

REGISTERED NUMBER: 05112997 (England and Wales)

Group - C^o House

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
FOR
HLW229 LIMITED AND ITS SUBSIDIARIES**



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FOR THE YEAR ENDED 31 DECEMBER 2010**

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HLW229 LIMITED AND ITS SUBSIDIARIES

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010**

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
Registered Auditor
35 Wilkinson Street
Sheffield
South Yorkshire
S10 2GB

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2010

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 loans from HSBC Bank plc and during the year, further scheduled loan drawdowns have been made to enable Whitley Hall Hotel Limited to complete substantial development and refurbishment work on Whitley Hall Hotel

This year was one of highly varied expectations for the groups trading company, Whitley Hall Hotel Limited. By the end of the year, business had remained relatively stable, though at some cost to gross profit, which was due to the highly competitive market conditions and the continued growth of 3rd party hotel promotion web sites and new hotels being constructed in the area. A review was once again completed of staff and overhead costs, which resulted in a year on year pro rata reduction in both areas.

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.

Considering the difficult market conditions that exist at present, the directors are satisfied with the position of the group at 31 December 2010.

DIVIDENDS

An interim dividend of £28.58 per share was paid on 30 March 2010. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2010 will be £24,858.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report.

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

PRINCIPLE RISKS AND UNCERTAINTIES

Financing and interest rates

The groups primary cash inflows are generated from the groups trading company, Whitley Hall Hotel Limited. That company is financed via loans from HLW 229 Ltd, its parent undertaking and also from its directors. It also operates without the need for an overdraft facility. The loans are interest free, therefore there is no exposure to interest rate risks.

The group continues to be financed by a long term bank loan, which has a further 18 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 groups 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.

PURCHASE OF OWN SHARES

During the year, HLW 229 Limited purchased and immediately cancelled 37 of its ordinary shares, which amounts to 4.1% 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.

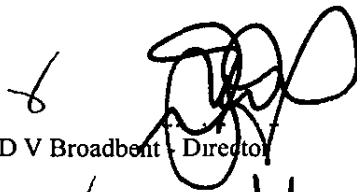
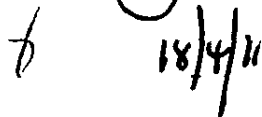
HLW229 LIMITED AND ITS SUBSIDIARIES (REGISTERED NUMBER: 05112997)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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  18/4/11

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 2010 on pages six to twenty three. 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.

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 2010 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.

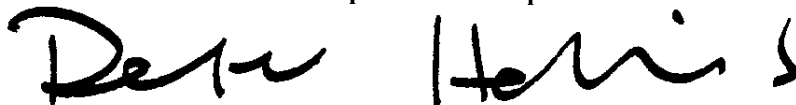
Opinion on other matter prescribed by the Companies Act 2006

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
Registered Auditor
35 Wilkinson Street
Sheffield
South Yorkshire
S10 2GB

5 May 2011

HLW229 LIMITED AND ITS SUBSIDIARIES (REGISTERED NUMBER: 05112997)**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
TURNOVER		1,851,480	1,865,409
Cost of sales		1,003,854	957,857
GROSS PROFIT		847,626	907,552
Administrative expenses		717,686	787,318
		129,940	120,234
Other operating income		27,683	30,510
OPERATING PROFIT	3	157,623	150,744
Interest receivable and similar income		32	73
		157,655	150,817
Interest payable and similar charges	4	131,298	136,487
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26,357	14,330
Tax on profit on ordinary activities	5	4,489	8,948
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		21,868	5,382

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 2010**

	2010 £	2009 £
REPORTED PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	26,357	14,330
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	48,734	34,121
HISTORICAL COST PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>75,091</u>	<u>48,451</u>
HISTORICAL COST PROFIT		
FOR THE YEAR RETAINED AFTER TAXATION		
AND DIVIDENDS	<u>45,744</u>	<u>39,503</u>

HLW229 LIMITED AND ITS SUBSIDIARIES (REGISTERED NUMBER: 05112997)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2010**

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	5,778,460	5,819,904
Investments	9	-	-
		<u>5,778,460</u>	<u>5,819,904</u>
CURRENT ASSETS			
Stocks	10	17,623	22,233
Debtors	11	51,680	64,295
Cash at bank and in hand		263,405	210,978
		<u>332,708</u>	<u>297,506</u>
CREDITORS			
Amounts falling due within one year	12	629,764	505,135
NET CURRENT LIABILITIES		<u>(297,056)</u>	<u>(207,629)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,481,404</u>	<u>5,612,275</u>
CREDITORS			
Amounts falling due after more than one year	13	2,925,259	3,041,080
NET ASSETS		<u><u>2,556,145</u></u>	<u><u>2,571,195</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	860	897
Share premium	18	249,000	249,000
Revaluation reserve	18	2,255,339	2,304,073
Capital redemption reserve	18	140	103
Profit and loss account	18	50,806	17,122
SHAREHOLDERS' FUNDS	21	<u><u>2,556,145</u></u>	<u><u>2,571,195</u></u>

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

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)

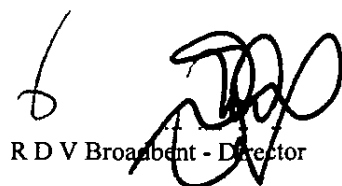
**COMPANY BALANCE SHEET
31 DECEMBER 2010**

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	-	-
Investments	9	2,337,447	2,337,447
		<u>2,337,447</u>	<u>2,337,447</u>
CURRENT ASSETS			
Debtors	11	792,750	834,705
Cash at bank		47,831	23,624
		<u>840,581</u>	<u>858,329</u>
CREDITORS			
Amounts falling due within one year	12	140,625	137,470
		<u>140,625</u>	<u>137,470</u>
NET CURRENT ASSETS		<u>699,956</u>	<u>720,859</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,037,403</u>	<u>3,058,306</u>
CREDITORS			
Amounts falling due after more than one year	13	2,355,053	2,476,222
		<u>2,355,053</u>	<u>2,476,222</u>
NET ASSETS		<u>682,350</u>	<u>582,084</u>
CAPITAL AND RESERVES			
Called up share capital	17	860	897
Share premium	18	249,000	249,000
Capital redemption reserve	18	140	103
Profit and loss account	18	432,350	332,084
		<u>682,350</u>	<u>582,084</u>
SHAREHOLDERS' FUNDS	21	<u>682,350</u>	<u>582,084</u>

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

14/4/11

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)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
Net cash inflow from operating activities	1	454,807	358,249
Returns on investments and servicing of finance	2	(129,496)	(161,584)
Taxation		(8,948)	-
Capital expenditure	2	(133,892)	(18,101)
Equity dividends paid		(24,858)	-
		<u>157,613</u>	<u>178,564</u>
Financing	2	(105,186)	(114,563)
Increase in cash in the period		<u>52,427</u>	<u>64,001</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		52,427	64,001
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>90,126</u>	<u>(28,832)</u>
Change in net debt resulting from cash flows		<u>142,553</u>	<u>35,169</u>
Movement in net debt in the period		142,553	35,169
Net debt at 1 January		<u>(2,427,668)</u>	<u>(2,462,837)</u>
Net debt at 31 December		<u>(2,285,115)</u>	<u>(2,427,668)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

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

	2010	2009
	£	£
Operating profit	157,623	150,744
Depreciation charges	213,323	200,577
Profit on disposal of fixed assets	(37,987)	-
Government grants	(11,053)	(11,053)
Decrease in stocks	4,610	318
Decrease in debtors	9,651	7,846
Increase in creditors	118,640	9,817
Net cash inflow from operating activities	454,807	358,249

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

	2010	2009
	£	£
Returns on investments and servicing of finance		
Interest received	32	73
Interest paid	(126,885)	(159,014)
Interest element of hire purchase payments	(2,643)	(2,643)
Net cash outflow for returns on investments and servicing of finance	(129,496)	(161,584)
Capital expenditure		
Purchase of tangible fixed assets	(171,879)	(18,101)
Sale of tangible fixed assets	37,987	-
Net cash outflow for capital expenditure	(133,892)	(18,101)
Financing		
New loans in year	45,410	-
Loan repayments in year	(2,840)	-
Capital repayments in year	(13,212)	(13,212)
Amount withdrawn by directors	(3,000)	(44,400)
Share buyback	(12,060)	(98,995)
Bank loan drawdowns in year	-	91,337
Bank loan repayments in year	(119,484)	(49,293)
Net cash outflow from financing	(105,186)	(114,563)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 10 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank and in hand	210,978	52,427	263,405
	<u>210,978</u>	<u>52,427</u>	<u>263,405</u>
Debt			
Hire purchase	(42,939)	13,212	(29,727)
Debts falling due within one year	(119,485)	(13,037)	(132,522)
Debts falling due after one year	<u>(2,476,222)</u>	<u>89,951</u>	<u>(2,386,271)</u>
	<u>(2,638,646)</u>	<u>90,126</u>	<u>(2,548,520)</u>
Total	<u>(2,427,668)</u>	<u>142,553</u>	<u>(2,285,115)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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

	2010	2009
	£	£
Wages and salaries	660,397	625,415
Social security costs	43,980	41,627
	<u>704,377</u>	<u>667,042</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

2 STAFF COSTS - continued

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

	2010	2009
Staff in hotel operations	53	56
Directors and administration	5	6
	<u>58</u>	<u>62</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Depreciation - owned assets	189,921	185,897
Depreciation - assets on hire purchase contracts	23,403	14,680
Profit on disposal of fixed assets	(37,987)	-
Auditors' remuneration	7,500	6,000
Operating lease payments	10,269	11,751
	<u>59,331</u>	<u>60,213</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Interest rate collar premiums	2,964	2,952
Loan	125,691	130,892
Hire purchase	2,643	2,643
	<u>131,298</u>	<u>136,487</u>

5 TAXATION

Analysis of the tax charge

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

	2010 £	2009 £
Current tax		
UK corporation tax	4,489	8,948
	<u>4,489</u>	<u>8,948</u>
Tax on profit on ordinary activities		
	<u>4,489</u>	<u>8,948</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

5 TAXATION - continued

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

	2010 £	2009 £
Profit on ordinary activities before tax	<u>26,357</u>	<u>14,330</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	7,380	4,012
Effects of tax purposes		
Income not subject to tax	(3,095)	(4,469)
Depreciation in excess of capital allowances	1,699	12,387
Small company marginal tax relief utilised	(1,495)	(2,982)
Current tax charge	<u>4,489</u>	<u>8,948</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 £137,184 (2009 - £61,317)

7 DIVIDENDS

	2010 £	2009 £
Ordinary shares of £1 each		
Interim	<u>24,858</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

8 TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Fixtures and fittings £
COST OR VALUATION			
At 1 January 2010	5,004,413	509,168	506,901
Additions	66,679	34,376	54,193
At 31 December 2010	5,071,092	543,544	561,094
DEPRECIATION			
At 1 January 2010	-	100,379	100,198
Charge for year	-	106,293	104,454
At 31 December 2010	-	206,672	204,652
NET BOOK VALUE			
At 31 December 2010	5,071,092	336,872	356,442
At 31 December 2009	5,004,413	408,789	406,703
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 January 2010	800	-	6,021,282
Additions	-	16,631	171,879
At 31 December 2010	800	16,631	6,193,161
DEPRECIATION			
At 1 January 2010	800	-	201,377
Charge for year	-	2,577	213,324
At 31 December 2010	800	2,577	414,701
NET BOOK VALUE			
At 31 December 2010	-	14,054	5,778,460
At 31 December 2009	-	-	5,819,905

Cost or valuation at 31 December 2010 is represented by

	Freehold property £	Improvements to property £	Fixtures and fittings £
Valuation in 2008	5,000,000	500,000	500,000
Cost	71,092	43,544	61,094
	5,071,092	543,544	561,094

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

8 TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2008	-	-	6,000,000
Cost	800	16,631	193,161
	<u>800</u>	<u>16,631</u>	<u>6,193,161</u>

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

	2010 £	2009 £
Cost	3,256,665	3,256,665
Aggregate depreciation	<u>768,472</u>	<u>686,729</u>

On 5 September 2008, Messrs Edward Symmons placed a Market Value on the freehold interest in Whitley Hall Hotel at £6,000,000, on the basis of a fully equipped operational entity

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

	Fixtures and fittings £
COST OR VALUATION	
At 1 January 2010 and 31 December 2010	<u>73,400</u>
DEPRECIATION	
At 1 January 2010	25,972
Charge for year	<u>23,403</u>
At 31 December 2010	<u>49,375</u>
NET BOOK VALUE	
At 31 December 2010	<u>24,025</u>
At 31 December 2009	<u>47,428</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

9 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2010	
and 31 December 2010	2,337,447
NET BOOK VALUE	
At 31 December 2010	2,337,447
At 31 December 2009	2,337,447

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

Subsidiaries

Whitley Hall Hotel Limited

Nature of business Hoteliers and restaurateurs

	% holding	2010 £	2009 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		4,211,242	4,326,555
Profit for the year		126,682	119,263

Whitley Hall Estates Limited

Nature of business Dormant

	% holding
Class of shares	
Ordinary	100 00

The holding in Whitley Hall Estates Limited is an indirect holding held through Whitley Hall Hotel Limited

Prior to 31 December 2009, the directors of Whitley Hall Estates Limited applied to the Registrar of Companies to have the company struck off from the register. No accounts have therefore been prepared for Whitley Hall Estates Limited for the year to 31 December 2009.

On 16 February 2010, Whitley Hall Estates Limited was dissolved.

10 STOCKS

	Group	
	2010 £	2009 £
Stocks	17,623	22,233

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	11,348	26,960	9,224	9,775
Amounts owed by group undertakings	-	-	762,325	800,765
Other debtors	-	245	-	-
Prepayments and accrued income	21,201	24,165	21,201	24,165
Prepayments	19,131	12,925	-	-
	<u>51,680</u>	<u>64,295</u>	<u>792,750</u>	<u>834,705</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts (see note 14)	121,170	119,485	121,170	119,485
Other loans (see note 14)	11,352	-	-	-
Hire purchase contracts (see note 15)	13,212	13,212	-	-
Trade creditors	111,316	73,533	-	-
Tax	4,489	8,948	-	-
Social security and other taxes	13,980	14,940	1,719	1,838
VAT	54,811	47,292	5,365	3,717
Other creditors	7,818	23,202	-	-
Accruals and deferred income	269,587	181,040	-	-
Accrued expenses	12,371	12,430	12,371	12,430
Deferred government grants	9,658	11,053	-	-
	<u>629,764</u>	<u>505,135</u>	<u>140,625</u>	<u>137,470</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans (see note 14)	2,355,053	2,476,222	2,355,053	2,476,222
Other loans (see note 14)	31,218	-	-	-
Hire purchase contracts (see note 15)	16,515	29,727	-	-
Directors' loan accounts	239,500	242,500	-	-
Deferred government grants	282,973	292,631	-	-
	<u>2,925,259</u>	<u>3,041,080</u>	<u>2,355,053</u>	<u>2,476,222</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

14 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loans	121,170	119,485	121,170	119,485
Other loans	11,352	-	-	-
	<u>132,522</u>	<u>119,485</u>	<u>121,170</u>	<u>119,485</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	122,879	121,170	122,879	121,170
Other loans - 1-2 years	11,352	-	-	-
	<u>134,231</u>	<u>121,170</u>	<u>122,879</u>	<u>121,170</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	379,135	373,861	379,135	373,861
Other loans - 2-5 years	19,866	-	-	-
	<u>399,001</u>	<u>373,861</u>	<u>379,135</u>	<u>373,861</u>
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>1,853,039</u>	<u>1,981,191</u>	<u>1,853,039</u>	<u>1,981,191</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**

	Hire purchase contracts	
	2010	2009
	£	£
Net obligations repayable		
Within one year	13,212	13,212
Between one and five years	16,515	29,727
	<u>29,727</u>	<u>42,939</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

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	
	2010 £	2009 £
Expiring		
Within one year	2,566	-
Between one and five years	-	10,269
	<u>2,566</u>	<u>10,269</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Bank loans	2,476,223	2,595,707	2,476,223	2,595,707
Hire purchase contracts	29,727	42,939	-	-
	<u>2,505,950</u>	<u>2,638,646</u>	<u>2,476,223</u>	<u>2,595,707</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 2010 amounted to £2,232,777

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	2010	2009
Number	Class		£	£
1,000	Ordinary	£1	<u>860</u>	<u>897</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

18 RESERVES**Group**

	Profit and loss account £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2010	17,122	249,000	2,304,073	103	2,570,298
Profit for the year	21,868				21,868
Dividends	(24,858)				(24,858)
Purchase of own shares	(12,060)	-	-	37	(12,023)
Transfer of excess depreciation on revalued assets	48,734	-	(48,734)	-	-
At 31 December 2010	<u>50,806</u>	<u>249,000</u>	<u>2,255,339</u>	<u>140</u>	<u>2,555,285</u>

Company

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2010	332,084	249,000	103	581,187
Profit for the year	137,184			137,184
Dividends	(24,858)			(24,858)
Purchase of own shares	(12,060)	-	37	(12,023)
At 31 December 2010	<u>432,350</u>	<u>249,000</u>	<u>140</u>	<u>681,490</u>

19 RELATED PARTY DISCLOSURES

During the year, the group continued to benefit from loans of £224,500 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, the group continues to benefit from further loans from its directors, which from 1 January 2009, are interest free loans (previously accruing interest at 5% per annum). These loans have no fixed repayment date. At the year end, the amount of outstanding capital and interest was £17,970 (2009: £20,470).

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 2010

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2010 £	2009 £
Profit for the financial year	21,868	5,382
Dividends	(24,858)	-
	(2,990)	5,382
Purchase of own shares	(12,060)	(98,995)
Net reduction of shareholders' funds	(15,050)	(93,613)
Opening shareholders' funds	2,571,195	2,664,808
Closing shareholders' funds	2,556,145	2,571,195

Company

	2010 £	2009 £
Profit for the financial year	137,184	61,317
Dividends	(24,858)	-
	112,326	61,317
Purchase of own shares	(12,060)	(98,995)
Net addition/(reduction) to shareholders' funds	100,266	(37,678)
Opening shareholders' funds	582,084	619,762
Closing shareholders' funds	682,350	582,084