

GREAT FOSTERS (1931) LIMITED

FINANCIAL STATEMENTS

31 MARCH 2011

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GREAT FOSTERS (1931) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

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GREAT FOSTERS (1931) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

A H W Sutcliffe QC (Chairman)
M D C Sutcliffe
R Young
W J Plummer
V M Raison
S A Barrett

COMPANY SECRETARY

N Cooksey

REGISTERED OFFICE

Great Fosters
Egham
Surrey
TW20 9UR

AUDITOR

Menzies LLP
Chartered Accountants
Heathrow Business Centre
65 High Street
Egham
Surrey TW20 9EY

BANKERS

Allied Irish Bank (GB)
Sovereign House
361 King Street
Hammersmith
W6 9NA

GREAT FOSTERS (1931) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was of the operation of a hotel and catering establishment

Initial concerns regarding the economic outlook and consequent trading conditions were unfounded with overall revenue up by 7.92% whilst EBITDA debt service increased from 1.116 to 1.134. Robust accommodation sales was the main 'driver' behind these better than expected figures, with room occupancy increasing from 68.55% to 70.37%. Higher than forecast room hire and facility fees negated some of the effects of rising food prices by helping to lift gross profit on sales from 80.65% for the previous financial year to 83.04%.

Whilst the company continued to invest heavily in the fabric and infrastructure of the building, general expenses and establishment expenses were still broadly in line with the previous financial year. Administrative expenses and personnel costs were 8.54% above those of 2009/10, although after stripping out pensions paid to previous directors and performance based bonuses for the management team, directly attributable costs only marginally increased from last year.

Despite the economic uncertainty, wedding sales were strong with 158 weddings (including 66 sole use weddings) taking place at the hotel during the year.

FUTURE DEVELOPMENTS

The mid to long term objectives of the company must be to take advantage of its position within the market place and for a proven demand for larger high profile meetings and events, by adding to its accommodation stock, for which it already has planning permission and listed building consent.

KEY FINANCIAL PERFORMANCE INDICATORS

The Board will continue to review the operating performance of the company on a regular basis.

The key performance indicator is EBITDA debt service, which is measured by the company's bankers (Allied Irish Bank) on a rolling four quarter basis.

RESULTS AND DIVIDENDS

The pre tax profit for the year amounted to £165,749. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments, other than derivatives, comprise borrowings, some cash and liquid resources, and various items, such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate risk and liquidity and cash flow risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company borrows at both fixed and floating rates of interest and then uses interest rate swaps to generate the desired interest profile and to manage the company's exposure to interest rate fluctuations.

Liquidity and cash flow risk

The company manages its liquidity risk by structuring their borrowings to ensure repayments are made over a suitable period. Cash Flow risk is managed through daily monitoring of working capital requirements.

DIRECTORS

The directors who served the company during the year were as follows:

A H W Sutcliffe QC (Chairman)
M D C Sutcliffe
R Young
W J Plummer
V M Raison
S A Barrett

GREAT FOSTERS (1931) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

FIXED ASSETS

Fixed assets are valued at historical cost and therefore there is believed to be a significant difference between net book value and net realisable value

As the Directors have not had a valuation carried out at 31 March 2011 for the purposes of the preparation of the financial statements, the net realisable value of the fixed assets, although unknown, is not anticipated to be below £11.8m

GOING CONCERN

Although the company has net current liabilities at the year end of £1,237,595, it has made a profit for the year and is within the covenants set by its bankers

The fixed assets of the company are valued at historic cost and as the Hotel was gifted to the company, the net asset position does not fully reflect the net realisable value of these assets, which is considered to be significantly higher

As a result, and with the continued support of its shareholders if required, the Directors are confident that the company has the ability to continue as a going concern for the foreseeable future

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 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,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Great Fosters
Egham
Surrey
TW20 9UR

Signed by order of the directors



N Cooksey
Company Secretary

Approved by the directors on 14.9.2011

GREAT FOSTERS (1931) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GREAT FOSTERS (1931) LIMITED

YEAR ENDED 31 MARCH 2011

We have audited the financial statements of Great Fosters (1931) Limited for the year ended 31 March 2011 on pages 5 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 shareholders, 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 shareholders 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 shareholders 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 3, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 March 2011 and of its 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 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.

Heathrow Business Centre
65 High Street
Egham
Surrey TW20 9EY

4/10/11

Menzies LLP

JULIE ADAMS FCA (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

GREAT FOSTERS (1931) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
TURNOVER	2	5,788,163	5,363,429
Cost of sales		1,144,231	1,038,083
GROSS PROFIT		4,643,932	4,325,346
Administrative expenses		4,183,812	3,946,077
OPERATING PROFIT	3	460,120	379,269
Interest receivable		131	104
Interest payable and similar charges	6	(294,502)	(316,447)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		165,749	62,926
Tax on profit on ordinary activities	7	102,641	(177,190)
PROFIT FOR THE FINANCIAL YEAR		63,108	240,116

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 9 to 16 form part of these financial statements.

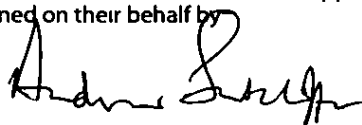
GREAT FOSTERS (1931) LIMITED

BALANCE SHEET

31 MARCH 2011

	Note	2011 £	£	2010 £	£
FIXED ASSETS					
Tangible assets	8		8,954,917		9,079,882
CURRENT ASSETS					
Stocks	9	184,430		188,369	
Debtors	10	410,463		390,462	
Cash in hand		6,821		5,134	
		<u>601,714</u>		<u>583,965</u>	
CREDITORS: Amounts falling due within one year	12	<u>1,839,309</u>		<u>1,663,306</u>	
NET CURRENT LIABILITIES			(1,237,595)		(1,079,341)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,717,322</u>		<u>8,000,541</u>
CREDITORS: Amounts falling due after more than one year	13		<u>5,284,967</u>		<u>5,631,294</u>
			<u>2,432,355</u>		<u>2,369,247</u>
CAPITAL AND RESERVES					
Called-up equity share capital	17		19,872		19,872
Revaluation reserve			11,746		11,746
Profit and loss account	18		<u>2,400,737</u>		<u>2,337,629</u>
SHAREHOLDERS' FUNDS	19		<u>2,432,355</u>		<u>2,369,247</u>

These financial statements were approved by the directors and authorised for issue on 22.9.11, and are signed on their behalf by



A H W Sutcliffe QC (Chairman)

Company Registration Number 254708

The notes on pages 9 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2011

	2011		2010	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		704,423		914,585
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	131		104	
Interest paid	(294,502)		(316,447)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(294,371)		(316,343)
TAXATION		(384)		—
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(251,226)		(111,157)	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(251,226)		(111,157)
CASH INFLOW BEFORE FINANCING		158,442		487,085
FINANCING				
Repayment of bank loans	(325,079)		(304,926)	
NET CASH OUTFLOW FROM FINANCING		(325,079)		(304,926)
(DECREASE)/INCREASE IN CASH		(166,637)		182,159
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
	2011		2010	
	£		£	
Operating profit	460,120		379,269	
Depreciation	376,191		350,251	
Decrease/(increase) in stocks	3,939		(13,875)	
(Increase)/decrease in debtors	(122,258)		5,723	
(Decrease)/increase in creditors	(13,569)		193,217	
Net cash inflow from operating activities	704,423		914,585	
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT				
	2011		2010	
	£	£	£	£
(Decrease)/increase in cash in the period	(166,637)		182,159	
Net cash outflow from bank loans	325,079		304,926	
		158,442		487,085
Change in net debt		158,442		487,085
Net debt at 1 April 2010		(5,999,862)		(6,486,947)
Net debt at 31 March 2011		(5,841,420)		(5,999,862)

The notes on pages 9 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2011

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2010 £	Cash flows £	At 31 Mar 2011 £
Net cash			
Cash in hand and at bank	5,134	1,687	6,821
Overdrafts	(48,293)	(168,324)	(216,617)
	<u>(43,159)</u>	<u>(166,637)</u>	<u>(209,796)</u>
Debt			
Debt due within 1 year	(325,409)	(21,248)	(346,657)
Debt due after 1 year	(5,631,294)	346,327	(5,284,967)
	<u>(5,956,703)</u>	<u>325,079</u>	<u>(5,631,624)</u>
Net debt	<u>(5,999,862)</u>	<u>158,442</u>	<u>(5,841,420)</u>

The notes on pages 9 to 16 form part of these financial statements.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

The directors note that the company has net current liabilities of £1,237,595 (2010 £1,079,341) at the balance sheet date. This position has arisen due to borrowings from the bank secured on the company's land and buildings.

However, the land and buildings are valued at historic cost and therefore the financial statements do not reflect the net realisable value of these assets, which is considered to be significantly higher. The directors consider this, combined with the continued support of the shareholders, if required, will enable liabilities to be met as they fall due during the next twelve months and therefore hold the view it is correct for the accounts to be prepared on the going concern basis.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2%, 25% straight line basis
Furniture & Equipment	- 20%, 8%, 2% straight line basis
Motor Vehicles	- 25% straight line basis
Alterations & Additions to Premises -	2% straight line basis

Investment properties

Investment properties are included in the balance sheet at their open market value. Although this accounting policy is in accordance with SSAP19, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation, which might have been charged, but cannot be separately identified or quantified.

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Derivative instruments

The company uses interest rate swaps to adjust interest rate exposures

The company considers its derivative instruments qualify for hedge accounting when certain criteria are met

The company's criteria for interest rate swaps are

The instrument must be related to an asset or a liability, and

it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa

Interest differentials are recognised by accruing with net interest payable. Interest rate swaps are not revalued to fair value. If they are terminated early, the gain or loss is spread over the remaining maturity of the original instrument

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>5,788,163</u>	<u>5,363,429</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

3. OPERATING PROFIT

Operating profit is stated after charging

	2011 £	2010 £
Depreciation of owned fixed assets	376,191	350,251
Auditor's remuneration		
- as auditor	11,500	11,500
Operating lease costs		
- Other	-	(19,872)

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Full time	86	82
Part time	13	9
	<u>99</u>	<u>91</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	2,079,769	1,918,594
Social security costs	157,343	143,520
Other pension costs	52,592	47,921
Pensions paid to former employees	13,288	11,773
	<u>2,302,992</u>	<u>2,121,808</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Remuneration receivable	153,962	136,399
Value of company pension contributions to money purchase schemes	7,053	6,300
Excess retirement benefits funded by the company		
Pensions to former director	13,288	11,773
	<u>174,303</u>	<u>154,472</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011 No	2010 No
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Interest payable on bank borrowing	<u>294,502</u>	<u>316,447</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011		2010	
	£	£	£	£
Current tax				
UK Corporation tax based on the results for the year at 21% (2010 - 21%)		28		-
Total current tax		28		-
Deferred tax				
Origination and reversal of timing differences (note 11)				
Capital allowances	93,490		200,540	
Losses	9,334		(375,966)	
Other	(211)		(1,764)	
Total deferred tax (note 11)		102,613		(177,190)
Tax on profit on ordinary activities		102,641		(177,190)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2010 - 21%)

	2011	2010
	£	£
Profit on ordinary activities before taxation	165,749	62,926
Profit on ordinary activities by rate of tax	34,807	13,214
Expenses not deductible for tax purposes	2,985	7,254
Capital allowances for period in excess of depreciation	(23,488)	(46,732)
Utilisation of tax losses	(12,953)	-
Unrelieved tax losses	-	26,264
Non-trade loan relationships	28	-
Sundry tax adjusting items	(1,351)	-
Total current tax (note 7(a))	28	-

8. TANGIBLE FIXED ASSETS

	Freehold Land and Property	Furniture and Equipment	Motor Vehicles	Total
	£	£	£	£
COST				
At 1 April 2010	9,699,356	3,339,617	30,629	13,069,602
Additions	87,643	163,583	-	251,226
At 31 March 2011	<u>9,786,999</u>	<u>3,503,200</u>	<u>30,629</u>	<u>13,320,828</u>
DEPRECIATION				
At 1 April 2010	1,432,782	2,526,309	30,629	3,989,720
Charge for the year	193,598	182,593	-	376,191
At 31 March 2011	<u>1,626,380</u>	<u>2,708,902</u>	<u>30,629</u>	<u>4,365,911</u>
NET BOOK VALUE				
At 31 March 2011	<u>8,160,619</u>	<u>794,298</u>	<u>-</u>	<u>8,954,917</u>
At 31 March 2010	<u>8,266,574</u>	<u>813,308</u>	<u>-</u>	<u>9,079,882</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

8. TANGIBLE FIXED ASSETS *(continued)*

The hotel known as Great Fosters, was owned by a trust and leased to the company until 4 November 2009. On this date, the Trust gifted the hotel to the company for £nil consideration. As a result of this gift, the Alterations and Additions to Premises fixed asset category was transferred to Freehold Land and Property. This transaction also resulted in the transfer of freehold land which was previously held by the company for investment purposes to the Freehold Land and Property tangible fixed asset category.

Directors' Interests in Transactions during the year relating to Fixed Assets

The company incurred expenditure of £nil (2010: £112,526) in the ordinary course of business on the maintenance of premises occupied by the company and held as a "bare trust" on behalf of persons who are also the holders of all the issued share capital of the company.

9. STOCKS

	2011 £	2010 £
Finished goods	184,430	188,369

10. DEBTORS

	2011 £	2010 £
Trade debtors	227,615	141,178
Corporation tax repayable	356	-
Other debtors	18,224	1,218
Directors current accounts	15,000	5,625
Prepayments and accrued income	74,691	65,251
Deferred taxation (note 11)	74,577	177,190
	<u>410,463</u>	<u>390,462</u>

11. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2011 £	2010 £
Included in debtors (note 10)	74,577	177,190

The movement in the deferred taxation account during the year was

	2011 £	2010 £
Balance brought forward	177,190	-
Profit and loss account movement arising during the year	(102,613)	177,190
Balance carried forward	<u>74,577</u>	<u>177,190</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	(294,030)	(200,540)
Tax losses available	366,632	375,966
Other timing differences	1,975	1,764
	<u>74,577</u>	<u>177,190</u>

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

12. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	563,274	373,702
Trade creditors	228,855	263,922
PAYE and social security	82,281	71,222
VAT	73,733	140,559
Other creditors	787,590	691,669
Accruals and deferred income	103,576	122,232
	<u>1,839,309</u>	<u>1,663,306</u>

The bank facilities are secured by First Legal Mortgages on the company's land and property, a specific charge on the goodwill of the business and a fixed and floating charge over all the assets of the company

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2011 £	2010 £
Bank loans and overdrafts	<u>563,274</u>	<u>373,702</u>

13. CREDITORS: Amounts falling due after more than one year

	2011 £	2010 £
Bank loans and overdrafts	<u>5,284,967</u>	<u>5,631,294</u>

The bank facilities are secured by First Legal Mortgages on the company's land and property, a specific charge on the goodwill of the business and a fixed and floating charge over all the assets of the company

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2011 £	2010 £
Bank loans and overdrafts	<u>5,284,967</u>	<u>5,631,294</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2011 £	2010 £
Bank loans and overdrafts	<u>3,757,274</u>	<u>4,313,907</u>

14. DERIVATIVES

The company has entered into an interest rate swap which is a derivative transaction. The purpose of such a transaction is to manage the interest rate risk arising from the company's sources of finance.

Of the company's total bank loans and overdraft of £5,848,241 (2010 £6,004,996), an amount of £5,009,698 (2010 £5,009,698) was subject to an interest rate swap. The company has agreed to swap the floating rate of 3 month LIBOR + 1.4% for a fixed rate of 4.78%.

The fair value of the derivative is a liability of £258,209 (2010 £174,143) which has not been provided for in the financial statements.

GREAT FOSTERS (1931) LIMITED

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YEAR ENDED 31 MARCH 2011

15. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
Within 2 to 5 years	7,971	-

16. RELATED PARTY TRANSACTIONS

At the year end Mr R Young owed the company £15,000 (2010 £5,625) The maximum amount this Director's current account was overdrawn during the year was £17,973 (2010 £9,375)

No interest has been charged on the loan

17. SHARE CAPITAL

Authorised share capital:

	2011	2010
	£	£
500,000 Ordinary Class A shares of £1 each	500,000	500,000
500,000 Ordinary Class B shares of £1 each	500,000	500,000
500,000 Ordinary Class C shares of £1 each	500,000	500,000
500,000 Ordinary Class D shares of £1 each	500,000	500,000
	<u>2,000,000</u>	<u>2,000,000</u>

Allotted and called up:

	2011		2010	
	No	£	No	£
4,968 Ordinary Class A shares fully paid of £1 each	4,968	4,968	4,968	4,968
4,968 Ordinary Class B shares fully paid of £1 each	4,968	4,968	4,968	4,968
4,968 Ordinary Class C shares fully paid of £1 each	4,968	4,968	4,968	4,968
4,968 Ordinary Class D shares fully paid of £1 each	4,968	4,968	4,968	4,968
	<u>19,872</u>	<u>19,872</u>	<u>19,872</u>	<u>19,872</u>

On 19 May 2009, the authorised Ordinary shares were re-organised by reclassifying each of the 20,000 shares of £1 each into 5,000 A Ordinary shares of £1 each, 5,000 B Ordinary shares of £1 each, 5,000 C Ordinary shares of £1 each and 5,000 D Ordinary shares of £1 each

On 19 May 2009, the authorised share capital was increased from 20,000 to 2,000,000 by the creation of 495,000 A shares, 495,000 B shares, 495,000 C shares and 495,000 D shares

The A, B, C and D Ordinary shares rank pari passu in all respects

On 19 May 2009 the existing 19,872 issued Ordinary shares were converted into 4,968 A Ordinary shares, 4,968 B Ordinary shares, 4,968 C Ordinary shares and 4,968 D Ordinary shares

GREAT FOSTERS (1931) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

18. PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
Balance brought forward	2,337,629	2,097,513
Profit for the financial year	63,108	240,116
Balance carried forward	<u>2,400,737</u>	<u>2,337,629</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	63,108	240,116
Opening shareholders' funds	2,369,247	2,129,131
Closing shareholders' funds	<u>2,432,355</u>	<u>2,369,247</u>

20. CONTROLLING PARTY

The Director's consider there to be no ultimate controlling party