

COMPANY REGISTRATION NUMBER 01948599

Stapleford Park Limited
Financial Statements
31 December 2011



MHA MACINTYRE HUDSON

Chartered Accountants & Statutory Auditor
Lyndale House
Ervington Court
Meridian Business Park
Leicester
LE19 1WL

Stapleford Park Limited

Financial Statements

Year ended 31 December 2011

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Stapleford Park Limited

Officers and Professional Advisers

The Board of Directors

Mr R Tang
Mr S Hussain

Company Secretary

Mr R Tang

Registered Office

E3 The Premier Centre
Abbey Park
Romsey
Hampshire
SO51 9DG

Auditor

MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
Lyndale House
Ervington Court
Meridian Business Park
Leicester
LE19 1WL

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Stapleford Park Limited

The Directors' Report

Year ended 31 December 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011

Principal activities and business review

The company is principally engaged in running a luxury country house hotel, sporting estate and membership club

The Directors aim to present a fair and comprehensive review of the development and performance of the company during the financial year and the position at the year end. The review is consistent with the size and nature of its business and written in the context of the risks and uncertainties it faces.

The Company operates a country house and sporting estate in Mid-England. Its revenue derives from room sales, restaurant, club membership, green fee, spa and other related leisure facilities.

The Directors consider that the key financial performance indicators are levels of Turnover, Gross Margin, Average Room Rate, Average Daily Rates, revenue per average room and club membership renewals.

Turnover in 2011 was £4.41m (2010 £3.46m). Gross Profit was £3.51m (2010 £2.73m), Gross Profit Margin was 79.7% for 2011 (2010 79%).

The Average Room Rate achieved for 2011 was £166 (2010 186). Average day rate for 2011 was £444 (2010 £470). RevPAR was £74 (2010 £59).

Membership Revenue was £315k (2010 £489k).

The European economy is still in recession, which continues to have a direct effect on the business. The Market in the last 12 months has become very competitive and many hotels have reduced their rates. The Company has responded accordingly in order to remain competitive.

Since the company's online strategy which was introduced in July 2010 to attract internet bookings, the Leisure bookings continues to grow and has increased by 50% when compared with 2010.

Results and dividends

The loss for the year amounted to £787,900. The directors have not recommended a dividend.

Financial instruments

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources as well as other items such as trade debtors and creditors that arise directly from its operations.

Directors

The directors who served the company during the year were as follows:

Mr R Tang
Mr S Hussain

Stapleford Park Limited

The Directors' Report *(continued)*

Year ended 31 December 2011

Fixed assets

The directors are of the opinion that the land and buildings included in the balance sheet at £14,936,774 are not significantly different to that amount but the value cannot be determined without a professional valuation

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Stapleford Park Limited

The Directors' Report *(continued)*

Year ended 31 December 2011

Auditor

On 21 November 2011, our auditors adopted the trading name MHA MacIntyre Hudson. MHA MacIntyre Hudson is deemed to be re-appointed under section 487(2) of Companies Act 2006.

Registered office
E3 The Premier Centre
Abbey Park
Romsey
Hampshire
SO51 9DG

Signed by order of the directors



Mr R Tang
Company Secretary

Approved by the directors on 20/09/2012

Stapleford Park Limited

Independent Auditor's Report to the Shareholders of Stapleford Park Limited

Year ended 31 December 2011

We have audited the financial statements of Stapleford Park Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet 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).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Stapleford Park Limited

Independent Auditor's Report to the Shareholders of Stapleford Park Limited (continued)

Year ended 31 December 2011

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss 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

Emphasis of matter - Going concern

In forming our opinion on the financial statements which is not modified, we have considered the adequacy of the disclosures made in notes 1 and 25 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss during the year ended 31 December 2011 of £787,900 and at that date, the company's total liabilities exceeded its total assets by £8,641,685. These conditions, along with other matters set out in the notes to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result from a failure to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Stapleford Park Limited

Independent Auditor's Report to the Shareholders of Stapleford Park Limited *(continued)*

Year ended 31 December 2011



ROBERT NELSON BA FCA (Senior
Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

Lyndale House
Ervington Court
Meridian Business Park
Leicester
LE19 1WL

28/9/12

Stapleford Park Limited

Profit and Loss Account

Year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	4,410,665	3,459,675
Cost of sales		899,316	725,014
Gross profit		3,511,349	2,734,661
Administrative expenses		4,197,429	4,260,193
Other operating income	3	(6,000)	(6,000)
Operating loss	4	(680,080)	(1,519,532)
Interest payable and similar charges	6	107,820	123,123
Loss on ordinary activities before taxation		(787,900)	(1,642,655)
Tax on loss on ordinary activities	7	–	–
Loss on ordinary activities after taxation, being loss for the financial year		(787,900)	(1,642,655)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 11 to 22 form part of these financial statements.

Stapleford Park Limited

Note of Historical Cost Profits and Losses

Year ended 31 December 2011

	2011 £	2010 £
Reported loss on ordinary activities before taxation	(787,900)	(1,642,655)
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>80,530</u>	<u>90,186</u>
Historical cost loss on ordinary activities before taxation	<u>(707,370)</u>	<u>(1,552,469)</u>
Historical cost loss for the year after taxation	<u>(707,370)</u>	<u>(1,552,469)</u>

The notes on pages 11 to 22 form part of these financial statements.

Stapleford Park Limited

Balance Sheet

31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	7	<u>16,214,974</u>	<u>16,518,152</u>
Current assets			
Stocks	8	211,566	198,076
Debtors	9	201,713	210,438
Cash at bank and in hand		<u>4,684</u>	<u>4,989</u>
		417,963	413,503
Creditors: amounts falling due within one year	10	<u>1,632,977</u>	<u>1,524,703</u>
Net current liabilities		<u>(1,215,014)</u>	<u>(1,111,200)</u>
Total assets less current liabilities		<u>14,999,960</u>	<u>15,406,952</u>
Creditors: amounts falling due after more than one year	11	23,495,095	23,108,187
Government Grant	13	<u>146,550</u>	<u>152,550</u>
		<u>(8,641,685)</u>	<u>(7,853,785)</u>
Capital and reserves			
Called-up equity share capital	18	3,798,067	3,798,067
Revaluation reserve	19	3,302,075	3,382,605
Profit and loss account	20	<u>(15,741,827)</u>	<u>(15,034,457)</u>
Deficit	21	<u>(8,641,685)</u>	<u>(7,853,785)</u>

These financial statements were approved by the directors and authorised for issue on 20/09/2012 and are signed on their behalf by



Mr R Tang
Director

Company Registration Number 01948599

The accounting policies and notes on pages 11 to 22 form part of these financial statements.

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

The directors have adopted a going concern basis in the preparation of these financial statements. Stapleford Park Limited has incurred losses for the year of £787,900. As a result of losses sustained in this and prior years, its ability to continue to trade and meet its liabilities is dependent upon the continued support of the group's investors. This in turn impacts on its ability to repay group indebtedness generally and on the resultant viability of the group. The directors' consideration of going concern is further detailed in Note 25 to the financial statements.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is a subsidiary undertaking with at least 90% of voting rights held within the group and the group accounts are publicly available.

Turnover

The turnover shown in the profit and loss account represents the total value of sales made during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost. The freehold property is shown at market value.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant & Machinery	15% per annum reducing balance
Fixtures & Fittings	15% per annum reducing balance
Motor Vehicles	25% per annum reducing balance

On adoption of Financial Reporting Standard 15, the company has followed the transitional provisions to retain the book value of land which was revalued in 1996, but not to adopt a policy of revaluation in the future.

Freehold buildings and the cost of improvements to the long leasehold golf course land are depreciated at 2% per annum straight line.

Freehold land is not depreciated.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

1. Accounting policies *(continued)*

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

1. Accounting policies (continued)

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>4,410,665</u>	<u>3,459,675</u>

3. Other operating income

	2011 £	2010 £
Other operating income - government grants received	<u>6,000</u>	<u>6,000</u>

4. Operating loss

Operating loss is stated after charging

	2011 £	2010 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	449,683	401,885
Depreciation of assets held under hire purchase agreements	—	75,426
Auditor's remuneration		
- as auditor	12,800	11,802
Operating lease costs		
- Plant and equipment	2,987	7,400
- Other	<u>128,029</u>	<u>128,456</u>

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Management & administration	20	23
Hotel	136	121
General Estate	19	18
	<u>175</u>	<u>162</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	1,957,059	1,795,813
Social security costs	150,575	139,934
	<u>2,107,634</u>	<u>1,935,747</u>

6. Interest payable and similar charges

	2011 £	2010 £
Interest payable on bank borrowing	29,146	25,514
Finance charges	24,079	26,063
Other similar charges payable	54,595	71,546
	<u>107,820</u>	<u>123,123</u>

7. Tax losses

The company has tax losses in the region of £14.6 million (2010 £14.3 million) to use against future trading profits of the company

No provision has been made for the deferred tax asset of £4,943,776 (2010 £4,842,053) as it is uncertain when these losses will be recovered

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

7. Tax losses (continued)

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2010 - 28%)

	2011 £	2010 £
Loss on ordinary activities before taxation	<u>(787,900)</u>	<u>(1,642,655)</u>
Loss on ordinary activities by rate of tax	<u>(157,580)</u>	<u>(459,943)</u>
Expenses not deductible for tax purposes	9,576	12,485
Capital allowances for period in excess of depreciation	86,297	130,661
Unrelieved tax losses	53,958	305,941
Utilised tax losses	<u>7,749</u>	<u>10,856</u>
Total current tax	<u>-</u>	<u>-</u>

8. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Golf course land £	Total £
Cost or valuation						
At 1 Jan 2011	14,344,659	1,147,250	3,796,029	97,476	2,903,693	22,289,107
Additions	12,945	53,885	51,925	27,750	-	146,505
At 31 Dec 2011	<u>14,357,604</u>	<u>1,201,135</u>	<u>3,847,954</u>	<u>125,226</u>	<u>2,903,693</u>	<u>22,435,612</u>
Depreciation						
At 1 Jan 2011	1,613,416	752,271	2,857,889	82,157	465,222	5,770,955
Charge for the year	187,811	59,247	140,721	3,830	58,074	449,683
At 31 Dec 2011	<u>1,801,227</u>	<u>811,518</u>	<u>2,998,610</u>	<u>85,987</u>	<u>523,296</u>	<u>6,220,638</u>
Net book value						
At 31 Dec 2011	<u>12,556,377</u>	<u>389,617</u>	<u>849,344</u>	<u>39,239</u>	<u>2,380,397</u>	<u>16,214,974</u>
At 31 Dec 2010	<u>12,731,243</u>	<u>394,979</u>	<u>938,140</u>	<u>15,319</u>	<u>2,438,471</u>	<u>16,518,152</u>

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

8 Tangible fixed assets *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2011 £	2010 £
Net book value at end of year	<u>14,936,774</u>	<u>15,169,714</u>
Historical cost:		
At 1 Jan 2011	13,221,507	12,943,218
Cost of additions to revalued assets brought forward	12,945	278,289
At 31 Dec 2011	<u>13,234,452</u>	<u>13,221,507</u>
Depreciation:		
At 1 Jan 2011	1,434,398	1,280,546
Charge for year	165,355	153,852
At 31 Dec 2011	<u>1,599,753</u>	<u>1,434,398</u>
Net historical cost value:		
At 31 Dec 2011	<u>11,634,699</u>	<u>11,787,109</u>
At 1 Jan 2011	<u>11,787,109</u>	<u>11,662,672</u>

Hire purchase agreements

Included within the net book value of £16,214,974 is £Nil (2010 - £427,412) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2010 - £75,426)

Capital commitments

	2011 £	2010 £
Contracted but not provided for in the financial statements	<u>11,692</u>	<u>36,575</u>

9. Stocks

	2011 £	2010 £
Raw materials	49,441	47,958
Finished goods	162,125	150,118
	<u>211,566</u>	<u>198,076</u>

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

10. Debtors

	2011 £	2010 £
Trade debtors	22,217	36,915
Other debtors	14,976	10,836
Directors current accounts	—	586
Prepayments and accrued income	164,520	162,101
	<u>201,713</u>	<u>210,438</u>

11 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	206,506	169,872
Trade creditors	511,668	511,037
Other creditors including taxation and social security		
PAYE and social security	38,400	41,215
VAT	165,072	73,701
Hire purchase agreements	—	117,131
Other creditors	33,334	25,087
Directors current accounts	93,017	—
	<u>1,047,997</u>	<u>938,043</u>
Accruals and deferred income	584,980	586,660
	<u>1,632,977</u>	<u>1,524,703</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2011 £	2010 £
Bank loans and overdrafts	206,506	169,872
Hire purchase agreements	—	117,131
	<u>206,506</u>	<u>287,003</u>

The bank loans and overdrafts are secured by way of a fixed and floating charge over all the property and assets of Stapleford Park Limited and Arlaform Limited due to the cross guarantee that exists between these two companies

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

12. Creditors: amounts falling due after more than one year

	2011 £	2010 £
Bank loans and overdrafts	409,800	580,550
Amounts owed to group undertakings	23,085,295	22,527,637
	<u>23,495,095</u>	<u>23,108,187</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2011 £	2010 £
Bank loans and overdrafts	<u>409,800</u>	<u>580,550</u>

13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2011 £	2010 £
Amounts payable within 1 year	-	117,131
	<u>-</u>	<u>117,131</u>

14. Government grant

	2011 £	2010 £
Received and receivable:		
At 1 Jan 2011	152,550	158,550
Amortisation	(6,000)	(6,000)
At 31 Dec 2011	<u>146,550</u>	<u>152,550</u>

The above grants were received from the English Tourist Board

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

15. Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	4,983	-	-
Within 2 to 5 years	-	23,966	-	26,628
After more than 5 years	128,029	-	128,029	-
	<u>128,029</u>	<u>28,949</u>	<u>128,029</u>	<u>26,628</u>

16. Guarantees

A cross guarantee and debenture exists between Stapleford Park Limited and Arlaform Limited over the net bank borrowings held at Barclays Bank plc. At 31 December 2011 the net bank borrowings amounted to £615,225 (2010 £747,725)

A cross guarantee exists between Stapleford Park Limited and Arlacross Limited over an operating lease agreement held by the company. The value of the minimum repayments due after the balance sheet date was £4,983 (2010 £19,931)

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

17. Transactions with the directors

During the previous year Mr S Hussain, a director of the company, received a loan from the company. The balance at the start of the year was £586 (2010 £17,705), the balance at the end of the year was £Nil (2010 £586) and the maximum during the year was £2,884 (2010 £17,705). No interest was charged on this loan.

During the year Mr R Tang paid expenses on behalf of the company amounting to £Nil (2010 £1,500). This amount has been credited to the Arlaform Limited loan account.

During the year the company purchased a vehicle from Mr R Tang at a value of £8,750 (2010 £Nil).

T B.W Chartered Accountants

During the previous year the company paid £453 for professional services provided by T B W Chartered Accountants, a partnership of which Mr R Tang is a partner.

Kelmay Limited

During the year Kelmay Limited, a company in which Mr R Tang and Mr S Hussain are both directors and shareholders, provided services to Stapleford Park Limited amounting to £32,022 (2010 £83,511).

At the year end the balance due to Kelmay Limited was £4,200 (2010 £Nil).

Bamado Limited

During the previous year the company received a loan from Bamado Limited, a company in which Mr R Tang is a director, amounting to £171,277. This amount was credited to the Arlaform Limited loan account.

Lushmass Limited

Mr R Tang is a director of Lushmass Limited. At the year end the balance due to Lushmass Limited was £21,000 (2010 £21,000).

The Waterford House Partnership Limited

During the year the company purchased services from The Waterford House Partnership Limited, a company in which Mr R Tang is a director, amounting to £1,600 (2010 £Nil) and made sales to that company amounting to £2,242 (2010 £Nil). At the year end the balance due from The Waterford House Partnership Limited was £2,032 (2010 £Nil).

18. Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 not to disclose transactions with other members of the group controlled by Arlacross Limited.

19. Share capital

Authorised share capital:

	2011 £	2010 £
50,456,110 Ordinary shares of £0.10 each	<u>5,045,611</u>	<u>5,045,611</u>

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

19. Share capital *(continued)*

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
37,980,665 Ordinary shares of £0.10 each	<u>37,980,665</u>	<u>3,798,067</u>	<u>37,980,665</u>	<u>3,798,067</u>

20. Revaluation reserve

	2011 £	2010 £
Balance brought forward	3,382,605	3,472,791
Transfer to the Profit and Loss Account on realisation	<u>(80,530)</u>	<u>(90,186)</u>
Balance carried forward	<u>3,302,075</u>	<u>3,382,605</u>

21. Profit and loss account

	2011 £	2010 £
Balance brought forward	(15,034,457)	(13,481,988)
Loss for the financial year	<u>(787,900)</u>	<u>(1,642,655)</u>
Transfer from revaluation reserve	80,530	90,186
Balance carried forward	<u>(15,741,827)</u>	<u>(15,034,457)</u>

22. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Loss for the financial year	(787,900)	(1,642,655)
Transfer from revaluation reserve	80,530	90,186
Transfer to profit and loss account	<u>(80,530)</u>	<u>(90,186)</u>
Net reduction to shareholders' deficit	(787,900)	(1,642,655)
Opening shareholders' deficit	<u>(7,853,785)</u>	<u>(6,211,130)</u>
Closing shareholders' deficit	<u>(8,641,685)</u>	<u>(7,853,785)</u>

23. Post balance sheet events

On 29 August 2012 the company transferred legal title of its freehold property to its parent undertaking Arlaform Limited. The transfer took place in the sum of £20 million which reduced the company's indebtedness to Arlaform Limited.

Stapleford Park Limited

Notes to the Financial Statements

Year ended 31 December 2011

24 Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is Arlacross Limited, a company registered in England. Group accounts are prepared by Arlacross Limited which can be obtained from E3 The Premier Centre, Abbey Park, Romsey, SO51 9DG.

Innoview Properties Limited is the company's controlling related party under the definitions set out in Financial Reporting Standard No 8 by virtue of its shareholding in that company.

25 Going concern

The company's ability to continue as a going concern is dependent on the ongoing support of the company's shareholders and investors. The directors have received written confirmation from the shareholders that it is not their present intention to seek recovery of any amounts due to them by members of the group until at least 1st October 2013 and additional funds will be made available to the group to enable them to meet their liabilities as they fall due.

Stapleford Park Limited

Management Information

Year ended 31 December 2011

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 5 to 7**

Stapleford Park Limited

Detailed Profit and Loss Account

Year ended 31 December 2011

	2011 £	2010 £
Turnover	4,410,665	3,459,675
Cost of sales		
Opening stock - raw materials	47,958	46,055
Opening stock - resale	150,119	136,169
Rooms	110,185	79,905
Food	301,699	258,677
Liquor	233,995	184,522
Sundry	181,637	144,021
Golf membership	28,946	29,451
Golf	15,919	7,949
Spa	40,424	36,341
	<u>1,110,882</u>	923,090
Closing stock - raw materials	(49,441)	(47,958)
Closing stock - resale	<u>(162,125)</u>	<u>(150,118)</u>
	899,316	725,014
Gross profit	3,511,349	2,734,661
Overheads		
Administrative expenses	4,197,429	4,260,193
	<u>(686,080)</u>	<u>(1,525,532)</u>
Other operating income		
Government grants received	6,000	6,000
Operating loss	(680,080)	(1,519,532)
Interest payable	<u>(107,820)</u>	<u>(123,123)</u>
Loss on ordinary activities	(787,900)	<u>(1,642,655)</u>

Stapleford Park Limited

Notes to the Detailed Profit and Loss Account

Year ended 31 December 2011

	2011 £	2010 £
Administrative expenses		
Personnel costs		
Wages and salaries	1,957,059	1,781,313
Other employment costs	—	14,500
Employers national insurance contributions	150,575	139,934
	<u>2,107,634</u>	<u>1,935,747</u>
Establishment expenses		
Rates and water	205,826	185,249
Light and heat	241,387	209,267
Insurance	81,359	79,046
Repairs and maintenance	239,005	258,803
	<u>767,577</u>	<u>732,365</u>
General expenses		
Travel and subsistence	64,316	58,298
Hire of equipment	72,270	66,297
Equipment leasing charges	2,987	7,400
Printing, stationery and postage	27,534	26,208
Computer costs	13,147	12,179
Staff welfare and training	37,670	138,232
Laundry and cleaning	129,642	101,299
Donations	200	434
Advertising	242,394	398,187
General expenses	78,020	91,600
Management charges payable	40,000	40,000
Legal and professional fees	23,526	34,378
Auditors remuneration	12,800	11,802
Depreciation of freehold property and golf course land	245,885	244,038
Depreciation of plant and machinery	59,247	66,350
Depreciation of fixtures and fittings	140,721	161,816
Depreciation of motor vehicles	3,830	5,107
	<u>1,194,189</u>	<u>1,463,625</u>
Financial costs		
Operating lease Property	128,029	128,456
	<u>4,197,429</u>	<u>4,260,193</u>
Interest payable		
Bank loan interest	29,146	25,514
Hire purchase and finance lease charges	24,079	26,063
Bank interest and charges	54,595	71,546
	<u>107,820</u>	<u>123,123</u>