

**Registered Number: 6001776**

**CHEQUERS NEWBURY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR TO 31 DECEMBER 2011**



**CHEQUERS NEWBURY LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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<b>CONTENTS</b>	<b>Page</b>
Directors' Report	1 - 2
Independent Auditors' Report	3
Profit and Loss Account	4
Statement of Total Recognised Gains and Losses	4
Balance Sheet	5
Notes to the Financial Statements	6 - 8

**CHEQUERS NEWBURY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and the audited financial statements for the year ended 31 December 2011

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the operation of a hotel. The directors consider the level of business and the financial position at the year end to be unsatisfactory and are working with the hotel operator in order to turn the business around quickly. Refurbishments and other expenditures of a capital nature have been carried out in the past year to improve the attractiveness of the hotel to customers.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks faced by the Company are credit risk and market risk. Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The risk is mitigated by the Company by taking deposits at the time of booking for larger functions and by securing bookings with credit cards. The company relies on funding from its parent to meet its liabilities as they fall due. The Directors have received assurances from the parent entity that this funding will remain available for a period until at least 31 May 2013.

**KEY PERFORMANCE INDICATORS**

The key performance indicators for the Company are considered to be turnover and net profit.

	2011 £	2010 £
Turnover	941,666	801,804
Net loss	(493,294)	(414,279)

**RESULTS**

The loss for the year was £493,294. The directors recognise that the Company has made a loss for the year and in conjunction with the operator are looking to improve future performance by increasing occupancy and reducing costs.

**DIRECTORS**

The following were directors during the year:

Jonathan James Clarke  
David Kirkby  
Valsec Director Limited

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to,

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**CHEQUERS NEWBURY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITORS**

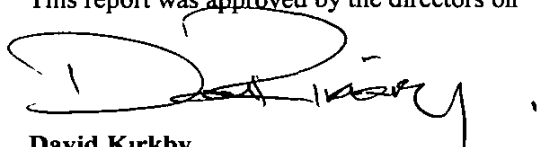
So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**AUDITORS**

A resolution to reappoint Ernst & Young LLP as auditors will be put to the directors at the Annual General Meeting

This report was approved by the directors on 04 May 2012 and signed on behalf of the directors by

A handwritten signature in black ink, appearing to read 'D Kirkby', is written over a horizontal line.

**David Kirkby**  
**Director**

# **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHEQUERS NEWBURY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2011**

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We have audited the financial statements of Chequers Newbury Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 12. 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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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 Director's Report 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 company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

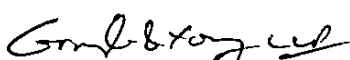
## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.



Eddie Diamond (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Leeds  
04 May 2012

**CHEQUERS NEWBURY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>	1	941,666	801,804
Cost of Sales		(579,074)	(461,064)
<b>GROSS PROFIT</b>		362,592	340,740
Administrative expenses		(855,886)	(755,019)
<b>OPERATING LOSS</b>		(493,294)	(414,279)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	(493,294)	(414,279)
Taxation	4	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(493,294)	(414,279)

Amounts stated in the profit and loss account relate to continuing operations

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

All of the activities of the company are classed as continuing. The company has no recognised gains or losses other than the results for the year as set out above.

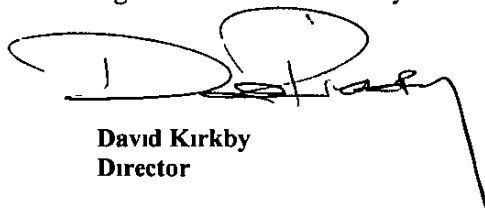
The notes on pages 6 to 8 form part of these financial statements

**CHEQUERS NEWBURY LIMITED**  
**BALANCE SHEET**  
**AT 31 DECEMBER 2011**

Registered Number 6001776

	Note	2011 £	2010 £
<b>CURRENT ASSETS</b>			
Stock	5	5,640	5,885
Debtors	6	134,564	274,850
Cash		466,650	369,836
		<u>606,854</u>	<u>650,571</u>
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(2,552,850)</u>	<u>(2,103,273)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,945,996)</u>	<u>(1,452,702)</u>
<b>TOTAL LIABILITIES</b>		<u>(1,945,996)</u>	<u>(1,452,702)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	2	2
Profit and loss account	9	<u>(1,945,998)</u>	<u>(1,452,704)</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>	10	<u>(1,945,996)</u>	<u>(1,452,702)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 04 May 2012 and were signed below on its behalf by



David Kirkby  
Director

The notes on pages 6 to 8 form part of these financial statements

**CHEQUERS NEWBURY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

**Basis of preparation**

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

The financial statements for the Company have been prepared on the going concern basis. The company relies on funding from its parent to meet its liabilities as they fall due. The Directors have received assurances from the parent entity that this funding will remain available for a period until at least 31 May 2013.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted and substantially enacted at the balance sheet date.

**Stock**

Stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

**Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Fixtures and fittings 2 - 5 years

Fixtures and Fittings are capitalised and depreciated over their estimated useful lives between 2 and 5 years.

**Cashflow statement**

The Company is exempt from the requirements of FRS1 (revised) and therefore has not prepared a cashflow statement as the results are consolidated into the accounts of the Osprey Limited Partnership who owns 100% of the share capital in the Company.

**Revenue Recognition**

Revenue represents food and beverage sales, room rental and other fee income during the year. Revenue and operating profit are both solely derived from continuing operations. The source of revenue is the United Kingdom.

**2. LOSS ON ORDINARY ACTIVITIES**

Audit fees for the year ended 31 December 2011 were £15,900 (2010: £8,750).

**3. STAFF COSTS**

	2011 £	2010 £
Wages and salaries	292,497	270,258
Social security costs	19,814	27,607
	<u>312,311</u>	<u>297,865</u>

The average monthly number of employees during the year was 26 (2010: 23).

The directors do not receive any remuneration from the company. Directors' remuneration is borne by the property asset manager, Valad Property Group.



**CHEQUERS NEWBURY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**4. TAX**

(a) Tax on loss on ordinary activities  
The tax charge is made up as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
UK Corporation tax on results of the year	-	-

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is at the standard rate of corporation tax in the UK of 26% (2010 28%)

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(493,294)	(414,279)
Tax on loss on ordinary activities at standard UK corporation rate of 26% (2010 28%)	128,256	115,998
Tax losses not utilised	(128,256)	(115,998)
Tax charge for the year	-	-

(c) Factors affecting future tax charge

The company has estimated gross trading losses arising in the period of £493,294 (year ended 31 December 2010 – loss of £414,279) that are available indefinitely for offset against future taxable profits of the same trade. The accumulated gross tax losses of £1,945,998 (year ended 31 December 2010 – £1,452,704) have not been recognised on the basis that it is unlikely that suitable taxable profits will arise from which the deferred tax assets can crystallise in the near future.

It is currently expected that reductions of 2% per annum will result in a decrease in the main rate of corporation tax to 22% by 2014, this is not expected to have a material effect on the deferred tax.

None of these changes have been substantively enacted by the balance sheet date.

**5. STOCK**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	5,640	5,885

**6. DEBTORS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	16,858	36,501
Amounts owed from group undertakings	125,000	125,000
Provision for amounts owed from group undertakings	(125,000)	-
Other debtors	117,706	113,349
	134,564	274,850

**CHEQUERS NEWBURY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>7. CREDITORS: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	29,799	28,794
Other taxes and social security	14,402	14,098
Amounts owed to group undertakings	2,480,107	2,029,840
Other creditors	2,706	5,006
Accruals and deferred income	25,836	25,535
	<u>2,552,850</u>	<u>2,103,273</u>
<b>8. SHARE CAPITAL</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Authorised:</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, issued and fully paid:</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
<b>9. RESERVES</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 January 2011	(1,452,704)	(1,452,704)
Loss for the year	(493,294)	(368,194)
As at 31 December 2011	<u>(1,945,998)</u>	<u>(1,820,998)</u>
<b>10. RECONCILIATION OF SHAREHOLDERS' FUNDS</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<u>(493,294)</u>	<u>(414,279)</u>
Movement in shareholders' funds	(493,294)	(414,279)
Opening shareholders' funds	(1,452,702)	(1,038,423)
Closing shareholders' funds	<u>(1,945,996)</u>	<u>(1,452,702)</u>

**11. RELATED PARTIES**

The Company is exempt under FRS 8 from disclosing related party transactions with entities that are part of The Osprey Limited Partnership group. There were no other transactions with related parties during the year.

**12. ULTIMATE PARENT UNDERTAKING**

The ultimate and immediate parent undertaking is The Osprey Limited Partnership, a partnership registered in England and Wales.