

REGISTERED NUMBER 05027402 (England and Wales)

REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012
FOR
LARMWAY PROPERTIES LIMITED GROUP



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for the year ended 31 August 2012

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LARMWAY PROPERTIES LIMITED GROUP

COMPANY INFORMATION
for the year ended 31 August 2012

DIRECTORS

Mr R Butler
Mr B W Ritchie

SECRETARY

Mr L A L Stanley

REGISTERED OFFICE

C/O Fort Knight Group Plc
Victoria House
Victoria Road
Dartford
Kent
DA1 5AJ

REGISTERED NUMBER

05027402 (England and Wales)

AUDITORS

Raffingers Stuart
Chartered Certified Accountants
Statutory Auditors
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)

REPORT OF THE DIRECTORS
for the year ended 31 August 2012

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2012

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of hotel and service apartments operator

REVIEW OF BUSINESS

The progress of the group during the year was in line with expectations and the position at the year end is regarded as satisfactory. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

The results for the year is shown in the profit and loss account on page 5. The group's operating profit is £4,053,595.

The group's balance sheet on page 6 shows net liabilities during the year with a cash position of £1,709,241.

The key performance indicators for the group are,

- Occupancy rates
- Average rental income
- Average length of stay
- Average daily rate for rooms
- Percentage of agent bookings

Principal risks and uncertainties

The principal risks of the business are

- Interest rate risks
- Foreign currency risk
- Increase in the cost base (e.g. exposure to energy price rises in particular)

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2012.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2011 to the date of this report.

Mr R Butler

Mr B W Ritchie

GROUP'S POLICY ON PAYMENT OF CREDITORS

It is the group's policy to settle the terms of payment with its suppliers when agreeing the terms of each transaction to ensure that suppliers are made aware of, and abide by, the terms of payment.

FINANCIAL INSTRUMENTS

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance. The group does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set out by the board of directors are implemented by the group's finance department.

Price risk

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services purchased.

Interest rate risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which earn interest at variable rate. The company has a policy of maintaining debt at a fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy if the operations of the company change in size or nature.

POLITICAL AND CHARITABLE CONTRIBUTIONS

No political donations or charitable donations were made by the company or the group during the current or previous year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements 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 company will continue in business.

REPORT OF THE DIRECTORS
for the year ended 31 August 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD



Mr B W Ritchie - Director

11 February 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LARMWAY PROPERTIES LIMITED GROUP

We have audited the financial statements of Larmway Properties Limited Group for the year ended 31 August 2012 on pages five to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on pages two and three, 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 Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2012 and of the group's profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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.



Mr Adam Howard Moody (FCCA) (Senior Statutory Auditor)
for and on behalf of Raffingers Stuart
Chartered Certified Accountants
Statutory Auditors
19-20 Boume Court
Southend Road
Woodford Green
Essex
IG8 8HD

18 February 2013

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2012

	Notes	2012 £	2011 £
TURNOVER		11,388,912	10,345,563
Cost of sales		<u>3,385,552</u>	<u>3,051,158</u>
GROSS PROFIT		8,003,360	7,294,405
Administrative expenses		<u>3,949,765</u>	<u>3,497,701</u>
OPERATING PROFIT	1	4,053,595	3,796,704
Interest receivable and similar income		<u>29,759</u>	<u>33,301</u>
		4,083,354	3,830,005
Interest payable and similar charges	4	<u>2,409,956</u>	<u>2,409,472</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,673,398	1,420,533
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>1,673,398</u>	<u>1,420,533</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)**CONSOLIDATED BALANCE SHEET****31 August 2012**

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	7	1,500,000	1,800,000
Tangible assets	8	52,882,745	53,154,798
Investments	9	-	-
		<u>54,382,745</u>	<u>54,954,798</u>
CURRENT ASSETS			
Debtors	10	1,859,636	1,157,559
Cash at bank and in hand		<u>1,709,241</u>	<u>1,977,483</u>
		3,568,877	3,135,042
CREDITORS			
Amounts falling due within one year	11	<u>58,150,282</u>	<u>1,996,092</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(54,581,405)</u>	<u>1,138,950</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(198,660)	56,093,748
CREDITORS			
Amounts falling due after more than one year	12	<u>2,759,741</u>	<u>60,725,547</u>
NET LIABILITIES		<u>(2,958,401)</u>	<u>(4,631,799)</u>
CAPITAL AND RESERVES			
Called up share capital	15	8	8
Profit and loss account	16	<u>(2,958,409)</u>	<u>(4,631,807)</u>
SHAREHOLDERS' FUNDS	19	<u>(2,958,401)</u>	<u>(4,631,799)</u>

The financial statements were approved by the Board of Directors on 11 February 2013 and were signed on its behalf by



Mr B W Ritchie - Director

The notes form part of these financial statements

LARMWAY PROPERTIES LIMITED

BALANCE SHEET
31 August 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	6	1,500,000	1,800,000
Tangible assets	7	51,907,541	52,532,407
Investments	8	1	1
		<u>53,407,542</u>	<u>54,332,408</u>
CURRENT ASSETS			
Debtors	9	43,380	827,572
Cash at bank		<u>800,617</u>	<u>82</u>
		843,997	827,654
CREDITORS			
Amounts falling due within one year	10	<u>56,268,230</u>	<u>652,245</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(55,424,233)</u>	<u>175,409</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,016,691)</u>	<u>54,507,817</u>
CREDITORS			
Amounts falling due after more than one year	11	<u>2,759,741</u>	<u>60,725,547</u>
NET LIABILITIES		<u>(4,776,432)</u>	<u>(6,217,730)</u>
CAPITAL AND RESERVES			
Called up share capital	14	8	8
Profit and loss account	15	<u>(4,776,440)</u>	<u>(6,217,738)</u>
SHAREHOLDERS' FUNDS	18	<u>(4,776,432)</u>	<u>(6,217,730)</u>

The financial statements were approved by the Board of Directors on 11 February 2013 and were signed on its behalf by



Mr B W Ritchie - Director

The notes form part of these financial statements

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER, 05027402)

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2012

	Notes	2012		2011	
		£	£	£	£
Net cash inflow from operating activities	1		5,105,541		5,090,482
Returns on investments and servicing of finance	2		(2,375,116)		(2,370,924)
Capital expenditure	2		<u>(643,763)</u>		<u>(254,424)</u>
			2,086,662		2,465,134
Financing	2		<u>(2,354,904)</u>		<u>(2,158,924)</u>
(Decrease)/increase in cash in the period			<u><u>(268,242)</u></u>		<u><u>306,210</u></u>

Reconciliation of net cash flow to movement in net debt

	3		
(Decrease)/increase in cash in the period		(268,242)	306,210
Cash outflow from decrease in debt		<u>2,354,904</u>	<u>2,158,924</u>
Change in net debt resulting from cash flows		<u>2,086,662</u>	<u>2,465,134</u>
Movement in net debt in the period		2,086,662	2,465,134
Net debt at 1 September		<u>(58,748,064)</u>	<u>(61,213,198)</u>
Net debt at 31 August		<u><u>(56,661,402)</u></u>	<u><u>(58,748,064)</u></u>

The notes form part of these financial statements

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 August 2012

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	4,053,595	3,796,704
Depreciation charges	1,214,969	1,151,689
Loss/(profit) on disposal of fixed assets	852	(325)
Increase in debtors	(702,082)	(309,159)
Increase in creditors	<u>538,207</u>	<u>451,573</u>
Net cash inflow from operating activities	<u>5,105,541</u>	<u>5,090,482</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	29,759	33,301
Interest paid	(2,329,780)	(2,263,149)
Finance costs	<u>(75,095)</u>	<u>(141,076)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(2,375,116)</u>	<u>(2,370,924)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(643,763)	(255,724)
Sale of tangible fixed assets	<u>-</u>	<u>1,300</u>
Net cash outflow for capital expenditure	<u>(643,763)</u>	<u>(254,424)</u>
 Financing		
Loan repayments in year	(2,354,904)	(2,008,924)
Amount withdrawn by directors	<u>-</u>	<u>(150,000)</u>
Net cash outflow from financing	<u>(2,354,904)</u>	<u>(2,158,924)</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 9 11	Cash flow	At
	£	£	31 8 12
			£
Net cash			
Cash at bank and in hand	<u>1,977,483</u>	<u>(268,242)</u>	<u>1,709,241</u>
	<u>1,977,483</u>	<u>(268,242)</u>	<u>1,709,241</u>
 Debt			
Debts falling due within one year	-	(55,610,902)	(55,610,902)
Debts falling due after one year	<u>(60,725,547)</u>	<u>57,965,806</u>	<u>(2,759,741)</u>
	<u>(60,725,547)</u>	<u>2,354,904</u>	<u>(58,370,643)</u>
 Total	<u>(58,748,064)</u>	<u>2,086,662</u>	<u>(56,661,402)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 August 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

The financial statements have been prepared on a going concern basis, which assumes the group will be able to meet its liabilities as they fall due, for the foreseeable future

The directors have acknowledged the latest FRC guidance on going concern during the current economic conditions. The group has prepared forecasts (including those of the company), taking into account reasonably possible changes, which have been reviewed by the directors, based on estimates and judgements about the economic environment in which the group operates. In addition the parent company has confirmed that it will provide financial support for the company to meet its liabilities for the foreseeable future

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary for the period reported. For the purposes of preparing these consolidated accounts, subsidiaries are those entities where the company controls in excess of 50.0% of the voting share capital of an entity. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements

Turnover

Turnover represents net invoiced sale of services, excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of ten years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 1% on cost
Short leasehold	- Over the period of the leases
Plant and machinery	- Between 15 and 25% on reducing balance
Fixtures and fittings	- Between 20 and 25% on reducing balance
Computer equipment	- 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment

2 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	1,445,032	1,273,346
Social security costs	52,030	55,026
	<u>1,497,062</u>	<u>1,328,372</u>

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

	2012	2011
Sales and marketing	5	4
Management and administration	15	16
Maintenance and housekeeping	<u>7</u>	<u>7</u>
	<u>27</u>	<u>27</u>

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 August 2012

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation - owned assets	914,964	851,688
Loss/(profit) on disposal of fixed assets	852	(325)
Goodwill amortisation	300,000	300,000
Auditors' remuneration	17,500	16,500
Auditors' remuneration for non audit work	<u>2,594</u>	<u>2,490</u>

Directors' remuneration

- -

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank loan interest	2,334,861	2,268,396
Other loan interest	<u>75,095</u>	<u>141,076</u>
	<u>2,409,956</u>	<u>2,409,472</u>

5 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 August 2012 nor for the year ended 31 August 2011

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>1,673,398</u>	<u>1,420,533</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	401,616	369,339
Effects of		
Expenses not deductible for tax purposes	204	-
Income not taxable for tax purposes	-	(85)
Depreciation in excess of capital allowances	47,967	3,775
Utilisation of tax losses	<u>(449,787)</u>	<u>(373,029)</u>
Current tax charge	<u>-</u>	<u>-</u>

6 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,441,298 (2011 - £1,131,850)

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 August 2012

7 INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 September 2011	
and 31 August 2012	<u>3,000,000</u>
AMORTISATION	
At 1 September 2011	1,200,000
Amortisation for year	<u>300,000</u>
At 31 August 2012	<u>1,500,000</u>
NET BOOK VALUE	
At 31 August 2012	<u>1,500,000</u>
At 31 August 2011	<u>1,800,000</u>

Company

	Goodwill £
COST	
At 1 September 2011	
and 31 August 2012	<u>3,000,000</u>
AMORTISATION	
At 1 September 2011	1,200,000
Amortisation for year	<u>300,000</u>
At 31 August 2012	<u>1,500,000</u>
NET BOOK VALUE	
At 31 August 2012	<u>1,500,000</u>
At 31 August 2011	<u>1,800,000</u>

8 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 September 2011	54,294,588	136,442	40,587
Additions	-	111,178	26,400
Disposals	-	(967)	-
At 31 August 2012	<u>54,294,588</u>	<u>246,653</u>	<u>66,987</u>
DEPRECIATION			
At 1 September 2011	2,171,781	53,416	10,816
Charge for year	542,946	18,361	14,463
Eliminated on disposal	-	(115)	-
At 31 August 2012	<u>2,714,727</u>	<u>71,662</u>	<u>25,279</u>
NET BOOK VALUE			
At 31 August 2012	<u>51,579,861</u>	<u>174,991</u>	<u>41,708</u>
At 31 August 2011	<u>52,122,807</u>	<u>83,026</u>	<u>29,771</u>

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 August 2012

8 TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2011	1,642,955	209,255	56,323,827
Additions	450,353	55,832	643,763
Disposals	(101,467)	(18,279)	(120,713)
At 31 August 2012	<u>1,991,841</u>	<u>246,808</u>	<u>56,846,877</u>
DEPRECIATION			
At 1 September 2011	846,204	86,812	3,169,029
Charge for year	280,820	58,374	914,964
Eliminated on disposal	(101,467)	(18,279)	(119,861)
At 31 August 2012	<u>1,025,557</u>	<u>126,907</u>	<u>3,964,132</u>
NET BOOK VALUE			
At 31 August 2012	<u>966,284</u>	<u>119,901</u>	<u>52,882,745</u>
At 31 August 2011	<u>796,751</u>	<u>122,443</u>	<u>53,154,798</u>

Company

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 September 2011 and 31 August 2012	<u>54,294,588</u>	<u>1,000,000</u>	<u>55,294,588</u>
DEPRECIATION			
At 1 September 2011	2,171,781	590,400	2,762,181
Charge for year	<u>542,946</u>	<u>81,920</u>	<u>624,866</u>
At 31 August 2012	<u>2,714,727</u>	<u>672,320</u>	<u>3,387,047</u>
NET BOOK VALUE			
At 31 August 2012	<u>51,579,861</u>	<u>327,680</u>	<u>51,907,541</u>
At 31 August 2011	<u>52,122,807</u>	<u>409,600</u>	<u>52,532,407</u>

9 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 September 2011 and 31 August 2012	<u>1</u>
NET BOOK VALUE	
At 31 August 2012	<u>1</u>
At 31 August 2011	<u>1</u>

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 August 2012

9 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

Ultrapulse Limited

Nature of business Hotel and serviced apartments operator

Class of shares	% holding	2012	2011
Ordinary	100.00	£	£
Aggregate capital and reserves		1,818,031	1,585,932
Profit for the year		<u>232,099</u>	<u>288,682</u>

10 DEBTORS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Amounts falling due within one year				
Trade debtors	645,296	504,695	-	-
Other debtors	101,899	271,725	8	8
VAT	-	-	-	576
Prepayments and accrued income	<u>1,112,441</u>	<u>381,139</u>	<u>-</u>	<u>-</u>
	<u>1,859,636</u>	<u>1,157,559</u>	<u>8</u>	<u>584</u>
Amounts falling due after more than one year				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>43,372</u>	<u>826,988</u>
Aggregate amounts	<u>1,859,636</u>	<u>1,157,559</u>	<u>43,380</u>	<u>827,572</u>

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans and overdrafts (see note 13)	55,610,902	-	55,610,902	-
Trade creditors	504,121	233,120	-	-
Social security and other taxes	14,362	14,876	-	-
VAT	392,561	307,509	-	-
Other creditors	541,988	330,330	-	-
Accrued expenses	<u>1,086,348</u>	<u>1,110,257</u>	<u>657,328</u>	<u>652,245</u>
	<u>58,150,282</u>	<u>1,996,092</u>	<u>56,268,230</u>	<u>652,245</u>

12 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans (see note 13)	-	55,610,902	-	55,610,902
Other loans (see note 13)	<u>2,759,741</u>	<u>5,114,645</u>	<u>2,759,741</u>	<u>5,114,645</u>
	<u>2,759,741</u>	<u>60,725,547</u>	<u>2,759,741</u>	<u>60,725,547</u>

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER: 05027402)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 August 2012

13 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Amounts falling due within one year or on demand				
Bank loans	<u>55,610,902</u>	<u>-</u>	<u>55,610,902</u>	<u>-</u>
Amounts falling due between two and five years				
Bank loans	-	55,610,902	-	55,610,902
Other loans	<u>2,759,741</u>	<u>5,114,645</u>	<u>2,759,741</u>	<u>5,114,645</u>
	<u>2,759,741</u>	<u>60,725,547</u>	<u>2,759,741</u>	<u>60,725,547</u>

£52m of the bank loans were refinanced shortly after the year ended 31 August 2012

14 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans	<u>55,610,902</u>	<u>55,610,902</u>	<u>55,610,902</u>	<u>55,610,902</u>

The bank loan is secured by a first legal charge over the property and is repayable on 21 September 2015

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		2012	2011
Number	Nominal value	£	£
4	Ordinary	4	4
4	Dividend only ordinary shares	<u>4</u>	<u>4</u>
		<u>8</u>	<u>8</u>

16 RESERVES

Group		Profit and loss account £
At 1 September 2011		(4,631,807)
Profit for the year		<u>1,673,398</u>
At 31 August 2012		<u>(2,958,409)</u>
Company		Profit and loss account £
At 1 September 2011		(6,217,738)
Profit for the year		<u>1,441,298</u>
At 31 August 2012		<u>(4,776,440)</u>

LARMWAY PROPERTIES LIMITED GROUP (REGISTERED NUMBER 05027402)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
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17 RELATED PARTY DISCLOSURES

At the balance sheet date the company owed £2,360,638 (2011 - £3,750,542) to Fort Knight Group Plc, a shareholder of Larmway Properties Limited and owed £399,103 (2011 - £1,364,103) to Residential Land Limited a company in Mr B W Ritchie, the director of Larmway Properties Ltd and Ultrapulse Limited is also a director

During the year the company paid loan interest amounting to £75,095 (2011 - £141,076) for Fort Knight Group Plc

18 ULTIMATE CONTROLLING PARTY

The directors consider there to be no controlling party as the company is owned equally by Residential Land Holdings Limited and Fort Knight Group Plc

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012 £	2011 £
Profit for the financial year	<u>1,673,398</u>	<u>1,420,533</u>
Net addition to shareholders' funds	1,673,398	1,420,533
Opening shareholders' funds	<u>(4,631,799)</u>	<u>(6,052,332)</u>
Closing shareholders' funds	<u>(2,958,401)</u>	<u>(4,631,799)</u>

Company

	2012 £	2011 £
Profit for the financial year	<u>1,441,298</u>	<u>1,131,850</u>
Net addition to shareholders' funds	1,441,298	1,131,850
Opening shareholders' funds	<u>(6,217,730)</u>	<u>(7,349,580)</u>
Closing shareholders' funds	<u>(4,776,432)</u>	<u>(6,217,730)</u>