
LONDON TOWN HOTELS (OPERATIONS) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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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
AUDITOR	Horwath Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

LONDON TOWN HOTELS (OPERATIONS) LIMITED

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LONDON TOWN HOTELS (OPERATIONS) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The director presents his report and the financial statements for the year ended 31 December 2009

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's 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). Under company law the director must not approve the financial statements unless he is 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 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 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 him to ensure that the financial statements comply with the Companies Act 2006. 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 7 to these financial statements.

RESULTS

The profit for the year, after taxation, amounted to £21,326 (2008 - loss £157,762).

DIRECTOR

The director who served during the year was

Koolesh D Shah

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2009. The company paid a dividend of £4,016,000 in February 2010.

LONDON TOWN.HOTELS (OPERATIONS) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, 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 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 AUDITOR

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**


AUDITOR

The auditor, 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 *5 JULY 2010* and signed on its behalf



Koolesh D Shah
Secretary

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO LONDON TOWN HOTELS (OPERATIONS) LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 5 to 19, together with the financial statements of London Town Hotels (Operations) Limited for the year ended 31 December 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. 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 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

The director is responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 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 are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 19 have been properly prepared in accordance with the regulations made under that section.

Nigel Bostock

Nigel Bostock (Senior statutory auditor)

for and on behalf of

HORWATH CLARK WHITEHILL LLP

Statutory Auditor

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

Date **5 July 2010**

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
TURNOVER	1	2,832,186	3,578,013
GROSS PROFIT		1,621,358	1,953,062
Administrative expenses		(1,599,641)	(2,133,194)
OPERATING PROFIT/(LOSS)	2	21,717	(180,132)
Interest receivable		-	19,587
Interest payable	5	(391)	(9,763)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		21,326	(170,308)
Tax on profit/(loss) on ordinary activities	6	-	12,546
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	15	21,326	(157,762)

All amounts relate to continuing operations

The notes on pages 9 to 19 form part of these financial statements

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	21,326	(157,762)
Unrealised surplus on revaluation of tangible fixed assets	1,557,500	-
Transfer from revaluation reserve	(68,750)	(68,750)
Transfer to profit and loss account	68,750	68,750
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	1,578,826	(157,762)
	<hr/>	<hr/>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	£	£
REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	21,326	(170,308)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	68,750	68,750
	<hr/>	<hr/>
HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	90,076	(101,558)
	<hr/>	<hr/>
HISTORICAL PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION	90,076	(89,012)
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The notes on pages 9 to 19 form part of these financial statements

LONDON TOWN HOTELS (OPERATIONS) LIMITED
REGISTERED NUMBER: 02182560

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible fixed assets	7		2,338,750		526,296
Fixed asset investments	8		1,000		1,000
			<u>2,339,750</u>		<u>527,296</u>
CURRENT ASSETS					
Stocks	9	5,000		5,542	
Debtors amounts falling due after more than one year	10	7,723,910		7,890,128	
Debtors amounts falling due within one year	10	328,377		301,776	
Investments	11	-		1,035	
Cash at bank and in hand		63,643		379,842	
		<u>8,120,930</u>		<u>8,578,323</u>	
CREDITORS: amounts falling due within one year	12	(328,520)		(506,919)	
NET CURRENT ASSETS			<u>7,792,410</u>		<u>8,071,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,132,160</u>		<u>8,598,700</u>
CREDITORS: amounts falling due after more than one year	13		(459,315)		(504,681)
NET ASSETS			<u>9,672,845</u>		<u>8,094,019</u>
CAPITAL AND RESERVES					
Called up share capital	14		502,000		502,000
Revaluation reserve	15		1,970,000		481,250
Profit and loss account	15		7,200,845		7,110,769
SHAREHOLDERS' FUNDS	16		<u>9,672,845</u>		<u>8,094,019</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 were approved and authorised for issue by the board and were signed on its behalf on 5 JULY 2010

Koolesh D Shah

Koolesh D Shah
Director

The notes on pages 9 to 19 form part of these financial statements

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
Net cash flow from operating activities	17	63,072	36,865
Returns on investments and servicing of finance	18	(391)	9,824
Taxation		12,539	(19,126)
Capital expenditure and financial investment	18	(323,643)	-
CASH (OUTFLOW)/INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(248,423)	27,563
Management of liquid resources	18	1,035	-
Financing	18	(68,811)	(30,237)
DECREASE IN CASH IN THE YEAR		(316,199)	(2,674)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 £	2008 £
Decrease in cash in the year	(316,199)	(2,674)
Cash inflow from increase in liquid resources	(1,035)	-
Cash outflow from decrease in debt and lease financing	68,811	30,237
MOVEMENT IN NET FUNDS IN THE YEAR	(248,423)	27,563
Net funds at 1 January 2009	312,065	284,502
NET FUNDS AT 31 DECEMBER 2009	63,642	312,065

The notes on pages 9 to 19 form part of these financial statements

LONDON TOWN HOTELS (OPERATIONS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements. The results of the company have been included in the consolidated financial statements for London Town Group of Companies Limited, a company registered in England and Wales.

The director has reviewed the company's budgeted trading for the forthcoming 12 months in conjunction with the availability of working capital and is satisfied that it is appropriate to prepare the company's financial statements on a going concern basis.

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
Long Term Leasehold Property	-	-%	Over term of the lease (142 years)

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 2009

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 recognised on timing differences arising on property held at valuation in the financial statements unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief

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

2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	72,787	71,172
- held under finance leases	-	12,594
Auditors' remuneration	22,208	31,402
Operating lease rentals		
- plant and machinery	-	11,429
- land and buildings	762,267	917,751

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

3 STAFF COSTS

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

	2009 £	2008 £
Wages and salaries	656,249	779,002
Social security costs	68,420	65,969
	<u>724,669</u>	<u>844,971</u>

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

	2009 No.	2008 No
Number of administrative staff	8	6
Number of hotel operating staff	44	56
	<u>52</u>	<u>62</u>

4. DIRECTOR'S REMUNERATION

	2009 £	2008 £
Emoluments	<u>56,778</u>	<u>96,139</u>

5. INTEREST PAYABLE

	2009 £	2008 £
On bank loans and overdrafts	391	3,017
On finance leases and hire purchase contracts	-	6,746
	<u>391</u>	<u>9,763</u>

6 TAXATION

	2009 £	2008 £
UK corporation tax charge/(credit) on profit/loss for the year	<u>-</u>	<u>(12,546)</u>

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (*2008 - lower than*) the standard rate of corporation tax in the UK (28.5%) The differences are explained below

	2009	2008
	£	£
Profit/loss on ordinary activities before tax	21,326	(170,308)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.0% (<i>2008 - 28.5%</i>)	5,971	(48,538)
Effects of:		
Expenses not deductible for tax purposes	19,211	20,269
Capital allowances for year in excess of depreciation	(17,054)	4,280
Utilisation of tax losses	(8,128)	-
Current year losses carried forward	-	11,443
Current tax charge/(credit) for the year (see note above)	-	(12,546)

Factors that may affect future tax charges

There were no factors that may affect future tax charges

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

7. TANGIBLE FIXED ASSETS

	Short term leasehold property £	Plant and machinery £	Motor vehicles £	Long term leasehold property £	Total £
Cost or valuation					
At 1 January 2009	1,100,000	16,000	107,000	-	1,223,000
Additions	-	-	-	366,975	366,975
Disposals	-	-	(107,000)	-	(107,000)
Revaluation	870,000	-	-	-	870,000
	<u>1,970,000</u>	<u>16,000</u>	<u>-</u>	<u>366,975</u>	<u>2,352,975</u>
At 31 December 2009	1,970,000	16,000	-	366,975	2,352,975
Depreciation					
At 1 January 2009	618,750	10,188	67,766	-	696,704
Charge for the year	68,750	1,453	-	2,584	72,787
On disposals	-	-	(67,766)	-	(67,766)
Revaluation	(687,500)	-	-	-	(687,500)
	<u>-</u>	<u>11,641</u>	<u>-</u>	<u>2,584</u>	<u>14,225</u>
At 31 December 2009	-	11,641	-	2,584	14,225
Net book value					
At 31 December 2009	1,970,000	4,359	-	364,391	2,338,750
At 31 December 2008	481,250	5,812	39,234	-	526,296

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

	2009 £	2008 £
Motor vehicles	-	37,781

Short term leasehold properties have been valued at open market value by the Director at December 2009 at £1,970,000 with reference to a valuation completed in May 2010 by GVA Grimley, an independent firm of professional chartered surveyors who are members of RICS

Cost or valuation at 31 December 2009 is as follows

	Short term leasehold £
At cost	-
At valuation:	
At open market value	1,970,000
	<u>1,970,000</u>

LONDON TOWN HOTELS (OPERATIONS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

7 TANGIBLE FIXED ASSETS (continued)

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

	2009 £	2008 £
Cost	-	-
Accumulated depreciation	-	-
Net book value	<u>-</u>	<u>-</u>

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 January 2009 and 31 December 2009	<u>1,000</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 2009 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>1,689,093</u>	<u>(106,265)</u>

9. STOCKS

	2009 £	2008 £
Stocks	<u>5,000</u>	<u>5,542</u>

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

10. DEBTORS

	2009 £	2008 £
Due after more than one year		
Amounts owed by group undertakings	7,473,910	7,640,128
Other debtors	250,000	250,000
	<u>7,723,910</u>	<u>7,890,128</u>
	2009 £	2008 £
Due within one year		
Trade debtors	158,021	115,748
Other debtors	30,142	42,681
Prepayments and accrued income	140,214	143,347
	<u>328,377</u>	<u>301,776</u>

11. CURRENT ASSET INVESTMENTS

	2009 £	2008 £
Other investments	<u>-</u>	<u>1,035</u>

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

	2009 £	2008 £
Net obligations under finance leases and hire purchase contracts	-	23,446
Trade creditors	153,123	344,809
Social security and other taxes	59,019	74,321
Other creditors	56,213	51,543
Accruals and deferred income	60,165	12,800
	<u>328,520</u>	<u>506,919</u>

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

	2009 £	2008 £
Net obligations under finance leases and hire purchase contracts	-	45,366
Amounts owed to group undertakings	459,315	459,315
	<u>459,315</u>	<u>504,681</u>

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

	2009 £	2008 £
Between one and five years	<u>-</u>	<u>45,366</u>

14. SHARE CAPITAL

	2009 £	2008 £
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 2009	481,250	7,110,769
Profit for the year		21,326
Surplus on revaluation of leasehold property	1,557,500	
Transfer between Revaluation reserve and P/L account	(68,750)	68,750
	<u>1,970,000</u>	<u>7,200,845</u>
At 31 December 2009		

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening shareholders' funds	8,094,019	8,251,781
Profit/(loss) for the year	21,326	(157,762)
Surplus on revaluation of leasehold property	1,557,500	-
	<u>9,672,845</u>	<u>8,094,019</u>
Closing shareholders' funds		

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit/(loss)	21,717	(180,132)
Depreciation of tangible fixed assets	72,787	83,766
Profit on disposal of tangible fixed assets	(4,098)	-
Decrease in stocks	542	-
Decrease in debtors	127,079	316,583
Decrease in creditors	(154,955)	(183,352)
	<u>63,072</u>	<u>36,865</u>
Net cash inflow from operating activities		

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

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	-	19,587
Interest paid	(391)	(3,017)
Hire purchase interest	-	(6,746)
	<u>(391)</u>	<u>9,824</u>
Net cash (outflow)/inflow from returns on investments and servicing of finance		
	<u>(391)</u>	<u>9,824</u>
	2009 £	2008 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(366,975)	-
Sale of tangible fixed assets	43,332	-
	<u>(323,643)</u>	<u>-</u>
Net cash outflow from capital expenditure		

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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

	2009 £	2008 £
Management of liquid resources		
Sale of short term listed investments	1,035	-
	<u>1,035</u>	<u>-</u>
	2009 £	2008 £
Financing		
Repayment of finance leases	(68,811)	(30,237)
	<u>(68,811)</u>	<u>(30,237)</u>

19. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2009 £	Cash flow £	Other non-cash changes £	31 December 2009 £
Cash at bank and in hand	379,842	(316,199)	-	63,643
Liquid resources:				
Current asset investments	1,035	(1,035)	-	-
Debt:				
Debts due within one year	(23,446)	23,445	-	(1)
Debts falling due after more than one year	(45,366)	45,366	-	-
	<u>312,065</u>	<u>(248,423)</u>	<u>-</u>	<u>63,642</u>
Net funds	<u>312,065</u>	<u>(248,423)</u>	<u>-</u>	<u>63,642</u>

20. OPERATING LEASE COMMITMENTS

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2009 £	2008 £	2009 £	Other 2008 £
Expiry date:				
Within 1 year	-	100,000	-	-
After more than 5 years	700,775	700,775	-	-
	<u>700,775</u>	<u>700,775</u>	<u>-</u>	<u>-</u>

LONDON TOWN HOTELS (OPERATIONS) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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.