
LONDON TOWN HOTELS (OPERATIONS) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

FRIDAY



L66 *LXQEVEJE* 51
30/10/2009
COMPANIES HOUSE

LONDON TOWN HOTELS (OPERATIONS) LIMITED

COMPANY INFORMATION

DIRECTOR	Koolesh D Shah
COMPANY SECRETARY	Koolesh D Shah
COMPANY NUMBER	02182560
REGISTERED OFFICE	162 Cromwell Road London SW5 0TT
AUDITORS	Horwath Clark Whitehill LLP Chartered Accountants & Registered Auditors St Bride's House 10 Salisbury Square London EC4Y 8EH

LONDON TOWN HOTELS (OPERATIONS) LIMITED

CONTENTS

	Page
Director's report	1 - 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	8 - 18

LONDON TOWN HOTELS (OPERATIONS) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The director presents his report and the financial statements for the year ended 31 December 2008.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

PRINCIPAL ACTIVITIES

The principal activity of the company in the period under review was that of hoteliers.

BUSINESS REVIEW

The results for the period and financial position of the company are as shown on pages 5 and 6 to these financial statements.

RESULTS

The loss for the year, after taxation, amounted to £157,762 (2007 - profit £144,902).

DIRECTOR

The director who served during the year was:

Koolesh D Shah

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2008.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans and hire purchase agreements. The main purpose of these instruments is to raise funds for the company's operations.

Due to the nature of financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available.

In respect of loans, these comprise of group company loans and loans from financial institutions. The interest rate on loans from financial institutions is variable. The company manages the liquidity risk by ensuring there are sufficient funds to meet its payments. The loans from group companies are interest free and have no fixed repayment dates. The director is aware of the company's required finance and has determined that these will only be repaid, in whole or in part, when finance is available.

In respect of hire purchase agreements, these are from financial institutions with fixed or variable interest rates and fixed monthly repayment. The company manages the liquidity risk by ensuring there are sufficient funds to meet these payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring there are sufficient funds available to meet the amounts due.

PROVISION OF INFORMATION TO AUDITORS

The director at the time when this Director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**


AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

FUTURE DEVELOPMENTS

The company continues to actively seek new hotel opportunities in order to enhance future growth and profitability of the group.

This report was approved by the board on 26th October 2009 and signed on its behalf.


Koolesh D Shah
Secretary

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**INDEPENDENT AUDITORS' REPORT TO LONDON TOWN HOTELS (OPERATIONS) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts of London Town Hotels (Operations) Limited for the year ended 31 December 2008 set out on pages 5 to 18, together with the financial statements of the company for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 'The special Auditors' report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 18 have been properly prepared in accordance with that provision.

Horwath Clark Whitehill LLP

HORWATH CLARK WHITEHILL LLP

Chartered Accountants
Registered Auditors

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date: *26 October 2009*

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

		12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
GROSS PROFIT		1,953,062	3,842,572
Administrative expenses		(2,133,194)	(3,699,499)
OPERATING (LOSS)/PROFIT	2	(180,132)	143,073
Interest receivable		19,587	35,719
Interest payable	5	(9,763)	(14,899)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(170,308)	163,893
Tax on (loss)/profit on ordinary activities	6	12,546	(18,991)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	15	(157,762)	144,902

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.


The notes on pages 8 to 18 form part of these financial statements.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets	7		526,296		610,062
Fixed asset investments	8		1,000		1,000
			<u>527,296</u>		<u>611,062</u>
CURRENT ASSETS					
Stocks	9	5,542		5,542	
Debtors	10	8,191,904		8,495,807	
Investments	11	1,035		1,035	
Cash at bank and in hand		379,842		412,599	
		<u>8,578,323</u>		<u>8,914,983</u>	
CREDITORS: amounts falling due within one year	12	(506,919)		(792,850)	
NET CURRENT ASSETS			<u>8,071,404</u>		<u>8,122,133</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,598,700</u>		<u>8,733,195</u>
CREDITORS: amounts falling due after more than one year	13		(504,681)		(481,414)
NET ASSETS			<u><u>8,094,019</u></u>		<u><u>8,251,781</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		502,000		502,000
Revaluation reserve	15		481,250		550,000
Profit and loss account	15		7,110,769		7,199,781
SHAREHOLDERS' FUNDS	16		<u><u>8,094,019</u></u>		<u><u>8,251,781</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 26 October 2009


Koolesh D Shah
Director

The notes on pages 8 to 18 form part of these financial statements.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

		12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Net cash flow from operating activities	17	36,867	(3,735,273)
Returns on investments and servicing of finance	18	9,824	20,820
Taxation		(19,126)	-
Capital expenditure and financial investment	18	-	(3,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		27,565	(3,717,453)
Financing	18	(30,237)	(52,130)
DECREASE IN CASH IN THE YEAR		(2,672)	(3,769,583)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Decrease in cash in the year	(2,672)	(3,769,583)
Cash outflow from decrease in debt and lease financing	30,237	52,130
MOVEMENT IN NET DEBT IN THE YEAR	27,565	(3,717,453)
Net funds at 1 January 2008	284,501	4,001,954
NET FUNDS AT 31 DECEMBER 2008	312,066	284,501

The notes on pages 8 to 18 form part of these financial statements.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of leasehold property and in accordance with applicable accounting standards.

The financial statements contain information about London Town Hotels (Operations) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

1.2 Turnover

Turnover represents net invoiced sales of services, exclusive of Value Added Tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Term Leasehold Property	-	Over term of the lease (16 years)
Plant & machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Short term leasehold property is revalued at intervals no greater than five years. Interim revaluations are carried out when a material change in value has occurred.

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.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment where necessary.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Comparatives

The comparatives included in these financial statements are for the period 1 August 2006 to 31 December 2007.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Depreciation of tangible fixed assets:		
- owned by the company	71,172	74,063
- held under finance leases	12,594	27,625
Auditors' remuneration	31,402	6,800
Operating lease rentals:		
- plant and machinery	11,429	39,435
- land and buildings	917,751	1,736,507
	<u>917,751</u>	<u>1,736,507</u>

3. STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Wages and salaries	779,002	1,271,611
Social security costs	65,969	105,485
	<u>844,971</u>	<u>1,377,096</u>

The average monthly number of employees, including the director, during the year was as follows:

	12 months ended 31 December 2008 No.	17 months ended 31 December 2007 No.
Number of administrative staff	6	7
Number of hotel operating staff	56	65
	<u>62</u>	<u>72</u>

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

4. DIRECTOR'S REMUNERATION

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Emoluments	96,139	128,135

5. INTEREST PAYABLE

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
On bank loans and overdrafts	3,017	9,564
On finance leases and hire purchase contracts	6,746	5,335
	9,763	14,899

6. TAXATION

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
UK corporation tax (credit)/charge on (loss)/profit for the year/period	(12,546)	18,991

LONDON TOWN HOTELS (OPERATIONS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

6. TAXATION (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2007 - lower than) the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
(Loss)/profit on ordinary activities before tax	(170,308)	163,893
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 - 23%)	(48,538)	37,695
Effects of:		
Expenses not deductible for tax purposes	20,269	3,355
Capital allowances for year/period in excess of depreciation	4,280	19,943
Utilisation of tax losses	-	(31,402)
Effect of group tax relief	-	(10,600)
Current year losses carried forward	11,443	-
Current tax (credit)/charge for the year/period (see note above)	(12,546)	18,991

Factors that may affect future tax charges

The company has not recognised a potential deferred tax asset of approximately £60,000 (2007 - £nil) as it is considered more likely than not that suitable taxable profits will not be available in the foreseeable future to offset the losses carried forward. In accordance with FRS 19, the director will continue to assess in the future whether deferred tax assets should be recognised in respect of this item.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

7. TANGIBLE FIXED ASSETS

	Short term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2008	1,114,831	16,000	107,000	1,237,831
Disposals	(14,831)	-	-	(14,831)
At 31 December 2008	1,100,000	16,000	107,000	1,223,000
Depreciation				
At 1 January 2008	564,831	8,250	54,688	627,769
Charge for the year	68,750	1,938	13,078	83,766
On disposals	(14,831)	-	-	(14,831)
At 31 December 2008	618,750	10,188	67,766	696,704
Net book value				
At 31 December 2008	481,250	5,812	39,234	526,296
At 31 December 2007	550,000	7,750	52,312	610,062

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2008 £	2007 £
Motor vehicles	37,781	50,375

Leasehold properties have been valued at open market values in January 2003 by FPD Savills, an independent firm of professional chartered surveyors who are members of RICS. The Quality Crown Hotel Kensington (formerly Country Inn and Suites) has been valued at £1,100,000 (2007 £1,100,000).

If the short term leasehold property had not been included at valuation it would have been included under the historical cost convention as follows:

	2008 £	2007 £
Cost	-	14,831
Accumulated depreciation	-	(14,831)
Net book value	-	-

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 January 2008 and 31 December 2008	<u><u>1,000</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
LTH Estates Limited	Ordinary shares of £1 each	100%

LTH Estates Limited is a company registered in England and Wales.

The aggregate of the share capital and reserves as at 31 December 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
LTH Estates Limited	<u><u>1,795,357</u></u>	<u><u>(57,114)</u></u>

9. STOCKS

	2008 £	2007 £
Stocks	<u><u>5,542</u></u>	<u><u>5,542</u></u>

10. DEBTORS

	2008 £	2007 £
Due after more than one year		
Amounts owed by group undertakings	7,640,128	3,161,178
Other debtors	250,000	342,500
Due within one year		
Trade debtors	115,749	172,682
Amounts owed by group undertakings	-	4,553,531
Other debtors	42,680	-
Prepayments and accrued income	143,347	265,916
	<u><u>8,191,904</u></u>	<u><u>8,495,807</u></u>

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

11. CURRENT ASSET INVESTMENTS

	2008 £	2007 £
Other investments	1,035	1,035

**12. CREDITORS:
Amounts falling due within one year**

	2008 £	2007 £
Bank loans and overdrafts	-	30,085
Net obligations under finance leases and hire purchase contracts	23,446	86,949
Trade creditors	344,809	508,926
Corporation tax	-	18,991
Social security and other taxes	74,321	91,779
Other creditors	51,543	43,320
Accruals and deferred income	12,800	12,800
	<u>506,919</u>	<u>792,850</u>

**13. CREDITORS:
Amounts falling due after more than one year**

	2008 £	2007 £
Net obligations under finance leases and hire purchase contracts	45,366	12,099
Amounts owed to group undertakings	459,315	469,315
	<u>504,681</u>	<u>481,414</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2008 £	2007 £
Between one and five years	45,366	12,099

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

14. SHARE CAPITAL

	2008 £	2007 £
Authorised		
999,000 Ordinary shares shares of £1 each	999,000	999,000
1,000 Management shares shares of £1 each	1,000	1,000
	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
501,000 Ordinary shares shares of £1 each	501,000	501,000
1,000 Management shares shares of £1 each	1,000	1,000
	<u>502,000</u>	<u>502,000</u>

15. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2008	550,000	7,199,781
Loss for the year		(157,762)
Transfer between Revaluation reserve and P/L account	(68,750)	68,750
	<u>481,250</u>	<u>7,110,769</u>
At 31 December 2008		

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	8,251,781	8,106,879
(Loss)/profit for the year/period	(157,762)	144,902
	<u>8,094,019</u>	<u>8,251,781</u>
Closing shareholders' funds		

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Operating (loss)/profit	(180,132)	143,073
Depreciation of tangible fixed assets	83,766	101,688
Loss on disposal of tangible fixed assets	-	80
Decrease in stocks	-	2,493
Decrease/(increase) in debtors	316,583	(3,894,762)
Decrease in creditors	(183,350)	(87,845)
Net cash inflow/(outflow) from operations	36,867	(3,735,273)

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Returns on investments and servicing of finance		
Interest received	19,587	35,719
Interest paid	(3,017)	(9,564)
Hire purchase interest	(6,746)	(5,335)
Net cash inflow from returns on investments and servicing of finance	9,824	20,820
	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(3,000)
	12 months ended 31 December 2008 £	17 months ended 31 December 2007 £
Financing		
Repayment of finance leases	(30,237)	(52,130)

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

19. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2008 £	Cash flow £	Other non-cash changes £	31 December 2008 £
Cash at bank and in hand:	412,599	(32,757)	-	379,842
Bank overdraft	(30,085)	30,085	-	-
	<u>382,514</u>	<u>(2,672)</u>	<u>-</u>	<u>379,842</u>
Liquid resources:				
Current asset investments	1,035	-	-	1,035
Debt:				
Debts due within one year	(86,949)	63,504	-	(23,445)
Debts falling due after more than one year	(12,099)	(33,267)	-	(45,366)
	<u>284,501</u>	<u>27,565</u>	<u>-</u>	<u>312,066</u>

20. OPERATING LEASE COMMITMENTS

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2008 £	2007 £	2008 £	Other 2007 £
Expiry date:				
Within 1 year	100,000	99,725	-	48,000
Between 2 and 5 years	-	-	-	96,000
After more than 5 years	<u>700,775</u>	<u>690,871</u>	<u>-</u>	<u>-</u>

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is London Town Group of Companies Limited, a company registered in England. The accounts can be obtained from the registered office at 8/14 Talbot Square, London W2 1TS.

In the director's opinion the company's ultimate parent company is Auro Trading and Investments Establishment, an Anstalt registered in Liechtenstein. The ultimate controlling party is Auro Trust, a trust outside the UK.