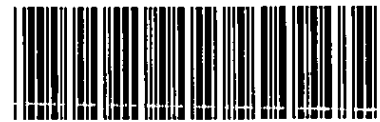


**BANNATYNE SPA HOTEL (CHARLTON
HOUSE) LIMITED**

Report and Financial Statements

31 December 2012

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COMPANIES HOUSE

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D W Bannatyne OBE, D Sc DBA
G N Armstrong FM AAT
S Hancock R I P (Appointed 1 January 2012)
C P Watson ACMA (Appointed 24 December 2012)

SECRETARY

C P Watson ACMA

REGISTERED OFFICE

Power House
Haughton Road
Darlington
Co Durham
DL1 1ST

BANKERS

Barclays Corporate
PO Box 378
71 Grey Street
Newcastle upon Tyne
NE99 1JP

SOLICITORS

Ward Hadaway
102 Quayside
Newcastle upon Tyne
NE1 3DX

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
United Kingdom
NE1 2HF

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the financial statements and auditor's report for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of the management and operation of a hotel

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company operates a spa hotel in Shepton Mallet

Key financial performance indicators include that of occupancy rate, net room rate and trading turnover

The average occupancy rate for the year was 66% (2011 66%) and the average net room rate for the year was £112.18 (2011 £106.37). Turnover for a full year of trading this year was £1.9m (2011 £1.8m). The results for the year showed a loss before tax of £9,250 (2011 loss before tax of £68,475).

The directors are satisfied with the results for the year but anticipate an improved performance in the coming year.

RESULTS

The results for the year are as set out on page 6

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks including the risks described below

The risks and uncertainties facing the business include the competition that exists within the industry as well as the level of disposable income the average household has to fund leisure and social activities

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a number of financial risks that include the effect of changes in liquidity risk and interest rate risk

Liquidity risk

The company's day to day operations are cash based. However, the company's parent undertaking has long term debt finance that is designed to ensure that the group has sufficient funds for its operations and the results of Bannatyne Spa Hotel (Charlton House) Limited are included for consideration in the loan covenants.

The group's banking arrangement and the associated covenants continue to be tested and monitored on an annual basis, looking forward to the year ahead. The directors have considered the current economic challenges and using the performance of 2012 and the initial forecast for 2013 they are confident that all covenants will be met.

The parent company Bannatyne Hotels Limited will continue to support the company for the foreseeable future. The directors therefore believe that the continuing application of the going concern basis is appropriate (refer to note 1).

Interest risk

In order to ensure the stability of cash outflows and hence manage interest rate risk, the group has a policy of hedging a significant proportion of its debt using derivative financial instruments.

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 1 The directors who served during the year were as follows

D W Bannatyne OBE, D Sc DBA

G N Armstrong FM AAT

S Hancock R I P (Appointed 1 January 2012)

C P Watson ACMA (Appointed 24 December 2012)

AUDITOR

Each of the persons who is a director of the company at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

SPECIAL EXEMPTIONS

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Approved by the Board of Directors
and signed on behalf of the Board


G N Armstrong FM AAT
Managing Director

Date 5 March 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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,
- state whether applicable UK 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

We have audited the financial statements of Bannatyne Spa Hotel (Charlton House) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 annual 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 2012 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.

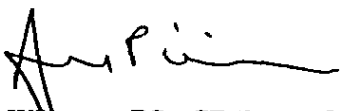
Opinion on other matters prescribed by the Companies Act 2006

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.



David Wilkinson FCA CF (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne, United Kingdom

7 March 2013

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2012

	Note	2012 £	2011 £
TURNOVER	1	1,950,743	1,769,113
Cost of sales		(368,013)	(350,967)
GROSS PROFIT		1,582,730	1,418,146
Administrative expenses		(1,521,544)	(1,412,528)
OPERATING PROFIT		61,186	5,618
Interest payable and similar charges	2	(70,436)	(74,093)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(9,250)	(68,475)
Tax credit on profit on ordinary activities	5	6,216	19,583
LOSS FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	12, 13	(3,034)	(48,892)

All activities derive from continuing operations

There have been no recognised gains or losses during the current and preceding year other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses has been prepared.

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

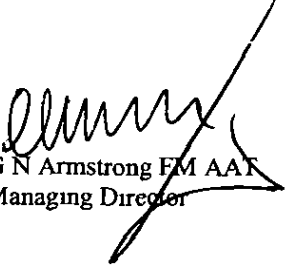
BALANCE SHEET 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Tangible assets	6		3,753,750		3,691,577
CURRENT ASSETS					
Stocks	7	39,136		42,120	
Debtors	8	190,706		318,362	
Cash at bank and in hand		15,630		52,658	
		245,472		413,140	
CREDITORS: amounts falling due within one year	9	(3,973,085)		(4,097,564)	
NET CURRENT LIABILITIES			(3,727,613)		(3,684,424)
TOTAL ASSETS LESS CURRENT LIABILITIES			26,137		7,153
PROVISIONS FOR LIABILITIES	10		(94,153)		(72,135)
NET LIABILITIES			(68,016)		(64,982)
CAPITAL AND RESERVES					
Called-up share capital	11		100		100
Profit and loss account	12		(68,116)		(65,082)
TOTAL SHAREHOLDERS' DEFICIT	13		(68,016)		(64,982)

The accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies regime

These financial statements of Bannatyne Spa Hotel (Charlton House) Limited, registered company number 6519252, were approved by the Board of Directors on 5 March 2013

Signed on Behalf of the Board of Directors


G N Armstrong FM AAT
Managing Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements of the company are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going concern

The company's business activities are set out in the Review of Developments and Future Prospects section of the Directors' Report. The management of the business and the execution of the company's strategy are subject to a number of risks. The risks and uncertainties facing the business are discussed below.

The company is a wholly owned subsidiary of Bannatyne Hotels Limited, which has in place long term debt finance that is designed to ensure the group has sufficient funds for its operations. There is a group cross guarantee in place between the parent company and Bannatyne Spa Hotel (Charlton House) Limited in regards to the bank loan. The group's banking arrangements and the associated covenants continue to be tested and certified annually and are monitored by management on an ongoing basis. Whilst a breach of one or more of these covenants could result in the group's debt becoming immediately repayable, this situation is not currently envisaged and the group has historically met all covenants.

The company's day to day operations are cash based. However, the company is subject to a number of uncertainties, some of which arise as a result of the current economic conditions including (a) competition that exists within the industry, (b) the level of disposable income the average household has to fund leisure and social activities, and (c) the ability of the group to remain compliant with the terms of its bank finance in the foreseeable future.

The company has had a challenging year, resulting in a loss for the financial year to 31 December 2012 of £3,034. However, since its change in ownership considerable investment has been made into the refurbishment of the hotel and performance has improved and is expected to improve further. The directors have considered the current economic challenges and after considering both the performance of the group and company in 2012 and their current forecasts for 2013 and beyond and taking account of reasonably possible changes in trading performance, they are confident that the terms and covenants of all current facilities will continue to be met.

In coming to this conclusion the directors have noted that the balance sheet of the company at 31 December 2012 is in a net liability position and consider that this is mainly the result of the change in ownership giving rise to an intercompany creditor of £3.5m owing to the company's parent undertaking. The parent company has confirmed in writing that it will continue to support Bannatyne Spa Hotel (Charlton House) Limited with the provision of intercompany funding if required. Accordingly, the directors believe that net liabilities shown in the company's balance sheet do not indicate that it cannot pay its debts as they fall due and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Cash-flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 not to prepare a cash flow statement on the basis that the company is a wholly owned subsidiary.

Turnover

Turnover, which excludes VAT, represents the value of goods and services supplied in the normal course of business entirely within the United Kingdom. Turnover is recognised on delivery of goods and services to customers. The total turnover of the company for the year has been derived from its principal activity, the management and operation of hotels, restaurants and bars.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	Buildings – 2% straight line
Fixtures, fittings and equipment	10% - 33 3% straight line

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Stock

Stock is stated at the lower of cost and net realisable value. Stock comprises of consumables and goods for resale, and the net realisable value is based on estimated selling price.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. INTEREST PAYABLE

	2012	2011
	£	£
Loan interest	<u>70,436</u>	<u>74,093</u>

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2012 £	2011 £
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets		
- owned assets	87,305	74,675
- assets held under finance leases and HP contracts	2,908	2,908
Auditor's remuneration and expenses		
- Fees payable to company's auditor for the audit of the company's financial statements	<u>7,225</u>	<u>6,825</u>

4. STAFF COSTS

	2012 No.	2011 No.
The average monthly number of employees during the year was:		
Hotel staff	<u>51</u>	<u>57</u>
Their aggregate remuneration comprised:	£	£
Wages and salaries	702,796	671,648
Social security costs	<u>63,775</u>	<u>61,820</u>
	<u>766,571</u>	<u>733,468</u>

None of the directors received any remuneration in respect of services to the company during the current and preceding year

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2012

5. TAX ON LOSS ON ORDINARY ACTIVITIES

i) Analysis of tax credit on ordinary activities

	2012 £	2011 £
United Kingdom corporation tax at 24.5% (2011 26.5%) on the loss for the year	(26,049)	(58,321)
Adjustment in respect of prior years	(2,185)	(3,537)
	<u>(28,234)</u>	<u>(61,858)</u>
Deferred tax		
Timing differences, origination and reversal	27,885	44,151
Adjustment in respect of prior years	1,748	3,050
Effect of changes in tax rates	(7,615)	(4,926)
	<u>(6,216)</u>	<u>(19,583)</u>

ii) Factors affecting tax credit for the current year

	2012 £	2011 £
Loss on ordinary activities before tax	(9,250)	(68,475)
Tax at 24.5% (2011 26.5%) thereon	(2,266)	(18,141)
Expenses not deductible for tax purposes	4,101	3,971
Capital allowances in excess of depreciation	(27,884)	(44,151)
Adjustment in respect of prior years	(2,185)	(3,537)
Current tax credit for the year	<u>(28,234)</u>	<u>(61,858)</u>

Finance Act 2012, which was substantively enacted on 17 July 2012, includes provisions to reduce the rate of corporation tax to 24% with effect from 1 April 2012 and 23% with effect from 1 April 2013. Accordingly deferred tax balances have been revalued to the lower rate of 23% in these accounts, which has resulted in a credit to the profit and loss account of £7,615.

The government has announced that it intends to reduce the rate of corporation tax to 21% with effect from 1 April 2014. As this legislation was not substantially enacted by 31 December 2012, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts. If the deferred tax assets and liabilities were all to reverse after 1 April 2014, the effect of the future changes from 23% to 21% would be to reduce the net deferred tax liability by £8,187. To the extent that the deferred tax reverses more quickly than this the impact on the net deferred tax liability will be reduced.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2012	3,241,805	561,533	3,803,338
Additions	69,246	83,140	152,386
	<hr/>	<hr/>	<hr/>
At 31 December 2012	3,311,051	644,673	3,955,724
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2012	31,896	79,865	111,761
Charge in year	19,783	70,430	90,213
	<hr/>	<hr/>	<hr/>
At 31 December 2012	51,679	150,295	201,974
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2012	3,259,372	494,378	3,753,750
	<hr/>	<hr/>	<hr/>
At 31 December 2011	3,209,909	481,668	3,691,577
	<hr/>	<hr/>	<hr/>

The net book value of fixtures, fittings and equipment includes £21,805 (2011 £24,713) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £2,908 (2011 £2,908) for the year.

7. STOCKS

	2012 £	2011 £
Consumables and goods for resale	39,136	42,120
	<hr/>	<hr/>

8. DEBTORS

	2012 £	2011 £
Trade debtors	5,439	15,740
Other debtors	-	2,645
Prepayments and accrued income	61,292	53,784
Group relief receivable	123,975	95,741
Amounts due from group undertakings	-	150,452
	<hr/>	<hr/>
	190,706	318,362
	<hr/>	<hr/>

All amounts are due within one year

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2012

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	145,100	147,549
Other creditors	55,614	47,506
Accruals and deferred income	146,935	123,040
Other taxes and social security	94,684	87,009
Amount owed to related undertakings (note 15)	274	72
Amounts owed to parent undertaking	3,530,478	3,632,388
Amount owed to group undertakings	-	60,000
	<u>3,973,085</u>	<u>4,097,564</u>

10. PROVISIONS FOR LIABILITIES

	Deferred tax £
At 1 January 2012	72,135
Profit and loss account charge (note 5)	20,270
Adjustment in respect of prior years (note 5)	1,748
	<u>94,153</u>
At 31 December 2012	<u>94,153</u>

The amounts of deferred taxation provided in the financial statements are as follows

	2012 £	2011 £
Accelerated capital allowances	<u>94,153</u>	<u>72,135</u>

11. CALLED-UP SHARE CAPITAL

	2012 £	2011 £
Called-up, allotted and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. RESERVES

	Profit and loss account £
At 1 January 2012	(65,082)
Loss for the financial year	(3,034)
	<u>(68,116)</u>
At 31 December 2012	<u>(68,116)</u>

BANNATYNE SPA HOTEL (CHARLTON HOUSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2012

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Total 2012 £	Total 2011 £
Loss for the financial year	(3,034)	(48,892)
Net addition to shareholders' deficit	(3,034)	(48,892)
Opening shareholders' deficit	(64,982)	(16,090)
Closing shareholders' deficit	<u>68,016</u>	<u>(64,982)</u>

14. GROUP GUARANTEE

The company is a party to group guarantees in respect of the group's bank borrowings. The company's results are considered in the loan covenants for a loan which is held within Bannatyne Hotels Limited. As at the 31 December 2012 the total amount outstanding on the loan was £9,392,477 (2011 £10,158,281). The Hotel group's banking arrangements and the associated covenants continue to be tested and certified annually and are monitored on an ongoing basis. Whilst a breach of one or more of these covenants could result in the group's debt becoming immediately repayable, this situation is not currently envisaged and the group has historically met all covenants.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of FRS 8 which exempts subsidiaries, 100% of whose voting rights are controlled within the group, from disclosing transactions with other entities within the group.

During the year the company incurred management charges from Bannatyne Fitness Limited, a company under common control, amounting to £6,000 (2011 £6,000).

Also during the year expenses of £687,775 (2011 £640,016) were paid on behalf of the company by Bannatyne Fitness Limited and recharged at cost. The majority of this recharged amount related to payroll recharges. In addition to this an amount of £537,293 (2011 £389,183) was collected on behalf of the company by Bannatyne Fitness Limited in relation to the company's share of income generated from spa breaks during the year. At 31 December 2012 an amount of £nil (2011 £nil) was due from Bannatyne Fitness Limited.

At 31 December 2012 an amount of £274 (2011 £72) was owed to the Bannatyne Charitable Trust in relation to donations collected on behalf of the trust.

All amounts outstanding above are interest free and repayable on demand.

The above amount has been settled since the year end.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

D W Bannatyne OBE, D Sc DBA, a director of the company, and members of his close family, control the company as a result of controlling directly or indirectly 100% of the issued share capital of Bannatyne Hotels Limited.

The company's immediate and ultimate parent company is Bannatyne Hotels Limited, incorporated in the United Kingdom and registered in England and Wales. Copies of the consolidated accounts of Bannatyne Hotels Limited, the only company preparing group accounts which include the company, can be obtained from Power House, Haughton Road, Darlington, Co Durham, DL1 1ST.