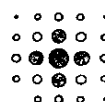




**REGISTRAR
OF COMPANIES**

FIRMDALE PROPERTY INVESTMENTS LIMITED
FINANCIAL STATEMENTS
31 JANUARY 2011



MacIntyre Hudson

THE FUTURE IS WHAT YOU MAKE IT •

FIRMDALE PROPERTY INVESTMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The director	T J R Kemp
Company secretary	M T Soden
Registered office	18 Thurloe Place London SW7 2SP
Auditor	MacIntyre Hudson LLP Chartered Accountants & Statutory Auditor New Bridge Street House 30 - 34 New Bridge Street London EC4V 6BJ

FIRMDALE PROPERTY INVESTMENTS LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 JANUARY 2011

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 January 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is to own premises which other members of the group use for the purposes of their trading activities

The company has a freehold interest in The Charlotte Street Hotel and The Knightsbridge Hotel and long leasehold interests in The Covent Garden Hotel, The Haymarket Hotel and Number 16 Hotel. The Covent Garden rent represents some 91% of the total payable and is reviewed in proportion to Retail Price Index increases every five years subject to a minimum of 3% pa

All the hotels are managed and operated by Firmdale Hotels PLC, a fellow group company, by virtue of long occupational leases with annual increases based on the rise in the Retail Price Index but subject to a collar of between 2.5% and 5% in most cases. The lease rentals were set at market rates at inception on the advice of Jones Lang Lasalle and the hotel trading has been very robust despite the difficult economic environment

The director commissioned a professional valuation of all hotels (see note 7) during the year and is pleased to report that this reflected an overall surplus against the previous valuation

The principal financial risks faced by the company, and the company's objectives and policies in relation to those risks are as follows

Cash flow risk

The finance department closely manages the company's cash flow. Detailed cash flow forecasts are regularly prepared with the objective of alerting the directors to potential future risks. It is the company's policy to ensure that forecast funding requirements can be met with available committed facilities

Credit risk

Credit risk is the financial exposure generated by the potential default of third parties in fulfilling their obligations. Credit risk arises for the company if it is unable to recover sums due from clients and it is mitigated by setting maximum levels of credit tolerance for more significant clients

Interest rate risk

The company's interest rate policy has the objective of minimising net interest expense and protection from material adverse movements in interest rates. The company hedged its principal loans in 2007 for a period of 20 years with a 10 year break clause to mitigate interest rate risk

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,503,164. The director has not recommended a dividend

DIRECTOR

The director who served the company during the year was as follows

T J R Kemp

DIRECTOR'S QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to its director against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Director's Report

FIRMDALE PROPERTY INVESTMENTS LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 JANUARY 2011

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is aware

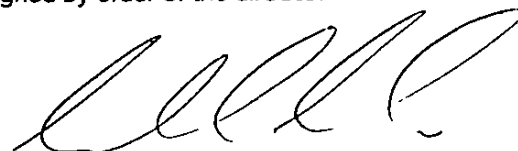
- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

MacIntyre Hudson LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006

Registered office
18 Thurloe Place
London
SW7 2SP

Signed by order of the director



M T SODEN
Company Secretary

Approved by the director on 31 May 2011

FIRMDALE PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF FIRMDALE PROPERTY INVESTMENTS LIMITED

YEAR ENDED 31 JANUARY 2011

We have audited the financial statements of Firmdale Property Investments Limited for the year ended 31 January 2011 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. 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 shareholder, 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 shareholder those matters we are required to state to him 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 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 company's affairs as at 31 January 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FIRMDALE PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF FIRMDALE PROPERTY INVESTMENTS LIMITED *(continued)*

YEAR ENDED 31 JANUARY 2011

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



CHRISTOPHER SUTTON FCA
Senior Statutory Auditor
For and on behalf of
MACINTYRE HUDSON LLP
Chartered Accountants
& Statutory Auditor

New Bridge Street House
30 - 34 New Bridge Street
London
EC4V 6BJ

14 June 2011

FIRMDALE PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 2011

	Note	2011 £	2010 £
TURNOVER	2	7,431,720	7,109,609
Cost of sales		<u>(1,311,871)</u>	<u>(1,263,667)</u>
GROSS PROFIT		6,119,849	5,845,942
Administrative expenses		<u>(4,105,027)</u>	<u>(1,607,630)</u>
OPERATING PROFIT	3	2,014,822	4,238,312
Interest receivable		4	3
Interest payable and similar charges	5	<u>(3,258,239)</u>	<u>(3,072,975)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,243,413)</u>	<u>1,165,340</u>
Tax on (loss)/profit on ordinary activities	6	<u>(259,751)</u>	<u>(461,000)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(1,503,164)</u>	<u>704,340</u>

All of the activities of the company are classed as continuing

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

FIRMDALE PROPERTY INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 JANUARY 2011

	2011	2010
	£	£
(Loss)/Profit for the financial year attributable to the shareholder	(1,503,164)	704,340
Unrealised profit on revaluation of certain fixed assets	13,528,226	—
Total gains and losses recognised since the last annual report	<u>12,025,062</u>	<u>704,340</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2011	2010
	£	£
Reported (loss)/profit on ordinary activities before taxation	(1,243,413)	1,165,340
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	130,736	135,861
Historical cost (loss)/profit on ordinary activities before taxation	<u>(1,112,677)</u>	<u>1,301,201</u>
Historical cost (loss)/profit for the year after taxation	<u>(1,372,428)</u>	<u>840,201</u>

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

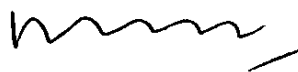
FIRMDALE PROPERTY INVESTMENTS LIMITED

BALANCE SHEET

31 JANUARY 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	127,200,000	116,612,022
CREDITORS: Amounts falling due within one year	8	(35,536,695)	(36,733,531)
TOTAL ASSETS LESS CURRENT LIABILITIES		91,663,305	79,878,491
CREDITORS: Amounts falling due after more than one year	9	(66,000,000)	(66,500,000)
PROVISIONS FOR LIABILITIES			
Deferred taxation	11	(850,751)	(591,000)
		24,812,554	12,787,491
CAPITAL AND RESERVES			
Called-up equity share capital	14	1	1
Revaluation reserve	15	24,654,618	11,257,127
Profit and loss account	16	157,935	1,530,363
SHAREHOLDER'S FUNDS	17	24,812,554	12,787,491

These financial statements were approved and signed by the director and authorised for issue on
31 MAY 2011



T J R KEMP
Director

Company Registration Number 04725421

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

FIRMDALE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 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 financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Rental income from property leased out under an operating lease is recognised on a straight-line basis over the term of the lease

Fixed assets

Fixed assets include properties professionally valued by Chartered Surveyors based on an existing use value. Other fixed assets are stated at historical cost

Depreciation

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

Freehold Property	-	50 years straight line with an 80% residual value
Leasehold Property	-	Over remaining lease term
Fixtures & Fittings	-	20% per annum on cost

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

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

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

FIRMDALE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

1. ACCOUNTING POLICIES *(continued)*

Deferred tax assets are recognised only to the extent that the director considers 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 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

Interest rate swaps

The company uses interest rate swaps to adjust interest rate exposures

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 or shown on the group balance sheet at the year end

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

Going concern

The company meets its working capital requirements through funding from Group companies. These companies have confirmed their intention to provide continuing support. As such, the director considers it appropriate to prepare the accounts on a going concern basis

FIRMDALE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

2. TURNOVER

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

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>7,431,720</u>	<u>7,109,609</u>

The aggregate rentals receivable for the year were all in respect of operating leases

3 OPERATING PROFIT

Operating profit is stated after charging

	2011 £	2010 £
Director's remuneration	—	—
Depreciation of owned fixed assets	3,350,738	1,423,130
Operating lease payments		
- land and buildings	1,311,871	1,263,667
Auditor's remuneration		
- as auditor	<u>5,000</u>	<u>5,500</u>

4 PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year amounted to nil (2010 - nil). No salaries or wages have been paid to employees, including the director, during the year.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Interest payable on bank borrowing	<u>3,258,239</u>	<u>3,072,975</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011 £	2010 £
Deferred tax		
Origination and reversal of timing differences	<u>259,751</u>	<u>461,000</u>

FIRMDALE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2010 - 28%)

	2011 £	2010 £
(Loss)/profit on ordinary activities before taxation	(1,243,413)	1,165,340
(Loss)/profit on ordinary activities by rate of tax	(348,156)	326,295
Capital allowances for period in excess of depreciation	518,011	(143,665)
Utilisation of tax losses	-	(181,831)
Group relief received	(169,855)	(799)
Total current tax (note 6(a))	-	-

(c) Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is estimated at £1 million (2010 - £1 million). At present it is not envisaged that any tax will become payable in the foreseeable future.

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Short Leasehold Property £	Long Leasehold Property £	Total £
COST OR VALUATION				
At 1 February 2010	57,149,071	17,821,988	44,844,959	119,816,018
Additions	258,345	87,196	64,949	410,490
Revaluation	7,092,584	(3,709,184)	3,590,092	6,973,492
At 31 January 2011	64,500,000	14,200,000	48,500,000	127,200,000
DEPRECIATION				
At 1 February 2010	978,069	1,290,597	935,330	3,203,996
Charge for the year	1,249,843	1,440,441	660,454	3,350,738
Revaluation adjustment	(2,227,912)	(2,731,038)	(1,595,784)	(6,554,734)
At 31 January 2011	-	-	-	-
NET BOOK VALUE				
At 31 January 2011	64,500,000	14,200,000	48,500,000	127,200,000
At 31 January 2010	56,171,002	16,531,391	43,909,629	116,612,022

The assets are held for use in operating leases.

FIRMDALE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

7. TANGIBLE FIXED ASSETS *(continued)*

The freehold and leasehold properties were revalued by Jones Lang LaSalle Hotels, Chartered Surveyors, as at 31 January 2011 based on 'Market Value', the properties being valued with the benefit of the leases to a fellow group company. These valuations have been uplifted to recognise 'Existing Use Value'.

The valuations are net of assumed purchasers' costs, which are explicitly deducted at 5.80%, but make no allowance for expenses of sale.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	NBV of revalued Freehold Property £	NBV of revalued Leasehold Property £	Total £
Net book value at end of year	64,500,000	62,700,000	127,200,000
Historical cost:			
At 1 February 2010	52,709,676	56,257,766	108,967,442
Cost of additions to revalued assets brought forward	258,345	152,145	410,490
At 31 January 2011	52,968,021	56,409,911	109,377,932
Depreciation:			
At 1 February 2010	1,044,957	2,567,592	3,612,549
Charge for year	1,232,086	1,987,916	3,220,002
At 31 January 2011	2,277,043	4,555,508	6,832,551
Net historical cost value:			
At 31 January 2011	50,690,978	51,854,403	102,545,381
At 1 February 2010	51,664,719	53,690,174	105,354,893

8. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Bank loans	500,000	500,000
Amounts owed to group undertakings	33,631,402	34,909,420
Other creditors including taxation	262,399	215,701
Other taxation	34,393,801	35,625,121
Accruals and deferred income	1,142,894	1,108,410
	35,536,695	36,733,531

The bank loan due within one year is secured by legal charges over the freehold and leasehold properties of the group. In addition, they are secured by fixed and floating charges over the book debts and other assets of the group.

FIRMDALE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

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

	2011 £	2010 £
Bank loans	<u>66,000,000</u>	<u>66,500,000</u>

The bank loan due after more than one year is secured by legal charges over the freehold and leasehold properties of the group. In addition, they are secured by fixed and floating charges over the book debts and other assets of the group.

10. FINANCIAL INSTRUMENTS

	2011 £	2010 £
Analysis by year of repayment		
After five years	62,500,000	63,500,000
From two to five years	2,750,000	2,500,000
From one to two years	750,000	500,000
Due after more than one year	<u>66,000,000</u>	<u>66,500,000</u>
Due within one year	<u>500,000</u>	<u>500,000</u>
	<u>66,500,000</u>	<u>67,000,000</u>
Net borrowings	<u>66,500,000</u>	<u>67,000,000</u>

Bank loans and overdrafts include

Year end interest

Barclays Bank Plc

Floating rate loan

Repayable by quarterly instalments of £125,000 from April 2009, increasing to £187,500 from April 2012, then £250,000 from April 2014 with a final balloon payment of £61,500,000 on 17 April 2017

LIBOR +
0.75%

2011 £	2010 £
66,500,000	67,000,000
<u>66,500,000</u>	<u>67,000,000</u>

The company has entered into a hedging agreement with a counterparty in respect of interest payable on £61.5m of the above loans. The result is a net base rate before margin of 4.42% per annum.

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2011 £	2010 £
Provision brought forward	591,000	130,000
Profit and loss account movement arising during the year	259,751	461,000
Provision carried forward	<u>850,751</u>	<u>591,000</u>

FIRMDALE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

11. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	850,751	591,000
	<u>850,751</u>	<u>591,000</u>

No provision has been made in respect of the additional claw back of capital allowances that would arise on the disposal of the properties. The total amount unprovided for is £12 million (2010 - £12 million). At present it is not envisaged that any tax will become payable in the foreseeable future.

12. COMMITMENTS UNDER OPERATING LEASES

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

	Land and buildings	
	2011 £	2010 £
Operating leases which expire After more than 5 years	<u>1,320,637</u>	<u>1,270,637</u>

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 concerning related party transactions by virtue of its status as a 100% owned subsidiary of a parent whose consolidated accounts are made publicly available.

14. SHARE CAPITAL

Authorised share capital:

	2011 £	2010 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

15. REVALUATION RESERVE

	2011 £	2010 £
Balance brought forward	11,257,127	11,392,988
Revaluation of fixed assets	13,528,227	-
Transfer to the Profit and Loss Account on realisation	(130,736)	(135,861)
Balance carried forward	<u>24,654,618</u>	<u>11,257,127</u>

FIRMDALE PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2011

16. PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
Balance brought forward	1,530,363	690,162
(Loss)/profit for the financial year	(1,503,164)	704,340
Transfer from revaluation reserve	130,736	135,861
Balance carried forward	<u>157,935</u>	<u>1,530,363</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011	2010
	£	£
(Loss)/Profit for the financial year	(1,503,164)	704,340
Other net recognised gains and losses	13,528,227	—
Transfer from revaluation reserve	130,736	135,861
Transfer to profit and loss account	(130,736)	(135,861)
Net addition to shareholder's funds	12,025,063	704,340
Opening shareholder's funds	12,787,491	12,083,151
Closing shareholder's funds	<u>24,812,554</u>	<u>12,787,491</u>

18. ULTIMATE PARENT COMPANY

The ultimate parent and controlling company is Firmdale Holdings Limited, a company registered in England and Wales, the consolidated accounts of which are available from the Registrar of Companies

In the opinion of the director, there is no ultimate individual controlling party