

RE-SCAN

**WILLOW STREET HOTEL LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

Company Registration Number 3850699

WEDNESDAY



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COMPANIES HOUSE

RSM Tenon Limited

Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

WILLOW STREET HOTEL LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2009

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WILLOW STREET HOTEL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements of the company for the year ended 31 December 2009

Principal activities and business review

The principal activity of the company during the year is operation of a hotel in London trading as "The Hoxton"

During the course of the year the company continued to operate the hotel, turnover increased by 8.3%, profitability increased by 18.7% before tax

The company bought the business and assets of Room (Hoxton) Limited from the administrators Zolfo Cooper on 20th January 2009

Room (Hoxton) Limited had been operating the bar and restaurant in the hotel under a lease agreement, the company operated these facilities itself until a new lease was granted to the Soho House group on 18th May 2009. This was the main reason for the increase in turnover over the prior year.

The company incurred a bad debt of £23,310 due to the non payment of rent by Room (Hoxton) Limited.

During the year the company increased the number of corporate accounts that buy room night's midweek and increased weekend occupancy by selling rooms to more European visitors.

The directors have declared a dividend of £1,000,000 and at the year end the company had shareholders funds of £2,075,441. The directors therefore believe the company's position to be satisfactory especially as the company's total assets exceed its current liabilities by £14,802,595.

The directors have assessed the main risk facing the company as being a return to recession which could affect the trading results of the company.

The directors believe that the quality of the product and customer service will help mitigate these risks and hope to see continued growth and satisfactory trading results in the coming year.

Results and dividends

The profit for the year, after taxation, amounted to £2,615,162. Particulars of dividends proposed are detailed in note 7 to the financial statements.

WILLOW STREET HOTEL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

Financial risk management objectives and policies

The company currently finances its operations through bank borrowings to fund start-up construction activities

The management's objectives are to

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds,
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings,
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities

Hedge accounting is not used by the company

As all the companies funds are invested in sterling bank deposit accounts and its borrowings are all obtained from standard bank loan accounts there is no price risk exposure

The company's funds are held primarily in short term variable rate deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise

The company also has a bank loan facility on which interest is charged at a variable rate. This financing structure enables the directors of the company to take advantage of any falls in interest rates for variable borrowings, whilst retaining some certainty over interest payments on the fixed borrowings

Directors

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

Mr S C S Beecham
Mr A T Brooker
Mr G F Miller
Mr P Newborough
Ms A Harris

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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

WILLOW STREET HOTEL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

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, individually, 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.

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

Auditor

Our auditors have changed their name to RSM Tenon Audit Limited and will sign the audit report in their new name.

RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office
81 Great Eastern Street
London
EC2A 3HU

Signed by order of the directors



Mr A T Brooker
Company Secretary

26th April 2010

Approved by the directors on ^(date)

WILLOW STREET HOTEL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WILLOW STREET HOTEL LIMITED
YEAR ENDED 31 DECEMBER 2009

We have examined the abbreviated accounts set out on pages 5 to 16, together with the financial statements of Willow Street Hotel 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 directors and auditor

The directors are 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 to be delivered 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 have been properly prepared in accordance with the regulations made under that section.

Christopher Moss, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
RSM Tenon Audit Limited
Statutory Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Date *20/05/10*

WILLOW STREET HOTEL LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

		Total £	2009 Discontinued £	Continuing £	2008 Continuing £
	Note				
Turnover	2	8,987,065	731,252	8,255,813	8,297,300
Cost of sales		(2,305,862)	(556,978)	(1,748,884)	(1,710,508)
Gross profit		<u>6,681,203</u>	<u>174,274</u>	<u>6,506,929</u>	<u>6,586,792</u>
Administrative expenses		(2,722,869)	(168,794)	(2,554,075)	(2,572,330)
Operating profit	3	<u>3,958,334</u>	<u>5,480</u>	<u>3,952,854</u>	<u>4,014,462</u>
Interest receivable		23,596			33,579
Interest payable and similar charges	8	(223,352)			(880,795)
Profit on ordinary activities before taxation		<u>3,758,578</u>			<u>3,167,246</u>
Tax on profit on ordinary activities	9	(1,143,416)			(73,475)
Profit for the financial year		<u>2,615,162</u>			<u>3,093,771</u>

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

The notes on pages 7 to 16 form part of these abbreviated accounts

WILLOW STREET HOTEL LIMITED
Registered Number 3850699

ABBREVIATED BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	9		13,474,505		14,019,125
Investments	10		2		2
			<u>13,474,507</u>		<u>14,019,127</u>
Current assets					
Stocks	11	32,708		33,871	
Debtors	12	632,606		295,213	
Cash at bank and in hand		4,243,824		1,418,258	
			<u>4,909,138</u>	<u>1,747,342</u>	
Creditors: Amounts falling due within one year	13	(3,581,050)		(2,468,242)	
Net current assets/(liabilities)			1,328,088		(720,900)
Total assets less current liabilities			<u>14,802,595</u>		<u>13,298,227</u>
Creditors: Amounts falling due after more than one year	14		(11,536,605)		(12,771,441)
Provisions for liabilities					
Deferred taxation	17		(1,190,549)		(66,507)
			<u>2,075,441</u>		<u>460,279</u>
Capital and reserves					
Called-up share capital	21		10,000		10,000
Profit and loss account	22		2,065,441		450,279
Shareholders' funds	23		<u>2,075,441</u>		<u>460,279</u>

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on ^(date) 26 April 2010 and are signed on their behalf by


Mr S C S Beecham
Chairman

The notes on pages 7 to 16 form part of these abbreviated accounts

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the period, exclusive of Value Added Tax. The company has derived its turnover from the operation of a hotel in London

Fixed assets

Fixed assets are recorded at cost, less accumulated depreciation

The cost of tangible fixed assets represents the actual purchase price paid, including directly attributable costs incurred in bringing an asset into full working order. Cost includes amortised issue costs and directly attributable costs up to the date of opening for trade

Depreciation

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

Long leasehold buildings	2%
Plant & machinery	6.67%
Fixtures and fittings	10%
Computer equipment	33.3%

All the above categories of asset are depreciated on a straight line basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete items. Cost represents the purchase price of goods for resale

Pension costs

The company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

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 that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

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

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will result in a reduction in tax payable in the foreseeable future

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

1 Accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Borrowings

Borrowings are carried at their net issue proceeds plus finance costs less amounts paid. Finance costs, which comprise interest and issue costs, are allocated over the period of the borrowings to achieve a constant rate on the carrying amount.

Investments

Fixed asset investments are stated at cost less any provision for diminution in value.

Financing costs

Interest costs are taken to the profit and loss account on an accrued basis. Costs in respect of the issue of debt are initially deducted from debt and amortised over the period of the loan. Amortisation costs were allocated to assets under the course of construction until the date of opening for trade.

Consolidation

In the opinion of the directors, the company and its subsidiary undertaking comprise of a medium group. The company has taken advantage of the exemption provided by Section 405 of the Companies Act 2006 not to prepare group accounts on the grounds that the subsidiary company is immaterial.

2. Operating profit

Operating profit is stated after charging

	2009 £	2008 £
Depreciation of owned fixed assets	631,501	667,853
Loss on disposal of fixed assets	4,421	659
Auditor's remuneration	<u>7,600</u>	<u>8,450</u>

3. Discontinued operations

The hotel's restaurant was contracted to a third party throughout 2008 and up to 20 January in the current year. From 20 January 2009 to 18 May 2009, the company took the restaurant in house. Since 18 May 2009, the restaurant has been contracted to Soho House UK Limited. The results of this in house restaurant activity have been shown as a discontinued activity in the current year.

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

4 Particulars of employees

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

	2009	2008
	No	No
Number of sales staff	3	3
Number of administrative staff	21	20
Number of management staff	10	10
Number of restaurant staff	22	-
	<u>56</u>	<u>33</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	1,171,728	907,533
Social security costs	112,399	90,718
Other pension costs	8,295	10,469
	<u>1,292,422</u>	<u>1,008,720</u>

No directors received emoluments through the company during the year

5. Pensions

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £8,295 (2008 £10,469)

6. Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	<u>223,352</u>	<u>880,795</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2009	2008
	£	£
In respect of the year		
UK Corporation tax	19,374	6,968
Deferred tax		
Origination and reversal of timing differences	1,124,042	66,507
Tax on profit on ordinary activities	<u>1,143,416</u>	<u>73,475</u>

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

7. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2008 - 21%)

	2009 £	2008 £
Profit on ordinary activities before taxation	3,758,578	3,167,246
Profit on ordinary activities by rate of tax	789,301	665,122
Effects of		
Non taxable income	-	(1,444)
Capital allowances for period in excess of depreciation	(28,421)	(68,511)
Permanently disallowable expenditure	4,522	2,179
Income adjustments	8,379	-
Tax chargeable at different rates	-	(84)
Chargeable gain	2,646	-
Utilisation of losses	(757,053)	(590,294)
Total current tax (note 6(a))	19,374	6,968

(c) Factors that may affect future tax charges

The company has losses carried forward of £Nil (2008 £3,600,000)

8. Dividends

Equity dividends

	2009 £	2008 £
Proposed at the year-end (recognised as a liability)		
Equity dividends proposed on ordinary shares	1,000,000	-

A dividend of £10 (2008 £Nil) per share was proposed in the year on the A Ordinary shares and B Ordinary shares. The dividends are included within creditors at the year end.

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

9. Tangible fixed assets

	Long leasehold property £	Plant & Machinery £	Fixtures & fittings £	Equipment £	Total £
Cost					
At 1 January 2009	11,899,455	1,236,050	1,972,323	451,057	15,558,885
Additions	30,211	—	38,309	23,637	92,157
Disposals	—	—	—	(10,937)	(10,937)
At 31 December 2009	<u>11,929,666</u>	<u>1,236,050</u>	<u>2,010,632</u>	<u>463,757</u>	<u>15,640,105</u>
Depreciation					
At 1 January 2009	553,727	192,446	451,069	342,518	1,539,760
Charge for the year	242,601	82,444	199,211	107,245	631,501
On disposals	—	—	—	(5,661)	(5,661)
At 31 December 2009	<u>796,328</u>	<u>274,890</u>	<u>650,280</u>	<u>444,102</u>	<u>2,165,600</u>
Net book value					
At 31 December 2009	<u>11,133,338</u>	<u>961,160</u>	<u>1,360,352</u>	<u>19,655</u>	<u>13,474,505</u>
At 31 December 2008	<u>11,345,728</u>	<u>1,043,604</u>	<u>1,521,254</u>	<u>108,539</u>	<u>14,019,125</u>

10. Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2009 and 31 December 2009	<u>2</u>
Net book value	
At 31 December 2009 and 31 December 2008	<u>2</u>

The company owns 100% of the issued share capital of the company listed below

	2009 £	2008 £
Aggregate capital and reserves		
WS Hotels Properties (Shoreditch) Limited (dormant)	<u>2</u>	<u>2</u>

11. Stocks

	2009 £	2008 £
Consumable stores	<u>32,708</u>	<u>33,871</u>

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

12. Debtors

	2009 £	2008 £
Trade debtors	72,160	30,529
Amounts due from WS Hotels Limited	296,250	—
Other debtors	500	500
Prepayments and accrued income	263,696	264,184
	<u>632,606</u>	<u>295,213</u>

The debtors above include the following amounts falling due after more than one year

	2009 £	2008 £
Amounts due from WS Hotels Limited	<u>271,897</u>	<u>—</u>

13. Creditors: Amounts falling due within one year

	2009 £	2008 £
Bank loans	1,235,058	1,235,280
Trade creditors	237,532	175,219
Amounts owed to WS Hotels Limited	13,748	12,303
Corporation tax	18,931	6,968
Other taxation	242,988	231,737
Shares classed as financial liabilities	10	10
Dividends payable	1,000,000	—
Other creditors	199,499	184,086
Accruals and deferred income	633,284	622,639
	<u>3,581,050</u>	<u>2,468,242</u>

14. Creditors: Amounts falling due after more than one year

	2009 £	2008 £
Bank loans	<u>11,536,605</u>	<u>12,771,441</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2009 £	2008 £
Bank loans	<u>6,904,558</u>	<u>7,833,109</u>

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

15. Borrowings

Creditors include finance capital which is due for repayment as follows

	2009	2008
	£	£
Amounts repayable		
In one year or less or on demand	1,238,068	1,238,068
In more than one year but not more than two years	1,238,068	1,238,068
In more than two years but not more than five years	3,404,687	3,714,204
In more than five years	6,904,558	7,833,109
	<u>12,785,381</u>	<u>14,023,449</u>

16. Security

At 31 December 2009, £12,785,381 (2008 £14,023,449) remained outstanding. The loan is being repaid at £1,238,068 per annum over a total period of 7 years, with a balloon payment of £6,904,558 at maturity. Interest is charged at 1% above the bank's base rate.

In accordance with Financial Reporting Standard 4 - "Capital Instruments", the costs of raising finance are initially netted off debt and then amortised over the life of the loan. On raising this finance, £21,000 of issue costs were deducted from debt. Amortisation of £3,010 (2008 £3,022) has been charged during the year leaving a balance of £13,718 (2008 £16,728) to be amortised in future periods.

17. Deferred taxation

The movement in the deferred taxation provision during the year was

	2009	2008
	£	£
At 1 January 2009	66,507	-
Profit and loss account movement arising during the year	1,124,042	66,507
At 31 December 2009	<u>1,190,549</u>	<u>66,507</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	1,190,549	1,074,492
Tax losses available	-	(1,007,985)
	<u>1,190,549</u>	<u>66,507</u>

Deferred tax has been calculated at a rate of 28% (2008 28%)

18. Derivatives

The company holds no financial instruments that qualify as derivatives.

19. Transactions with the directors

During the year the company paid dividends at a rate of £10 per A Ordinary share and B Ordinary share, amounting to £1,000,000 (2008 £Nil). Dividends of £373,540 (2008 £Nil) were paid to Mr S C S Beecham, a director of the company.

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

20 Related party transactions

Mr A T Brooker is a director of the company and has a controlling interest in Crispin Hospitality Developments Limited. Included in consultancy fees for the period is £6,918 (2008 £10,434)

Mr S C S Beecham, a director of the company, has an interest in the Pret A Manger Group. At 31 December 2009 the company owed £9,610 (2008 £7,121) and was owed £652 (2008 £314). During the period the company made purchases of £93,670 (2008 £77,586) from the Pret A Manger Group.

W S Hotels Limited, a company under the control of the directors, charged management charges to the company of £165,116 (2008 £165,946) and consultancy fees of £nil (2008 £25,000). The balance owed at 31 December 2009 was £13,748 (2008 £12,303). Also included in debtors is an amount due from W S Hotels Limited of £296,250 (2008 £Nil) in respect of a loan made during the period. Interest is charged on the loan at 4.5% above the base rate.

21. Share capital

Authorised share capital:

	2009 £	2008 £
82,300 A Ordinary shares of £0.10 each	8,230	8,230
17,700 B Ordinary shares of £0.10 each	1,770	1,770
100 Deferred shares of £0.10 each	10	10
	<u>10,010</u>	<u>10</u>

Allotted and called up:

	2009		2008	
	No	£	No	£
82,300 A Ordinary shares of £0.10 each	82,300	8,230	82,300	8,230
17,700 B Ordinary shares of £0.10 each	17,700	1,770	17,700	1,770
	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

21. Share capital (continued)

The A Ordinary shares have a right to participate in dividends *pari passu* with B Ordinary shares, and entitle the holder to attend and vote at any general meeting, holding one vote per share. On winding up the company, the holders of A Ordinary shares are entitled to 70% of the residual capital available after paying up the nominal values of A and B Ordinary shares.

The B Ordinary shares have a right to participate in dividends *pari passu* with A Ordinary shares, and entitle the holder to attend and vote at any general meeting, holding one vote per share. However, holders of B Ordinary shares are not entitled to vote on any resolution concerning the appointment or removal of an investor director, or concerning any claims that may be brought by the company in connection with the investment agreement. On winding up the company, the holders of B Ordinary shares are entitled to the remainder of residual capital after paying up the nominal values of A and B Ordinary shares, and after payment of all amounts payable to the holders of A Ordinary shares as described above.

The Deferred shares carry no rights to dividends and no voting rights. On winding up the company, the Deferred shares are entitled to participate *pari passu* with all other equity shareholders in the residual capital following the payment of all amounts due to the holders of A and B Ordinary shareholders as described above and after paying a sum of £1,000,000 to each holder of equity shares in respect of each equity share. In accordance with FRS 25 - "Financial instruments: disclosure and presentation", the Deferred shares have been assessed as a liability to the company and have been reflected within creditors falling due within one year.

22. Profit and loss account

	2009 £	2008 £
Balance brought forward	450,279	(2,643,492)
Profit for the financial year	2,615,162	3,093,771
Equity dividends	(1,000,000)	-
Balance carried forward	<u>2,065,441</u>	<u>450,279</u>

23. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	2,615,162	3,093,771
Equity dividends	(1,000,000)	-
Net addition to shareholders' funds/(deficit)	<u>1,615,162</u>	<u>3,093,771</u>
Opening shareholders' funds/(deficit)	460,279	(2,633,492)
Closing shareholders' funds	<u>2,075,441</u>	<u>460,279</u>

WILLOW STREET HOTEL LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

24. Control

The directors consider that the company has no controlling party

25. Contingent Liabilities

A cross guarantee exists between the company and W S Hotels Limited

The AIB Group (UK) Limited holds a mortgage debenture dated 9 January 2006 over all the assets of the company