undiscounted basis at tax rates enacted or substantially enacted at the balance sheet date on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

Pension costs

The Group operated a defined benefit scheme in the UK. The assets of the schemes were held separately from those of the Group.

The Company gave notice on 3 June 2009 that it had terminated its liability to pay contributions under the Scheme. The Trustees notified the Company of their determination not to continue the Scheme as a closed scheme and accordingly commenced winding-up of the Scheme which was completed on 20 October 2009.

The Group also operates defined contribution pension schemes with assets held in independently administered funds. The cost of providing these benefits, recognised in the profit and loss account, comprises the amount of contributions payable to the schemes in respect of the year.

Operating leases

Costs in respect of operating leases are charged in arriving at the operating profit on a straight-line basis over the lease term.

Accounting for joint ventures

The group's share of the results and net assets of joint ventures are included in the consolidated profit and loss account and consolidated balance sheet, respectively, in accordance with the gross equity method.

Financing costs

Arrangements and other issue costs incurred as a result of entering into loan and other facilities are deferred, netted against the loan in the Balance Sheet, and expensed over the life of the related loan or facility on a straight line basis.

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

2 Segmental analysis

(a) Turnover

	2009 £'000	2008 £'000
Business analysis		
Hotels - Discontinued operations	-	21 291
Casino		
- Discontinued operations	-	5,132
Property management		
- Group - Continuing operations	2,173	2,512
- Discontinued operations	-	401
- Joint ventures	-	164
Jewellery - Discontinued operations	-	260
IT services - Continuing operations	2,530	230
Total	4,703	29,990

(b) Net assets

	2009 £'000	2008 £'000
Business analysis		
Property management		
- Group	722,836	727,855
- Joint ventures	-	268
		-
IT services	195	(18)
Total	723,031	728,105

All activities are carried out in the United Kingdom

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

2 Segmental analysis (continued)

(c) Loss on ordinary activities before interest and taxation

	2009 £'000	2008 £'000
Hotel operations – Discontinued operations	-	5,854
Casino		
- Discontinued operations	-	(2,584)
Property management		
- Continuing operations	(1)	(350)
- Discontinued operations	-	(112)
Jewellery – Discontinued operations	-	(647)
IT services	214	(19)
	213	2,142
Share of operating (loss)/profit in joint ventures (property)	(43)	147
	170	2,289
Corporate costs – unallocated	(5,002)	(8,486)
Total	(4,832)	(6,197)

There were no operations that were discontinued in the year

3 Net operating expenses

	2009 £'000	2008 £'000
Administrative expenses excluding depreciation and amortisation	7,065	22,178
Depreciation – owned assets	252	4,154
Amortisation	-	566
Total administrative expenses	7,317	26,898

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

4 Group operating loss

	2009 £'000	2008 £'000
Operating loss is stated after charging		
Fees payable to the Company's auditor for the audit of the parent Company's and consolidated accounts – current year	50	50
Fees payable to the Company's auditor for other services		
- The audit of the Company's subsidiaries, pursuant to legislation	20	-
Staff costs (see note 6)	3,256	16,885
Directors' emoluments (see note 5)	362	2,229
Operating leases for leasehold premises	673	937

5 Directors' emoluments

	2009 £'000	2008 £'000
Aggregate emoluments for qualifying services	362	2,229
Amounts in respect of the highest paid director are as follows		
Aggregate emoluments	78	536

No retirement benefits are accruing to any directors under a defined benefit scheme (2008 Nil)
Payments to a personal pension plan of £9,450 each are made on behalf of two directors, one in respect of the highest paid director, by the Company for the year ended 31 December 2009 (2008 £37,800 each director)

6 Employee information

- (a) The average number of persons employed by the Group, including Executive Directors, during the year is analysed below

	2009	2008
Selling and distribution	-	258
Management and administration	29	85
	29	343

- (b) Group employment costs of all employees included above

	2009 £'000	2008 £'000
Gross wages and salaries	2,668	14,613
Social security costs	337	1,585
Other pension costs (note 21)	251	687
	3,256	16,885

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

7 Net finance and other charges

	2009 £'000	2008 £'000
Interest payable on bank loans	9	10,529
Interest payable on loan note	550	600
Amortisation of bank loan arrangement fees	-	208
	559	11,337
Bank interest receivable	(101)	(233)
Share of joint venture bank interest	-	(10)
	458	11,094

8 Taxation on ordinary activities

	2009 £'000	2008 £'000
Corporation tax		
UK corporation tax on profits		
- for current period, (credit)	(540)	-
- for previous periods	-	-
Deferred tax		
- for current period	-	-
Tax credit on loss on ordinary activities	(540)	-

The tax assessed for the period is different to the standard rate applied in the UK (28%) The differences are explained below

	2009 £'000	2008 £'000
Loss on ordinary activities	(5,290)	(14,255)
Loss on ordinary activities multiplied by standard rate in the UK of 28% (2008 28.5%)	(1,481)	(4,062)
Effects of		
Expenses not deductible for tax purposes	260	110
Accelerated capital allowances and other timing differences	(177)	759
Brought forward losses utilised	(9)	(4)
Joint Venture Income (non taxable)	12	(34)
Tax losses carried forward	503	3,147
Chargeable gain on disposal of subsidiary	-	84
Group relief	352	-
Total current tax credit	(540)	-

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

9 Loss of Parent Company

A total loss of £5,132,000 (2008 loss £8,494,000) has been dealt with in the accounts of Ellerman Investments Limited. The Company has taken advantage of the section 480(3) Companies Act 2006 allowing it not to publish a separate profit and loss account.

10 Tangible fixed assets – Group

The Group	Short leasehold land and buildings £'000	Equipment, fixtures and vehicles £'000	Total £'000
Cost			
At 1 January 2009	14	1,414	1,428
Additions	-	119	119
Disposals		(317)	(317)
At 31 December 2009	14	1,216	1,230
Depreciation			
At 1 January 2009	8	770	778
Charge for the year	1	251	252
Disposals	-	(317)	(317)
At 31 December 2009	9	704	713
Net book value			
At 31 December 2009	5	512	517
Net book value			
At 31 December 2008	6	644	650

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

11 Tangible fixed assets – Company

The Company	Short leasehold land and buildings £'000	Equipment, fixtures and vehicles £'000	Total £'000
Cost			
At 1 January 2009	14	924	938
Additions	-	114	114
Disposals	-	(317)	(317)
At 31 December 2009	14	721	735
Depreciation			
At 1 January 2009	6	400	406
Charge for the year	3	202	205
Disposals	-	(317)	(317)
At 31 December 2009	9	285	294
Net book value			
At 31 December 2009	5	436	441
Net book value			
At 31 December 2008	8	524	532

12 Investments – Company

In the company's balance sheet, the investments in subsidiary undertakings are as follows

	2009 £'000
Cost	
At 1 January 2009	112
Disposals	(111)
At 31 December 2009	1

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

13 Investments in joint ventures

On 1 April 1999 the Group entered into two joint venture property partnerships, Moorfield Capital Partners Investment Limited Partnership (MCPILP) and Moorfield Capital Partners Trading Limited Partnership (MCPTLP). The partnerships were placed into members' voluntary liquidation on 23 December 2009.

Investments in joint ventures	Total £'000
At 1 January 2009	267
Group share of loss	(43)
Distribution of capital	(224)
At 31 December 2009	-

14 Debtors

	2009		2008	
	The Company £'000	The Group £'000	The Company £'000	The Group £'000
Amounts falling due after more than one year				
Amounts owed by immediate holding company	719,900	719,900	720,350	720,050
Amounts owed by Group companies	29,245	29,245	29,703	30,003
	749,145	749,145	750,053	750,053
Amounts falling due within one year				
Trade debtors	-	1,368	-	314
Amount owed by subsidiary undertaking	96	-	37	-
Other debtors	292	376	113	173
Prepayments and accrued income	218	340	195	324
	606	2,084	345	811

The amounts owed to Group and immediate holding company are unsecured, interest free and there are no fixed terms for repayment.

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

15 Cash at bank and in hand

At 31 December, cash balances with banks include £1,272,000 (2008 £2,681,000) of cash deposits held on behalf of clients and is, therefore, not available to the Company

16 Creditors – amounts falling due within one year

	2009		2008	
	The Company £'000	The Group £'000	The Company £'000	The Group £'000
Trade creditors	88	2,730	126	2,919
Director's loan (a)	10,000	10,000	-	-
Taxation and social security	9	138	36	92
Other creditors	-	-	-	282
Accruals and deferred income	76	823	50	247
	10,173	13,691	212	3,540

- a) On 30 November 2009 the Director's Loan note from A S Barclay (see note 17) was redeemed. It was agreed that the proceeds be left outstanding as a sum due from the Company to him on the basis that it is interest free, unsecured and payable on demand

17 Creditors – amounts falling due after more than one year

	2009		2008	
	The Company £'000	The Group £'000	The Company £'000	The Group £'000
Director's loan note (see note 16a)	-	-	10,000	10,000
Amount owed to group companies (a)	17,900	17,900	13,323	13,323
	17,900	17,900	23,323	23,323

- (a) The amounts owed to group companies, The Ritz Hotel (London) Limited and Ritz Fine Jewellery London, are interest free and there are no fixed terms for repayment

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

18 Provision for liabilities and other charges

Group

Deferred taxation

The total liability recognised and the total potential liability for deferred taxation is as follows

	2009 £'000	2008 £'000
As at 1 January	-	978
Charge to the profit and loss account		-
Credit on disposal of interests in subsidiary undertakings	-	(978)
As at 31 December	<u>-</u>	<u>-</u>

The potential deferred tax asset not recognised analysis is as follows

	2009		2008	
	Group £'000	Company £'000	Group £'000	Company £'000
Accelerated capital allowances	94	62	276	245
Unutilised losses brought forward	2,453	2,347	7,599	7,478
Total unrecognised deferred tax assets	<u>2,547</u>	<u>2,409</u>	<u>7,875</u>	<u>7,723</u>

19 Share capital

At 31 December 2009 and 31 December 2008

Authorised.

Ordinary shares of £1 each	£ <u>100,000</u>
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Issued, called up and fully paid

Ordinary shares of £1 each	£ <u>16,283</u>
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Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

20 Profit and loss reserve

The movement on the profit and loss reserve is analysed below

	<u>The Company</u> <u>£'000</u>	<u>The Group</u> <u>£'000</u>
At 1 January 2009	711,679	711,822
Loss for the year	(4,808)	(4,750)
Actuarial loss on pension scheme	(324)	(324)
At 31 December 2009	<u>706,547</u>	<u>706,748</u>

21 Pensions

The Company operated the B H G L Staff Pension Scheme. This was a defined benefit scheme whose assets were held in a trust fund entirely independent of the assets of the Group.

The Company gave notice on 3 June 2009 under Article 16.01 of the Trust Deed that it had terminated its liability to pay contributions under the Scheme. The Trustees, having considered the options open to them under the Trust Deed, notified the Company of their determination not to continue the Scheme as a closed scheme and accordingly the Scheme commenced winding-up on 3 June 2009.

In accordance with the provisions of Article 17 of the Trust Deed, the Trustees arranged for the purchase of annuities with an Insurance Company to secure in full all benefits payable for all beneficiaries under the Scheme. The purchase of annuities of individual Scheme beneficiaries was completed on 20 October 2009.

The Trustees were advised by the Scheme Actuary that the Scheme had no assets or liabilities and that the winding up of the Scheme had been completed.

Various group companies have established personal pension schemes under the Stakeholder pension rules.

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

21 Pensions (continued)

Analysis of the amounts recognised in the statement of total recognised gains and losses:

	2009 £'000	2008 £'000
Gain on assets	410	397
Experience gain on liabilities	-	8
Gain on change of assumptions	-	(95)
Actuarial gain recognised in the STRGL	410	310
Loss due to irrecoverable surplus	(86)	(133)
Total loss/(gain) recognised in the STRGL before taxation	324	177

Analysis of the movement in deficit in the pension scheme during the year

	2009 £'000	2008 £'000
Surplus in the pension scheme at beginning of year	86	200
Contributions paid	324	177
Current service cost	-	-
Settlement cost	-	19
Other finance charge	-	-
Actuarial gain	(410)	(310)
Surplus in the pension scheme at end of year	-	86

The surplus of £Nil (2008 £86,000) has not been recognised as it is deemed irrecoverable in accordance with FRS17 paragraph 37

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

21 Pensions (continued)

Changes in disclosed assets and liabilities (continued)

Assets

	2009 £'000	2008 £'000
Fair value of assets at start of year	1,856	2,071
Expected return on assets net of expenses	-	124
Loss on assets	(375)	(397)
Actual employer contributions	324	177
Actual benefits paid	(29)	(119)
Settlements	(1,776)	-
Fair value of assets at end of year	-	1,856

22 Reconciliation of movements in shareholders' funds – Group

	2009 £'000	2008 £'000
Loss on ordinary activities after tax	(4,750)	(14,255)
Actuarial loss on pension scheme	(324)	(177)
Profit on sales of subsidiaries	-	707,082
(Reduction)/increase to shareholders' funds	(5,074)	692,650
Opening shareholders' funds	728,105	35,455
Closing shareholders' funds	723,031	728,105

23 Reconciliation of movements in shareholders' funds – Company

	2009 £'000	2008 £'000
Loss on ordinary activities after tax	(4,808)	(9,975)
Actuarial profit on pension scheme	(324)	(177)
Profit on sale of subsidiaries	-	707,082
(Reduction)/increase to shareholders' funds	(5,132)	696,930
Opening shareholders' funds	727,962	31,032
Closing shareholders' funds	722,830	727,962

Ellerman Investments Limited

Notes to the consolidated financial statements for the year ended 31 December 2009

24 Commitments and contingent liabilities

Operating lease commitments

Annual rentals payable in respect of operating leases are as follows

	2009			2008		
	Land and Buildings £'000	Other £'000	Total £'000	Land and Buildings £'000	Other £'000	Total £'000
Expiring within two to five years	164	8	172	164	8	172
Expiring in over five years	501	-	501	440	-	440
	665	8	673	604	8	612

25 Principal subsidiaries and joint ventures

Principal subsidiaries

The following information relates to those subsidiaries which are, in the opinion of the Directors, principally affect the profits or assets of the Group

Name (and country of incorporation if not Great Britain)	Amount and description of shares held	% owned	Principal activity
SJS Property Management Limited	1 Ordinary £1 share	100	Property Management
Proartemis Limited	700 Ordinary £1 shares	70	IT services

26 Ultimate controlling party

The immediate holding company is B UK Limited, a company incorporated in Bermuda which the directors regard as being controlled by the Sir David and Sir Frederick Barclay Family Settlements