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REGISTERED NUMBER: 05112997 (England and Wales)

**REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011  
FOR  
HLW229 LIMITED AND ITS SUBSIDIARIES**

WEDNESDAY



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FOR THE YEAR ENDED 31 DECEMBER 2011**

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**HLW229 LIMITED AND ITS SUBSIDIARIES**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**DIRECTORS:**

R D V Broadbent  
Mrs A Stanley  
Mrs K Hirst  
HLW 386 Limited

**SECRETARY:**

Mrs K Hirst

**REGISTERED OFFICE:**

Whitley Hall Hotel  
Elliott Lane  
Grenoside  
Sheffield

**REGISTERED NUMBER:**

05112997 (England and Wales)

**AUDITORS:**

Hollis and Co Limited  
Chartered Accountants  
Statutory Auditor  
35 Wilkinson Street  
Sheffield  
South Yorkshire  
S10 2GB

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2011

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of hoteliers and restaurateurs

**REVIEW OF BUSINESS**

The group continues to be financed by long term loans from HSBC Bank plc and during the year, cash inflows from trading activities have been sufficient to enable the group to meet all of its administrative costs and scheduled loan repayments

Although trading conditions during 2011 remained difficult, the company's trading subsidiary managed to grow its turnover by over 12% which was achieved through a mixture of aggressive advertising and special package deals

This increase was also carried through to gross profit, however general business operating costs also continued to rise which resulted in pre tax profits being below expectations, but nevertheless, the directors are pleased to report a 17.6% increase in the trading subsidiaries pre tax profits

Considering the challenging market conditions that continue within the hotel sector, the directors are happy with the position of the company at 31 December 2011

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2011 amounts to £79,857

**DIRECTORS**

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

R D V Broadbent  
Mrs A Stanley  
Mrs K Hirst  
HLW 386 Limited

**PRINCIPLE RISKS AND UNCERTAINTIES**

**Financing and interest rates**

The group's primary cash inflows are generated from the subsidiary trading company, Whitley Hall Hotel Limited. That company is financed via loans from its parent undertaking, HLW 229 Ltd and also from its directors. It also has a small overdraft facility, but there is rarely a need to use this. The loans to the company are interest free, therefore, there is no exposure to interest rate risks. There is an interest rate risk attaching to the bank overdraft, but this is minimal.

The group continues to be financed by a long term bank loan, which has a further 17 years to run. The group has managed its costs of borrowing by entering into a base rate collar transaction, with the objective of reducing the exposure to cash flow interest rate risks. However, as a result of the base rate collar transaction, the group is not benefiting from the current unprecedented low levels of bank base rates.

The group does not trade in financial instruments and has no other form of derivatives.

**Cashflows**

The primary cash inflows are derived from the group's trading company, Whitley Hall Hotel Limited. Under the current economic climate, maintaining cashflow is paramount and this will be monitored closely to ensure cashflows are sufficient to enable the group to meet its obligations.

**Competition**

Competitive risk exists in all business and the group's objective is to be able to identify such risks at an early stage so that an appropriate strategy can be implemented to reduce that risk sufficient to enable the group to meet its obligations.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**PURCHASE OF OWN SHARES**

During the year HLW 229 Limited purchased and immediately cancelled 10 of its ordinary shares , which amounts to 1 2% of its called up share capital

The total consideration, including stamp duty costs amounted to £12,060 The reason for the transaction was to benefit the company and the groups trade

**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

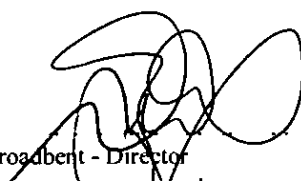
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information

**ON BEHALF OF THE BOARD**

  
R D V Broadbent - Director  
Date 21/9/12.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HLW229 LIMITED AND ITS SUBSIDIARIES**

We have audited the financial statements of HLW229 Limited and its subsidiaries for the year ended 31 December 2011 on pages five to twenty two. 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 page 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 December 2011 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.

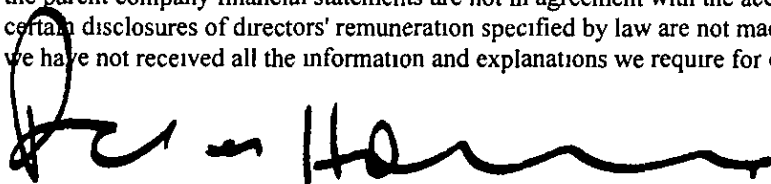
### **Opinion on other matter prescribed by the Companies Act 2006**

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.



Peter Hollis (Senior Statutory Auditor)  
for and on behalf of Hollis and Co Limited  
Chartered Accountants  
Statutory Auditor  
35 Wilkinson Street  
Sheffield  
South Yorkshire  
S10 2GB

25 September 2012

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>		2,081,925	1,851,480
Cost of sales		1,106,505	1,003,854
<b>GROSS PROFIT</b>		975,420	847,626
Administrative expenses		801,573	717,684
		173,847	129,942
Other operating income		13,800	27,683
<b>OPERATING PROFIT</b>	3	187,647	157,625
Interest receivable and similar income		20	32
		187,667	157,657
Interest payable and similar charges	4	127,585	131,298
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		60,082	26,359
Tax on profit on ordinary activities	5	33,166	4,489
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		26,916	21,870

**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

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £	2010 £
<b>REPORTED PROFIT</b>		
<b>ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	60,082	26,359
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	70,187	48,734
<b>HISTORICAL COST PROFIT</b>		
<b>ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>130,269</u>	<u>75,093</u>
<b>HISTORICAL COST PROFIT</b>		
<b>FOR THE YEAR RETAINED AFTER TAXATION</b>		
<b>AND DIVIDENDS</b>	<u>17,246</u>	<u>45,746</u>



**CONSOLIDATED BALANCE SHEET**  
**31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	8	5,600,140	5,778,460
Investments	9	-	-
		<u>5,600,140</u>	<u>5,778,460</u>
<b>CURRENT ASSETS</b>			
Stocks	10	14,682	17,623
Debtors	11	62,380	51,680
Cash at bank and in hand		<u>217,211</u>	<u>263,405</u>
		294,273	332,708
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>634,666</u>	<u>629,762</u>
<b>NET CURRENT LIABILITIES</b>		<u>(340,393)</u>	<u>(297,054)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,259,747	5,481,406
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	<u>2,768,601</u>	<u>2,925,259</u>
<b>NET ASSETS</b>		<u>2,491,146</u>	<u>2,556,147</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	850	860
Share premium	18	249,000	249,000
Revaluation reserve	18	2,185,152	2,255,339
Capital redemption reserve	18	150	140
Profit and loss account	18	<u>55,994</u>	<u>50,808</u>
<b>SHAREHOLDERS' FUNDS</b>	21	<u>2,491,146</u>	<u>2,556,147</u>

The financial statements were approved by the Board of Directors on its behalf by

21/9/12

and were signed on

R D V Broadbent - Director

The notes form part of these financial statements

**HLW229 LIMITED AND ITS SUBSIDIARIES (REGISTERED NUMBER: 05112997)**

**COMPANY BALANCE SHEET  
31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	8	-	-
Investments	9	<u>2,337,447</u>	<u>2,337,447</u>
		2,337,447	2,337,447
<b>CURRENT ASSETS</b>			
Debtors	11	696,772	792,750
Cash at bank		<u>83,332</u>	<u>47,831</u>
		780,104	840,581
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>40,499</u>	<u>140,625</u>
<b>NET CURRENT ASSETS</b>		<u>739,605</u>	<u>699,956</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,077,052	3,037,403
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	<u>2,334,693</u>	<u>2,355,053</u>
<b>NET ASSETS</b>		<u>742,359</u>	<u>682,350</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	850	860
Share premium	18	249,000	249,000
Capital redemption reserve	18	150	140
Profit and loss account	18	<u>492,359</u>	<u>432,350</u>
<b>SHAREHOLDERS' FUNDS</b>	21	<u>742,359</u>	<u>682,350</u>

The financial statements were approved by the Board of Directors on its behalf by

21/9/12

and were signed on

R D V Broadbent - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>Net cash inflow from operating activities</b>	1	476,823	454,807
<b>Returns on investments and servicing of finance</b>	2	(124,953)	(129,496)
<b>Taxation</b>		(4,489)	(8,948)
<b>Capital expenditure</b>	2	(47,425)	(133,892)
<b>Equity dividends paid</b>		(79,857)	(24,858)
		<u>220,099</u>	<u>157,613</u>
<b>Financing</b>	2	(266,293)	(105,186)
<b>(Decrease)/increase in cash in the period</b>		<u>(46,194)</u>	<u>52,427</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
(Decrease)/increase in cash in the period		(46,194)	52,427
Cash outflow from decrease in debt and lease financing		<u>145,733</u>	<u>90,126</u>
Change in net debt resulting from cash flows		<u>99,539</u>	<u>142,553</u>
<b>Movement in net debt in the period</b>		<u>99,539</u>	<u>142,553</u>
<b>Net debt at 1 January</b>		<u>(2,285,115)</u>	<u>(2,427,668)</u>
<b>Net debt at 31 December</b>		<u>(2,185,576)</u>	<u>(2,285,115)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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

	2011 £	2010 £
Operating profit	187,647	157,625
Depreciation charges	225,745	213,323
Profit on disposal of fixed assets	-	(37,987)
Government grants	(9,658)	(11,053)
Decrease in stocks	2,941	4,610
(Increase)/decrease in debtors	(13,664)	9,651
Increase in creditors	83,812	118,638
<b>Net cash inflow from operating activities</b>	<b>476,823</b>	<b>454,807</b>

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

	2011 £	2010 £
<b>Returns on investments and servicing of finance</b>		
Interest received	20	32
Interest paid	(122,330)	(126,885)
Interest element of hire purchase payments	(2,643)	(2,643)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(124,953)</b>	<b>(129,496)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(47,425)	(171,879)
Sale of tangible fixed assets	-	37,987
<b>Net cash outflow for capital expenditure</b>	<b>(47,425)</b>	<b>(133,892)</b>
<b>Financing</b>		
New loans in year	-	45,410
Loan repayments in year	(11,352)	(2,840)
Capital repayments in year	(13,212)	(13,212)
Amount withdrawn by directors	(108,500)	(3,000)
Share buyback	(12,060)	(12,060)
Bank loan repayments in year	(121,169)	(119,484)
<b>Net cash outflow from financing</b>	<b>(266,293)</b>	<b>(105,186)</b>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 1 11 £	Cash flow £	At 31 12 11 £
Net cash			
Cash at bank and in hand	263,405	(46,194)	217,211
	<u>263,405</u>	<u>(46,194)</u>	<u>217,211</u>
Debt			
Hire purchase	(29,727)	13,212	(16,515)
Debts falling due within one year	(132,522)	100,809	(31,713)
Debts falling due after one year	(2,386,271)	31,712	(2,354,559)
	<u>(2,548,520)</u>	<u>145,733</u>	<u>(2,402,787)</u>
Total	<u>(2,285,115)</u>	<u>99,539</u>	<u>(2,185,576)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

**Turnover**

Turnover represents net invoiced sales of services provided, excluding value added tax

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Freehold property	- Straight line over 99 years
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

As stated above, the depreciation policy for land and buildings is straight line over 99 years. As the estimated residual value of the land and buildings is considered to be not materially different from its current carrying value, the calculated depreciation charge is not material.

Depreciation of assets only commences when the asset is brought into use.

**Stocks**

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

**Deferred tax**

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**Investments**

Investments are included at the lower of cost or net recoverable amount.

**Government grants**

Government grants received which are of a capital nature, are recognised as deferred income in the balance sheet and then credited to the profit and loss account at the same rate as the depreciation charge of the relevant asset.

Government grants received which are of a revenue nature are credited directly to the profit and loss account.

**2 STAFF COSTS**

	2011	2010
	£	£
Wages and salaries	717,676	660,397
Social security costs	45,194	43,980
	<u>762,870</u>	<u>704,377</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**2 STAFF COSTS - continued**

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

	2011	2010
Staff in hotel operations	55	53
Directors and administration	5	5
	<u>60</u>	<u>58</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation - owned assets	219,788	189,920
Depreciation - assets on hire purchase contracts	5,957	23,403
Profit on disposal of fixed assets	-	(37,987)
Auditors' remuneration	6,000	7,500
Operating lease payments	4,529	10,269
	<u>57,516</u>	<u>59,331</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2011 £	2010 £
Interest rate collar premiums	2,964	2,964
Loan	121,978	125,691
Hire purchase	2,643	2,643
	<u>127,585</u>	<u>131,298</u>

**5 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows.

	2011 £	2010 £
Current tax		
UK corporation tax	33,166	4,489
	<u>33,166</u>	<u>4,489</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**5 TAXATION - continued****Factors affecting the tax charge**

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

	2011 £	2010 £
Profit on ordinary activities before tax	<u>60,082</u>	<u>26,359</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	15,621	7,381
Effects of tax purposes		
Income not subject to tax	(2,511)	(3,096)
Depreciation in excess of capital allowances	28,481	1,699
Small company marginal tax relief	(9,214)	(1,495)
Pre April 2011 profits taxed at 28%	<u>789</u>	<u>-</u>
Current tax charge	<u>33,166</u>	<u>4,489</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 £151,926 (2010 - £137,184)

**7 DIVIDENDS**

	2011 £	2010 £
Ordinary shares of £1 each		
Interim	<u>79,857</u>	<u>24,858</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2011

## 8 TANGIBLE FIXED ASSETS

## Group

	Freehold property £	Improvements to property £	Fixtures and fittings £
<b>COST OR VALUATION</b>			
At 1 January 2011	5,071,092	543,544	561,093
Additions	19,694	14,867	10,085
At 31 December 2011	5,090,786	558,411	571,178
<b>DEPRECIATION</b>			
At 1 January 2011	-	206,671	204,652
Charge for year	-	109,229	113,028
At 31 December 2011	-	315,900	317,680
<b>NET BOOK VALUE</b>			
At 31 December 2011	5,090,786	242,511	253,498
At 31 December 2010	5,071,092	336,873	356,441
	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2011	800	16,631	6,193,160
Additions	-	2,779	47,425
At 31 December 2011	800	19,410	6,240,585
<b>DEPRECIATION</b>			
At 1 January 2011	800	2,577	414,700
Charge for year	-	3,488	225,745
At 31 December 2011	800	6,065	640,445
<b>NET BOOK VALUE</b>			
At 31 December 2011	-	13,345	5,600,140
At 31 December 2010	-	14,054	5,778,460

Cost or valuation at 31 December 2011 is represented by

	Freehold property £	Improvements to property £	Fixtures and fittings £
Valuation in 2008	5,000,000	500,000	500,000
Cost	90,786	58,411	71,178
	5,090,786	558,411	571,178

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**8 TANGIBLE FIXED ASSETS - continued****Group**

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2008	-	-	6,000,000
Cost	800	19,410	240,585
	<u>800</u>	<u>19,410</u>	<u>6,240,585</u>

If property and fixtures had not been revalued they would have been included at the following historical cost

	2011 £	2010 £
Cost	3,256,665	3,256,665
Aggregate depreciation	<u>898,285</u>	<u>768,472</u>

The groups freehold interest in Whitley Hall Hotel was valued in September 2008 at £6,000,000 by Messrs Edward Symmons LLP on a basis of a fully equipped operational entity. Financial Reporting Standard 15 requires this valuation to be reviewed at this point. The group has been advised by a firm of Chartered Surveyors and valuers that due to the unique nature of the building and lack of transactions in the market, it is not possible to provide a reliable interim valuation. The Statement of Principles for Financial Reporting issued by the UK Accounting Standards Board only allows remeasurement of this valuation if this can be done with sufficient reliability. On this basis, the group has deferred a review of the valuation until there is greater market certainty.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Fixtures and fittings £
<b>COST OR VALUATION</b>	
At 1 January 2011	
and 31 December 2011	<u>73,400</u>
<b>DEPRECIATION</b>	
At 1 January 2011	49,375
Charge for year	<u>5,957</u>
At 31 December 2011	<u>55,332</u>
<b>NET BOOK VALUE</b>	
At 31 December 2011	<u>18,068</u>
At 31 December 2010	<u>24,025</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**9 FIXED ASSET INVESTMENTS****Company**

Shares in  
group  
undertakings  
£

**COST**

At 1 January 2011  
and 31 December 2011

2,337,447

**NET BOOK VALUE**

At 31 December 2011

2,337,447

At 31 December 2010

2,337,447

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

**Subsidiary****Whitley Hall Hotel Limited**

Nature of business Hoteliers and restaurateurs

Class of shares  
Ordinary

%  
holding  
100 00

Aggregate capital and reserves  
Profit for the year

2011	2010
£	£
4,086,232	4,211,242
121,100	126,682

**10 STOCKS****Group**

	2011	2010
	£	£
Stocks	14,682	17,623

**11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR****Group****Company**

	2011	2010	2011	2010
	£	£	£	£
Trade debtors	22,126	11,348	9,420	9,224
Amounts owed by group undertakings	-	-	669,115	762,325
Prepayments and accrued income	18,237	21,201	18,237	21,201
Prepayments	22,017	19,131	-	-
	<u>62,380</u>	<u>51,680</u>	<u>696,772</u>	<u>792,750</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts (see note 14)	20,361	121,170	20,361	121,170
Other loans (see note 14)	11,352	11,352	-	-
Hire purchase contracts (see note 15)	13,212	13,212	-	-
Trade creditors	106,275	111,314	415	-
Tax	33,166	4,489	-	-
Social security and other taxes	12,580	13,980	1,483	1,719
VAT	64,426	54,811	6,211	5,365
Other creditors	12,939	7,818	-	-
Accruals and deferred income	345,092	269,587	-	-
Accrued expenses	12,029	12,371	12,029	12,371
Deferred government grants	3,234	9,658	-	-
	<u>634,666</u>	<u>629,762</u>	<u>40,499</u>	<u>140,625</u>

**13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2011	2010	2011	2010
	£	£	£	£
Bank loans (see note 14)	2,334,693	2,355,053	2,334,693	2,355,053
Other loans (see note 14)	19,866	31,218	-	-
Hire purchase contracts (see note 15)	3,303	16,515	-	-
Directors' loan accounts	131,000	239,500	-	-
Deferred government grants	279,739	282,973	-	-
	<u>2,768,601</u>	<u>2,925,259</u>	<u>2,334,693</u>	<u>2,355,053</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**14 LOANS**

An analysis of the maturity of loans is given below

	<b>Group</b>		<b>Company</b>	
	2011	2010	2011	2010
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	20,361	121,170	20,361	121,170
Other loans	11,352	11,352	-	-
	<u>31,713</u>	<u>132,522</u>	<u>20,361</u>	<u>121,170</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	109,755	122,879	109,755	122,879
Other loans - 1-2 years	11,352	11,352	-	-
	<u>121,107</u>	<u>134,231</u>	<u>109,755</u>	<u>122,879</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	405,896	379,135	405,896	379,135
Other loans - 2-5 years	8,514	19,866	-	-
	<u>414,410</u>	<u>399,001</u>	<u>405,896</u>	<u>379,135</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>1,819,042</u>	<u>1,853,039</u>	<u>1,819,042</u>	<u>1,853,039</u>

The groups bank loan bears interest at variable rates based on Bank of England base rate. Due to the base rate collar transaction entered into by the company, the majority of the loan will be subject to a minimum rate of interest of 5.9%, with the maximum rate of interest being 7.4%. The base rate collar transaction has a maturity date of February 2018.

The groups other loan is interest free

**15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

**Group**

	<b>Hire purchase contracts</b>	
	2011	2010
	£	£
Net obligations repayable		
Within one year	13,212	13,212
Between one and five years	3,303	16,515
	<u>16,515</u>	<u>29,727</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued**

The following operating lease payments are committed to be paid within one year

**Group**

	Other operating leases	
	2011	2010
	£	£
Expiring		
Within one year	-	2,566
	<u>          </u>	<u>          </u>

**16 SECURED DEBTS**

The following secured debts are included within creditors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	2,355,054	2,476,223	2,355,054	2,476,223
Hire purchase contracts	16,515	29,727	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>2,371,569</u>	<u>2,505,950</u>	<u>2,355,054</u>	<u>2,476,223</u>

The group has given an Unlimited Multilateral Guarantee dated 3 September 2004 to HSBC Bank plc to secure all liabilities. There is a legal right of set off over all balances owed to or by the bank by the group.

In addition the bank has a debenture dated 3 September 2004 which includes a Fixed Charge over all present freehold and leasehold property, First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and First Floating Charge over all assets and undertaking both present and future.

The groups total indebtedness to HSBC Bank plc at 31 December 2011 amounted to £2,150,551.

The hire purchase contract is secured upon the assets to which it relates.

**17 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid		Nominal value	2011	2010
Number	Class		£	£
1,000	Ordinary	£1	<u>850</u>	<u>860</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**18 RESERVES****Group**

	Profit and loss account £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2011	50,808	249,000	2,255,339	140	2,555,287
Profit for the year	26,916				26,916
Dividends	(79,857)				(79,857)
Purchase of own shares	(12,060)	-	-	10	(12,050)
Transfer of excess depreciation on revalued assets	70,187	-	(70,187)	-	-
At 31 December 2011	<u>55,994</u>	<u>249,000</u>	<u>2,185,152</u>	<u>150</u>	<u>2,490,296</u>

**Company**

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2011	432,350	249,000	140	681,490
Profit for the year	151,926			151,926
Dividends	(79,857)			(79,857)
Purchase of own shares	(12,060)	-	10	(12,050)
At 31 December 2011	<u>492,359</u>	<u>249,000</u>	<u>150</u>	<u>741,509</u>

**19 RELATED PARTY DISCLOSURES**

During the year, total dividends of £79,857 were paid to the directors

**The Directors**

During the year, the group continued to benefit from loans of £131,000 from its directors. These loans are interest free and have no fixed repayment date, but the directors consider these loans to be of a long term nature.

Additionally, during the year, the short term loans from the directors were repaid by the company. With effect from 1 January 2009, these loans are interest free loans (previously accruing interest at 5% per annum). At the year end, the amount of outstanding capital and interest was £2,970 (2010: £17,970).

**20 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr R D V Broadbent, a director and majority shareholder of HLW229 Limited.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

	2011 £	2010 £
Profit for the financial year	26,916	21,870
Dividends	(79,857)	(24,858)
	(52,941)	(2,988)
Purchase of own shares	(12,060)	(12,060)
<b>Net reduction of shareholders' funds</b>	(65,001)	(15,048)
Opening shareholders' funds	2,556,147	2,571,195
<b>Closing shareholders' funds</b>	<u>2,491,146</u>	<u>2,556,147</u>

**Company**

	2011 £	2010 £
Profit for the financial year	151,926	137,184
Dividends	(79,857)	(24,858)
	72,069	112,326
Purchase of own shares	(12,060)	(12,060)
<b>Net addition to shareholders' funds</b>	60,009	100,266
Opening shareholders' funds	682,350	582,084
<b>Closing shareholders' funds</b>	<u>742,359</u>	<u>682,350</u>