

ARLACROSS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

TUESDAY



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COMPANIES HOUSE

ARLACROSS LIMITED

COMPANY INFORMATION

DIRECTORS

Mr R Tang
Mr S Hussain

COMPANY SECRETARY

Mr R Tang

REGISTERED NUMBER

04204314

REGISTERED OFFICE

E3 The Premier Centre
Abbey Park
Romsey
Hampshire
SO51 9DG

INDEPENDENT AUDITORS

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

BANKERS

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

ARLACROSS LIMITED

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ARLACROSS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

The principal activity of the company during the year was that of a holding company.

BUSINESS REVIEW

Turnover in 2013 was £4.12m (2012: £4.29m), Gross Profit was £3.31m (2012: £3.43m), Gross Profit Margin was 80.3% for 2013 (2012: 79.8%).

The Average Room Rate achieved for 2013 was £170 (2012: £156). Average day rate for 2012 was £399 (2012: £427) and RevPAR was £75 (2012: £70).

Membership Revenue was £318k (2012: £312k)

The Market in the last 12 months was even more competitive than in 2012. Many hotels continued to reduce their rates and the group has responded accordingly in order to remain competitive. That was reflected in the overall averaged room rate and averaged day rate as reported.

The group's strategy for leisure business has seen some improvement in 2013, and has shown sustained growth throughout 2014. Trading in the new year remains difficult although we have made some gains in the corporate business. We anticipate a small increase on the overall turnover for 2014.

Spa growth has been significant year on year with an increase of 13% revenue growth. This is due to promotions and social media advertising within the local market for midweek business that has seen an increased footfall.

There are proposals to upgrade the Spa and leisure facilities at the Stable Block in Q2 2015. This will also bring significant increase in bedroom occupancy and Spa revenue.

PRINCIPAL RISKS AND UNCERTAINTIES

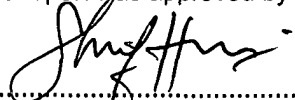
The directors have assessed the principal risk and uncertainty as the continued support of the company's shareholders and investors.

FINANCIAL KEY PERFORMANCE INDICATORS

Key Performance Indicators

- Turnover
- Gross profit margin
- Average room rate
- Revenue per average room
- Club membership renewals

This report was approved by the board and signed on its behalf.


.....
Mr S Hussain
Director

Date: 26 September 2014

ARLACROSS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The loss for the year, after taxation and minority interests, amounted to £1,575,290 (2012 - loss £982,650).

DIRECTORS

The directors who served during the year were:

Mr S Hussain
Mr R Tang

FUTURE DEVELOPMENTS

In a difficult and competitive market, the directors are looking at indicators to increase revenue and reduce costs to return the business to profitability.

DISCLOSURE OF INFORMATION TO AUDITORS

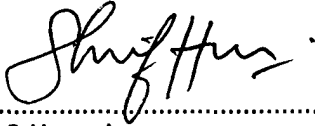
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group'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 relevant audit information and to establish that the company and the group's auditors are aware of that information.

ARLACROSS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

This report was approved by the board and signed on its behalf.



.....
Mr S Hussain
Director

Date: 26 September 2014

E3 The Premier Centre
Abbey Park
Romsey
Hampshire
SO51 9DG

ARLACROSS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARLACROSS LIMITED

We have audited the financial statements of Arlacross Limited for the year ended 31 December 2013, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement, the group Statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, 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 members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's 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

In forming our opinion on the group's financial statements, which is not qualified, we have considered the adequacy of the disclosures made in the note 1 to the financial statements concerning the group's ability to continue as a going concern. The group reported a loss of £1,575,290 in the year ended 31 December 2013 and at that date, the group's total liabilities exceeded its total assets by £10,078,746. These conditions along with others described in the notes to the financial statements indicate the existence of a material uncertainty which may cast doubt about the group'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.

ARLACROSS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARLACROSS LIMITED

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; 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.



Robert Nelson BA FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Lyndale House
Ervington Court
Harcourt Way
Meridian Business Park
Leicester
LE19 1WL

26 September 2014

ARLACROSS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	4,123,280	4,296,301
Cost of sales		(811,888)	(865,352)
GROSS PROFIT		3,311,392	3,430,949
Administrative expenses		(4,961,573)	(4,460,006)
Other operating income	3	21,872	6,000
OPERATING LOSS	4	(1,628,309)	(1,023,057)
Interest payable and similar charges	6	(89,699)	(82,520)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,718,008)	(1,105,577)
Tax on loss on ordinary activities	7	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(1,718,008)	(1,105,577)
Minority interests		142,718	122,927
LOSS FOR THE FINANCIAL YEAR	18	(1,575,290)	(982,650)

All amounts relate to continuing operations.

The notes on pages 12 to 27 form part of these financial statements.

ARLACROSS LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
LOSS FOR THE FINANCIAL YEAR	(1,575,290)	(982,650)
Unrealised surplus on revaluation of tangible fixed assets	-	5,440,096
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(1,575,290)	4,457,446

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(1,718,008)	(1,105,577)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	202,930	121,330
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(1,515,078)	(984,247)
HISTORICAL LOSS FOR THE YEAR AFTER TAXATION	(1,372,360)	(861,320)

The notes on pages 12 to 27 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	8		-		424,738
Tangible assets	9		21,786,690		22,188,393
			21,786,690		22,613,131
CURRENT ASSETS					
Stocks	12	188,452		206,804	
Debtors: amounts falling due after more than one year	13	-		1	
Debtors: amounts falling due within one year	13	186,141		166,870	
Cash at bank and in hand		5,868		4,940	
		380,461		378,615	
CREDITORS: amounts falling due within one year	14	(2,086,093)		(2,111,825)	
NET CURRENT LIABILITIES			(1,705,632)		(1,733,210)
TOTAL ASSETS LESS CURRENT LIABILITIES			20,081,058		20,879,921
CREDITORS: amounts falling due after more than one year	15		(30,159,804)		(29,240,659)
NET LIABILITIES			(10,078,746)		(8,360,738)
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Revaluation reserve	18		8,417,911		8,620,841
Profit and loss account	18		(17,426,293)		(16,053,933)
SHAREHOLDERS' DEFICIT	19		(9,008,282)		(7,432,992)
MINORITY INTERESTS	20		(1,070,464)		(927,746)
			(10,078,746)		(8,360,738)

ARLACROSS LIMITED

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2013

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Mr S Hussain
Director

Date: 26 September 2014

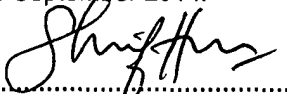
The notes on pages 12 to 27 form part of these financial statements.

ARLACROSS LIMITED
REGISTERED NUMBER: 04204314

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Investments	10		1,000		1,000
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	13	4,492,215		4,492,215	
Debtors: amounts falling due within one year	13	838,860		838,860	
Cash in hand		100		100	
		<u>5,331,175</u>		<u>5,331,175</u>	
CREDITORS: amounts falling due within one year	14	<u>(2,500)</u>		<u>(2,500)</u>	
NET CURRENT ASSETS			<u>5,328,675</u>		<u>5,328,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,329,675</u>		<u>5,329,675</u>
CREDITORS: amounts falling due after more than one year	15		<u>(5,338,860)</u>		<u>(5,338,860)</u>
NET LIABILITIES			<u>(9,185)</u>		<u>(9,185)</u>
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Profit and loss account	18		<u>(9,285)</u>		<u>(9,285)</u>
SHAREHOLDERS' DEFICIT	19		<u>(9,185)</u>		<u>(9,185)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2014.



Mr S Hussain
 Director

The notes on pages 12 to 27 form part of these financial statements.

ARLACROSS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	23	360,976	(654,061)
Returns on investments and servicing of finance	24	(89,699)	(82,520)
Capital expenditure and financial investment	24	(38,016)	(91,779)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		233,261	(828,360)
Financing	24	(137,814)	759,802
INCREASE/(DECREASE) IN CASH IN THE YEAR		95,447	(68,558)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
Increase/(Decrease) in cash in the year	95,447	(68,558)
Cash outflow from decrease in debt and lease financing	137,814	(759,802)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	233,261	(828,360)
New finance lease	(10,000)	-
MOVEMENT IN NET DEBT IN THE YEAR	223,261	(828,360)
Net debt at 1 January 2013	(1,121,451)	(293,091)
NET DEBT AT 31 DECEMBER 2013	(898,190)	(1,121,451)

The notes on pages 12 to 27 form part of these financial statements.

ARLACROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and land and in accordance with applicable accounting standards.

1.2 Going concern

The directors have adopted a going concern basis in the preparation of these financial statements. At 31 December 2013 the group's total liabilities exceeded its total assets by £10,078,746. As a result of group losses sustained in this and prior years, its ability to continue to trade and meet its liabilities is dependent upon the continued support of its group's investors.

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 1 October 2015.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Arlacross Limited and all of its subsidiary undertakings ('subsidiaries') except for SP(ACE) Spa and Lifestyle Limited, as it is not considered to be material to the group.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax.

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life. Provision is made where necessary for evidence of permanent diminution in value.

Amortisation is provided at the following rates:

Goodwill	- 20 years straight line
----------	--------------------------

1.6 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:

Freehold property	- 2% straight line per annum
Golf course land	- 2% straight line per annum
Plant and machinery	- 15% reducing balance per annum
Motor vehicles	- 25% reducing balance per annum
Fixtures and fittings	- 15% reducing balance per annum

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)**1.7 Revaluation of tangible fixed assets**

As permitted by the transitional provisions of FRS 15, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 December 2012 and will not update that valuation.

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Leasing and hire purchase

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.

1.10 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.11 Stocks

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

1.12 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.

1.13 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.

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)**1.14 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 whole of the turnover is attributable to the one principal activity of the group.

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2013 £	2012 £
Other operating income	15,872	-
Government grants receivable	6,000	6,000
	<u>21,872</u>	<u>6,000</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	2013 £	2012 £
Amortisation - intangible fixed assets	424,738	50,614
Depreciation of tangible fixed assets:		
- owned by the group	446,605	238,392
Auditors' remuneration	20,200	16,200
Operating lease rentals:		
- plant and machinery	9,354	2,590
- other operating leases	132,263	128,412
Loss on disposal of fixed assets	3,114	-

During the year, no director received any emoluments (2012 - £NIL).

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	2,072,196	2,210,246
Social security costs	144,693	153,077
	<u>2,216,889</u>	<u>2,363,323</u>

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

	2013 No.	2012 No.
Management and administration	23	20
Hotel	117	139
General estate	17	21
	<u>157</u>	<u>180</u>

6. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	89,328	82,473
On hire purchase contracts	371	47
	<u>89,699</u>	<u>82,520</u>

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. TAXATION**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 20% (2012 - 20%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(1,718,008)</u>	<u>(1,105,577)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	(343,602)	(221,115)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	84,947	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	53,205	6,155
Capital allowances for year in excess of depreciation	(135,100)	(1,585,037)
Unrelieved tax losses carried forward	340,550	1,799,997
	<u> </u>	<u> </u>
Current tax charge for the year (see note above)	<u> </u>	<u> </u>

Factors that may affect future tax charges

The company has tax losses of £7,470 (2012: £7,470) to use against future trading profits of that company.

Arlaform Limited has tax losses of £1,467,108 (2012: £937,489) to use against future trading profits of that company.

Stapleford Park Limited has tax losses in the region of £16,714,224 (2012: £15,541,093) to use against future trading profits of that company.

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 January 2013 and 31 December 2013	1,012,272
Amortisation	
At 1 January 2013	587,534
Charge for the year	424,738
At 31 December 2013	1,012,272
Net book value	
At 31 December 2013	-
At 31 December 2012	424,738

9. TANGIBLE FIXED ASSETS

	Freehold property £	Golf course land £	Plant and machinery £	Motor vehicles £
Group				
Cost or valuation				
At 1 January 2013	20,477,636	2,903,693	1,256,647	125,226
Additions	-	-	43,444	-
Disposals	-	-	-	(18,250)
At 31 December 2013	20,477,636	2,903,693	1,300,091	106,976
Depreciation				
At 1 January 2013	1,903,198	581,370	835,643	95,797
Charge for the year	239,968	58,074	60,267	6,230
On disposals	-	-	-	(13,342)
At 31 December 2013	2,143,166	639,444	895,910	88,685
Net book value				
At 31 December 2013	18,334,470	2,264,249	404,181	18,291
At 31 December 2012	18,574,438	2,322,323	421,004	29,429

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. TANGIBLE FIXED ASSETS (continued)

Group	Fixtures and fittings £	Total £
Cost or valuation		
At 1 January 2013	3,884,221	28,647,423
Additions	6,612	50,056
Disposals	(484)	(18,734)
At 31 December 2013	3,890,349	28,678,745
Depreciation		
At 1 January 2013	3,043,022	6,459,030
Charge for the year	82,066	446,605
On disposals	(238)	(13,580)
At 31 December 2013	3,124,850	6,892,055
Net book value		
At 31 December 2013	765,499	21,786,690
At 31 December 2012	841,199	22,188,393

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

Group	2013 £	2012 £
Plant and machinery	14,349	-

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2013 £	2012 £
Cost	13,234,450	13,234,450
Accumulated depreciation	(1,733,580)	(1,638,468)
Net book value	11,500,870	11,595,982

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. FIXED ASSET INVESTMENTS

SP(ACE) Spa and Lifestyle Limited, a subsidiary undertaking, is not consolidated as it is not considered to be material to the group.

	Investments in subsidiary companies £
Company	
Cost or valuation	
At 1 January 2013 and 31 December 2013	1,000
Net book value	
At 31 December 2013	1,000
At 31 December 2012	1,000

Details of the principal subsidiaries can be found under note number 11.

11. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Arlaform Limited	United Kingdom	88.9	Management company
Stapleford Park Limited	United Kingdom	88.9	Country house and sporting estate
SP(ACE) Spa and Lifestyle Limited	United Kingdom	100	Non trading

12. STOCKS

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Food, beverages and consumables	188,452	206,804	-	-

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Due after more than one year				
Amounts owed by group undertakings	-	1	4,492,215	4,492,215
	<u><u>-</u></u>	<u><u>1</u></u>	<u><u>4,492,215</u></u>	<u><u>4,492,215</u></u>
	<u>Group</u>		<u>Company</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Due within one year				
Trade debtors	9,109	28,980	-	-
Amounts owed by group undertakings	-	-	838,860	838,860
Other debtors	20,124	930	-	-
Prepayments and accrued income	156,908	136,960	-	-
	<u><u>186,141</u></u>	<u><u>166,870</u></u>	<u><u>838,860</u></u>	<u><u>838,860</u></u>

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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**14. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	179,672	274,191	-	-
Net obligations under finance leases and hire purchase contracts	3,333	-	-	-
Trade creditors	406,069	671,148	-	-
Other taxation and social security	321,814	151,787	-	-
Other creditors	507,267	450,393	-	-
Accruals and deferred income	667,938	564,306	2,500	2,500
	2,086,093	2,111,825	2,500	2,500

The bank loans and overdrafts amounting to £179,672 (2012 - £274,191) 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.

Hire purchase contracts amounting to £3,333 (2012 - £nil) are secured against the assets to which they relate.

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Debenture loans	579,000	579,000	-	-
Bank loans	136,600	273,200	-	-
Net obligations under finance leases and hire purchase contracts	5,453	-	-	-
Amounts owed to group undertakings	29,304,201	28,247,909	5,338,860	5,338,860
Government grants received	134,550	140,550	-	-
	30,159,804	29,240,659	5,338,860	5,338,860

Included within the above are amounts falling due as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Between one and two years				
Debenture loans	579,000	579,000	-	-
Bank loans	136,600	273,200	-	-

Convertible instruments amounting to £579,000 (2012 - £579,000) are included in creditors.

The 'B' loan stock is convertible into 'A' and 'B' ordinary shares of the company. Conversion is at a rate of 1 ordinary share for £4,632 of loan stock. The loan stock carries a nominal interest rate of 6% per annum, although currently no interest is being charged.

The convertible instruments 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.

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Between one and five years	5,453	-	-	-

The bank loans and overdrafts amounting to £136,600 (2012 - £273,200) 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.

Hire purchase contracts amounting to £5,453 (2012 - £nil) are secured against the assets to which they relate.

ARLACROSS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2013**

16. GOVERNMENT GRANTS

	2013 £	2012 £
At 1 January 2013	140,550	146,550
Released in the year	(6,000)	(6,000)
	<u>134,550</u>	<u>140,550</u>

The above grants were received from the English Tourist Board.

17. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

18. RESERVES

Group	Revaluation reserve £	Profit and loss account £
At 1 January 2013	8,620,841	(16,053,933)
Loss for the year	-	(1,575,290)
Transfer between revaluation reserve and profit and loss account	(202,930)	202,930
	<u>8,417,911</u>	<u>(17,426,293)</u>
At 31 December 2013		
Company		Profit and loss account £
At 1 January 2013 and 31 December 2013		<u>(9,285)</u>

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013	2012
Group	£	£
Opening shareholders' deficit	(7,432,992)	(11,890,438)
Loss for the financial year	(1,575,290)	(982,650)
Other recognised gains and losses during the year	-	5,440,096
Transfer to profit and loss account	(202,930)	(121,330)
Transfer from revaluation reserve	202,930	121,330
	<u>(9,008,282)</u>	<u>(7,432,992)</u>
Closing shareholders' deficit		
	<u>(9,008,282)</u>	<u>(7,432,992)</u>

	2013	2012
Company	£	£
Shareholders' deficit at 1 January 2013 and 31 December 2013	<u>(9,185)</u>	<u>(9,185)</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The result for the year dealt with in the accounts of the company was £NIL (2012 - £NIL).

20. MINORITY INTERESTS

Equity	£
At 1 January 2013	(927,746)
Proportion of loss after taxation for the year	(142,718)
	<u>(1,070,464)</u>
At 31 December 2013	
	<u>(1,070,464)</u>

21. OPERATING LEASE COMMITMENTS

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
Group	2013	2012	2013	Other
	£	£	£	2012
Expiry date:				£
Within 1 year	-	-	6,621	4,983
Between 2 and 5 years	-	-	44,766	23,966
After more than 5 years	449,298	428,028	-	-
	<u>449,298</u>	<u>428,028</u>	<u>-</u>	<u>-</u>

ARLACROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

22. RELATED PARTY TRANSACTIONS

Transactions between Stapleford Park Limited and the director

Mr S Hussain, a director of the company, has provided the company with loans during the year. At 31 December 2013 the company owed Mr S Hussain £100,429 (2012: £100,429).

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 £47,372 (2012: £67,256).

Lushmass Limited

Mr R Tang is a director of Lushmass Limited. At the year end the balance due to Lushmass Limited was £13,500 (2012: £21,000).

Innoview Properties Limited

Included in creditors after more than one year is a loan from Innoview Properties Limited, the ultimate parent company, amounting to £5,338,860 (2012: £5,338,860). No interest is currently being charged on this loan.

During the year Innoview Properties Limited provided a loan to Arlaform Limited. The amount due to Innoview Properties Limited at the balance sheet date was £24,544,340 (2012: £23,488,048).

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.

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating loss	(1,628,309)	(1,023,057)
Amortisation of intangible fixed assets	424,738	50,614
Depreciation of tangible fixed assets	446,605	238,392
Loss on disposal of tangible fixed assets	3,114	-
Government grants	(6,000)	(6,000)
Decrease in stocks	18,352	4,762
(Increase)/decrease in debtors	(19,269)	34,888
Increase in creditors	65,453	46,340
Increase in amounts owed to group undertakings	1,056,292	-
Net cash inflow/(outflow) from operating activities	360,976	(654,061)

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest paid	(89,328)	(82,473)
Hire purchase interest	(371)	(47)
Net cash outflow from returns on investments and servicing of finance	(89,699)	(82,520)
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(40,056)	(91,779)
Sale of tangible fixed assets	2,040	-
Net cash outflow from capital expenditure	(38,016)	(91,779)
	2013 £	2012 £
Financing		
Repayment of loans	(136,600)	(136,600)
Repayment of hire purchase contracts	(1,214)	-
New loans from group companies	-	896,402
Net cash (outflow)/inflow from financing	(137,814)	759,802

25. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	4,940	928	-	5,868
Bank overdraft	(137,591)	94,519	-	(43,072)
	(132,651)	95,447	-	(37,204)
Debt:				
Debts due within one year	(136,600)	137,814	(141,147)	(139,933)
Debts falling due after more than one year	(852,200)	-	131,147	(721,053)
Net debt	(1,121,451)	233,261	(10,000)	(898,190)

ARLACROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

26. CONTROLLING PARTY

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

27. 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 2013 the net bank borrowings of Stapleford Park Limited amounted to £314,518 (2012 - £546,363).