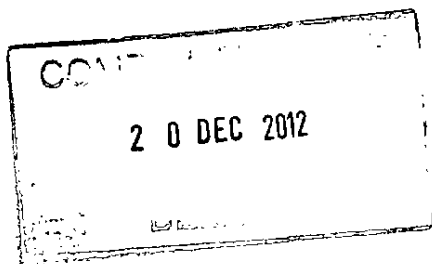


KNOCKMOYLE LODGE LIMITED
ABBREVIATED ACCOUNTS
31 MARCH 2012



GOLDBLATT McGUIGAN
Chartered Accountants & Statutory Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ



KNOCKMOYLE LODGE LIMITED

ABBREVIATED ACCOUNTS

Year ended 31 March 2012

CONTENTS	PAGES
Officers and Professional Advisers	1
The Director's Report	2 to 4
Independent Auditor's Report to the Company	5
Abbreviated Profit and Loss Account	6
Abbreviated Balance Sheet	7
Cash Flow Statement	8
Notes to the Abbreviated Accounts	9 to 19

KNOCKMOYLE LODGE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The Director Mrs B Kiernan O'Donnell

Company Secretary Mr J O'Donnell

Registered Office 36 Knockmoyle Road
Omagh
Co. Tyrone
BT79 7TB

Auditor Goldblatt McGuigan
Chartered Accountants
& Statutory Auditor
Alfred House
19 Alfred Street
Belfast
BT2 8EQ

Bankers First Trust Bank Limited
41 Main Street
Dromore
Co. Tyrone
BT78 3AG

Santander
51-54 Gracechurch Street
The City
London
EC3V 0EH

Solicitors Meyler McGuigan
40 John Street
Omagh
Co. Tyrone
BT78 1DN

KNOCKMOYLE LODGE LIMITED

THE DIRECTOR'S REPORT

Year ended 31 March 2012

The director has pleasure in presenting her report and the financial statements of the company for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of nursing care for elderly persons.

The director considers the company's key financial performance indicators to be those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit, net profit before taxation and net assets.

The director is pleased with the results generated from the principal activities of the company during the year. The company has achieved a growth in turnover of 9.4%, from £2.07 million to £2.26 million, with a gross profit margin of 90.3% (2011 - 90.8%). This increase in turnover is mainly due to increased occupancy rates in Hillcrest Care Facility, a nursing home operating within Knockmoyle Lodge Limited, which opened in 2010. Administrative expenses have also increased resulting in a small decrease in profits before tax from £328k in 2011 to £323k in 2012.

At the year end the company had net assets of £1.95 million (2011 - £1.70 million).

The company has built up a good reputation and operated at almost full occupancy for a number of years. The director has considered the risk of not keeping or obtaining new residents for the forthcoming year and she has assessed this risk as low. As a result the director anticipates that these results can be sustained for the foreseeable future.

The company operates solely in Northern Ireland, and therefore is not subject to currency risks. The company's objective in relation to interest rate management is to minimise the impact of interest rate volatility on interest costs in order to protect recorded profitability. The company is in a strong cash position and does not foresee any cash flow risk in the near future. The company's policy is to ensure that sufficient resources are available from cash balances, cash flows and near liquid investments to ensure all obligations can be met when they fall due.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £292,587. The director has not recommended a dividend.

DIRECTOR

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

Mrs B Kiernan O'Donnell

KNOCKMOYLE LODGE LIMITED

THE DIRECTOR'S REPORT *(continued)*

Year ended 31 March 2012

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 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 her to ensure that the financial statements comply with the Companies Act 2006. She 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.

KNOCKMOYLE LODGE LIMITED

THE DIRECTOR'S REPORT *(continued)*

Year ended 31 March 2012

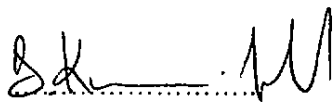
STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the director, who held office at the date of approval of these financial statements, is aware:

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

Registered office:
36 Knockmoyle Road
Omagh
Co. Tyrone
BT79 7TB

Signed by


MRS B KIERNAN O'DONNELL
Director

Approved by the director on 18/12/12.....



GOLDBLATT McGUIGAN

Alfred House, 19 Alfred Street, Belfast BT2 8EQ

DX 3910 NR BELFAST 50

Tel: 028 9031 1113 Fax: 028 9031 0777

www.goldblattmcguigan.com

KNOCKMOYLE LODGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO KNOCKMOYLE LODGE LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 6 to 19, together with the financial statements of Knockmoyle Lodge Limited for the year ended 31 March 2012 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

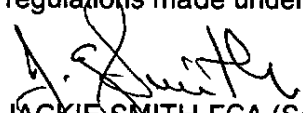
The director is responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.


MR. JACKIE SMITH FCA (Senior Statutory Auditor)

For and on behalf of
GOLDBLATT McGUIGAN
Chartered Accountants
& Statutory Auditor

Alfred House
19 Alfred Street
Belfast
BT2 8EQ

18 December 2012

KNOCKMOYLE LODGE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2012

	Note	2012 £	2011 £
TURNOVER		2,261,506	2,067,386
Cost of Sales and Other operating income		126,028	98,219
Administrative expenses		<u>1,771,929</u>	<u>1,597,737</u>
OPERATING PROFIT	2	363,549	371,430
Interest receivable		1,048	194
Interest payable and similar charges	5	(41,642)	(43,744)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>322,955</u>	<u>327,880</u>
Tax on profit on ordinary activities	6	30,368	160,561
PROFIT FOR THE FINANCIAL YEAR		<u><u>292,587</u></u>	<u><u>167,319</u></u>

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 19 form part of these abbreviated accounts.

KNOCKMOYLE LODGE LIMITED

ABBREVIATED BALANCE SHEET

31 March 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	<u>5,623,498</u>	<u>5,764,124</u>
CURRENT ASSETS			
Debtors	8	457,019	207,538
Cash at bank and in hand		<u>217,280</u>	<u>193,365</u>
		674,299	400,903
CREDITORS: Amounts falling due within one year	9	<u>1,600,010</u>	<u>1,615,873</u>
NET CURRENT LIABILITIES		<u>(925,711)</u>	<u>(1,214,970)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,697,787</u>	<u>4,549,154</u>
CREDITORS: Amounts falling due after more than one year	10	2,565,701	2,708,997
PROVISIONS FOR LIABILITIES			
Deferred taxation	11	154,819	154,547
Government grants	12	<u>25,259</u>	<u>26,189</u>
		<u>1,952,008</u>	<u>1,659,421</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	80,002	80,002
Profit and loss account	16	<u>1,872,006</u>	<u>1,579,419</u>
SHAREHOLDER'S FUNDS	17	<u>1,952,008</u>	<u>1,659,421</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006.

These abbreviated accounts were approved and signed by the director and authorised for issue on ...18/12/12.....



MRS B KIERNAN O'DONNELL
Director

Company Registration Number: NI020708

The notes on pages 9 to 19 form part of these abbreviated accounts.

KNOCKMOYLE LODGE LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2012

		2012	2011
	Note	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	300,504	384,457
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,048	194
Interest paid		<u>(41,862)</u>	<u>(43,854)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(40,814)	(43,660)
TAXATION		(27,432)	(80,113)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		<u>(67,071)</u>	<u>(129,700)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(67,071)	(129,700)
CASH INFLOW BEFORE FINANCING		165,187	130,984
FINANCING			
Repayment of bank loans		<u>(141,272)</u>	<u>(139,281)</u>
NET CASH OUTFLOW FROM FINANCING		(141,272)	(139,281)
INCREASE/(DECREASE) IN CASH	19	<u>23,915</u>	<u>(8,297)</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is the amount derived from the provision of services falling within the company's ordinary activities. Revenue is recognised evenly over the period a bed is occupied by a resident.

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% straight line
Fixtures & Fittings	- 20% straight line
Motor Vehicles	- 25% reducing balance
Hillview Lodge Property	- 2% straight line

Pension costs

The company contributes to the personal pension schemes of certain employees. The annual contributions paid by the company are accounted for by charging costs to the Profit and Loss Account as payments accrue.

Taxation

Corporation tax is calculated on the results for the year.

Tax deferred as a result of timing differences between accounting and taxation profits is provided for in full in respect of deferred tax liabilities. Such provision or recognition is made at the taxation rates at which the differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

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.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

1. ACCOUNTING POLICIES *(continued)*

Capitalised interest

Interest incurred and identified as attributable to property development costs is capitalised and included in the cost of the property until physical completion of the property.

Income from properties

Rental income from properties held in fixed assets is credited to the Profit and Loss Account as Other operating income in the period in which it accrues, as this income is considered to be outside the company's principal activity.

Government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the Profit and Loss Account over the estimated useful life of the assets to which they relate. Revenue grants are credited directly to the Profit and Loss Account as they are earned.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Amortisation of government grants	(930)	(930)
Depreciation of owned fixed assets	179,697	203,701
Auditor's remuneration		
- as auditor	<u>14,520</u>	<u>14,520</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

3. PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Knockmoyle - number of management staff	1	1
Knockmoyle - number of other staff	37	35
Hillcrest - number of administrative staff	1	1
Hillcrest - number of other staff	78	63
	<u>117</u>	<u>100</u>

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	1,292,458	1,124,633
Social security costs	86,621	89,595
Other pension costs	2,000	2,000
	<u>1,381,079</u>	<u>1,216,228</u>

4. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services were:

	2012	2011
	£	£
Aggregate remuneration	29,664	21,200
Value of company pension contributions to money purchase schemes	2,000	2,000
	<u>31,664</u>	<u>23,200</u>

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

	2012	2011
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest payable on bank borrowing	<u>41,642</u>	<u>43,744</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 26% (2011 - 28%)	87,925	85,246
Adjustments in respect of prior periods	(57,829)	-
Total current tax	<u>30,096</u>	<u>85,246</u>
Deferred tax:		
Origination and reversal of timing differences	12,160	75,315
Effect of changed tax rate on opening balance	(11,888)	-
Total deferred tax (note 11)	<u>272</u>	<u>75,315</u>
Tax on profit on ordinary activities	<u>30,368</u>	<u>160,561</u>

(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 26% (2011 - 28%).

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>322,955</u>	<u>327,880</u>
Profit on ordinary activities at 26% (2011 - 28%)	83,968	91,807
Expenses disallowable for tax purposes	17,653	27,375
Effect of marginal rate of tax	(522)	(1,162)
Origination and reversal of timing differences	(13,174)	(32,774)
Adjustments to tax charge in respect of previous periods	(57,829)	-
Total current tax (note 6(a))	<u>30,096</u>	<u>85,246</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Motor Vehicles £	Hillview Lodge Property £	Total £
COST					
At 1 April 2011	5,699,495	455,866	14,094	621,248	6,790,703
Additions	13,988	25,083	—	—	39,071
Disposals	—	(2,695)	—	—	(2,695)
At 31 March 2012	<u>5,713,483</u>	<u>478,254</u>	<u>14,094</u>	<u>621,248</u>	<u>6,827,079</u>
DEPRECIATION					
At 1 April 2011	592,961	193,236	7,772	232,610	1,026,579
Charge for the year	82,474	83,218	1,580	12,425	179,697
On disposals	—	(2,695)	—	—	(2,695)
At 31 March 2012	<u>675,435</u>	<u>273,759</u>	<u>9,352</u>	<u>245,035</u>	<u>1,203,581</u>
NET BOOK VALUE					
At 31 March 2012	<u>5,038,048</u>	<u>204,495</u>	<u>4,742</u>	<u>376,213</u>	<u>5,623,498</u>
At 31 March 2011	<u>5,106,534</u>	<u>262,630</u>	<u>6,322</u>	<u>388,638</u>	<u>5,764,124</u>

The aggregate amount of finance costs included in the cost of tangible fixed assets is £66,722 (2011 - £66,722).

Included within the cost of Freehold Property is £830,000 (2011 - £830,000) of land which is not depreciated.

Capital commitments

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>275,000</u>	<u>275,000</u>

On the 16 February 2010 the company entered into an agreement to purchase land at a cost of £350,000 with a completion date of 31 December 2013. To date the company has paid £70,000 which is included in prepayments.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

8. DEBTORS

	2012	2011
	£	£
Trade debtors	67,951	74,357
Other debtors	58,134	10,172
Director's current account (note 13)	232,536	40,689
Prepayments and accrued income	98,398	82,320
	<u>457,019</u>	<u>207,538</u>

9. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Amounts due to Hillview Lodge Limited	795,516	806,866
Amounts due to Springlawn House Limited	412,874	428,874
Bank loans	143,403	141,379
Trade creditors	31,665	41,387
Corporation tax	87,910	85,246
PAYE and social security	25,763	23,367
Other creditors	71,117	26,068
Accruals and deferred income	31,762	62,686
	<u>1,600,010</u>	<u>1,615,873</u>

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

	2012	2011
	£	£
Bank loans	<u>143,403</u>	<u>141,379</u>

The nature of the security of the bank loan is as disclosed in note 10.

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

	2012	2011
	£	£
Bank loans	<u>2,565,701</u>	<u>2,708,997</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

10. CREDITORS: Amounts falling due after more than one year *(continued)*

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

	2012	2011
	£	£
Bank loans	<u>2,565,701</u>	<u>2,708,997</u>

The bank loan is secured by way of a legal charge over the company's nursing home properties Hillview Lodge and Hillcrest Nursing Home.

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:

	2012	2011
	£	£
Bank loans	<u>1,970,180</u>	<u>2,121,939</u>

The bank loan is repayable by quarterly instalments with interest being charged at bank base rate plus 1%.

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2012
	£
Provision brought forward	154,547
Profit and loss account movement arising during the year	<u>272</u>
Provision carried forward	<u>154,819</u>

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

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>154,819</u>	<u>154,547</u>
	<u>154,819</u>	<u>154,547</u>

Deferred tax is provided for at a rate of 24% (2011 - 26%).

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

12. GOVERNMENT GRANTS

	2012	2011
	£	£
Received and receivable:		
At 1 April 2011	46,496	46,496
At 31 March 2012	<u>46,496</u>	<u>46,496</u>
Amortisation:		
At 1 April 2011	20,307	19,377
Credit to profit and loss account	930	930
At 31 March 2012	<u>21,237</u>	<u>20,307</u>
 Net balance at 31 March 2012	 <u>25,259</u>	 <u>26,189</u>

13. TRANSACTIONS WITH THE DIRECTOR

During the year the movement in the director's current account was as follows:

	Mrs B Kiernan O'Donnell £
Opening balance	40,689
Payments of personal expenditure	37,847
Monies withdrawn - 02/02/12	54,000
Monies withdrawn - 31/03/12	<u>100,000</u>
Closing Balance	<u>232,536</u>

The loan balance has arisen from various payments made by the company on behalf of Mrs B Kiernan O'Donnell and monies withdrawn. There are no terms of interest or other conditions associated with the director's current account. There have been no repayments made since the year end.

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

14. RELATED PARTY TRANSACTIONS

Control

The company was under the control of Mrs B Kiernan O'Donnell throughout the current and prior year. Mrs B Kiernan O'Donnell is the managing director and majority shareholder.

Transactions

Mrs B Kiernan O'Donnell is a director and majority shareholder in Springlawn House Limited and Hillview Lodge Limited, companies incorporated in Northern Ireland.

(i) Springlawn House Limited

At the balance sheet date £412,874 was due to Springlawn House Limited (2011 - £428,874). The balance has arisen as a result of cash advances and payments made by Springlawn House Limited on behalf of the company.

(ii) Hillview Lodge Limited

Knockmoyle Lodge Limited owns a property which is occupied by Hillview Lodge Limited. Rentals charged to Hillview Lodge Limited during the year ended 31 March 2012 amount to £75,000 (2011 - £75,000). In the opinion of the director the amount receivable in the current year in relation to rentals reflects an open market value.

During the year, Hillview Lodge Limited charged Knockmoyle Lodge Limited £51,700 (2011 - £63,800) for the preparation and supply of meals for the residents of Hillcrest Care Facility, a nursing home operating within Knockmoyle Lodge Limited.

In addition, an amount of £12,700 was recharged to Knockmoyle Lodge Limited regarding Hillcrest Care Facility, in relation to electricity costs incurred during the year. An amount of £5,750 was also recharged from Knockmoyle Lodge Limited to Hillview Lodge Limited in relation to water rates. These recharges arise due to the fact that Hillview Lodge Limited and Hillcrest Care Facility share the same site.

At the balance sheet date £795,516 (2011 - £806,866) was due to Hillview Lodge Limited.

15. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
80,002 Ordinary shares of £1 each	<u>80,002</u>	<u>80,002</u>	<u>80,002</u>	<u>80,002</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

16. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	1,579,419	1,412,100
Profit for the financial year	292,587	167,319
Balance carried forward	<u>1,872,006</u>	<u>1,579,419</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012	2011
	£	£
Profit for the financial year	292,587	167,319
Opening shareholder's funds	<u>1,659,421</u>	<u>1,492,102</u>
Closing shareholder's funds	<u>1,952,008</u>	<u>1,659,421</u>

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	363,549	371,430
Depreciation	179,697	203,701
Amortisation of government grants	(930)	(930)
Increase in debtors	(249,481)	(96,182)
Increase/(decrease) in creditors	7,669	(93,562)
Net cash inflow from operating activities	<u>300,504</u>	<u>384,457</u>

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012	2011
	£	£
Increase/(decrease) in cash in the period	23,915	(8,297)
Net cash outflow from bank loans	<u>141,272</u>	<u>139,281</u>
	<u>165,187</u>	<u>130,984</u>
Change in net debt	165,187	130,984
Net debt at 1 April 2011	(2,657,011)	(2,787,995)
Net debt at 31 March 2012	<u>(2,491,824)</u>	<u>(2,657,011)</u>

KNOCKMOYLE LODGE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 March 2012

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2011 £	Cash flows £	At 31 Mar 2012 £
Net cash:			
Cash in hand and at bank	<u>193,365</u>	<u>23,915</u>	<u>217,280</u>
Debt:			
Debt due within 1 year	(141,379)	(2,024)	(143,403)
Debt due after 1 year	<u>(2,708,997)</u>	<u>143,296</u>	<u>(2,565,701)</u>
	<u>(2,850,376)</u>	<u>141,272</u>	<u>(2,709,104)</u>
Net debt	<u>(2,657,011)</u>	<u>165,187</u>	<u>(2,491,824)</u>