

Armagh City Hotel Limited

Directors' report and financial statements

For the year ended 29 July 2012

MONDAY



J25U9FU1

JNI

08/04/2013

#22

COMPANIES HOUSE

Armagh City Hotel Limited

Company Information

Directors

Kieran McAnallen
Brian McCormack
Ernest Fisher
Felix Mooney

Company secretary

Anne Millar

Registered number

NI030708

Registered office

Friary Road
Armagh
Co Armagh
BT60 4FR

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
32 Linen Green
Dungannon
Co Tyrone
BT71 7HB

Bankers

First Trust Bank
18 Scotch Street
Dungannon
Co Tyrone
BT70 1AR

Allied Irish Bank
The Diamond
Monaghan
Co Monaghan

Solicitors

McGrigors Belfast LLP
Arnott House
12 - 16 Bridge Street
Belfast
Co Antrim
BT1 1LS

John J Taylor
1 Mallview Terrace
Armagh
Co Armagh
BT61 9AN

J G O'Hare & Co
37-41 High Street
Belfast
Co Antrim
BT1 2AB

Armagh City Hotel Limited

Contents

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 17

Armagh City Hotel Limited

Directors' report For the year ended 29 July 2012

The directors present their report and the audited financial statements for the year ended 29 July 2012.

Principal activities

The company's principal activity during the year was that of the operation of a hotel complex.

Business review

The directors consider the results for the year and the position of the company at the year end to be satisfactory.

Performance

The directors are committed to long term creation of shareholder value by increasing the company's market share through organic growth. While the incoming year is likely to be very challenging both because of increased competition and the general economic climate, early results are satisfactory and the directors will closely monitor current performance.

Principal risks and uncertainties

Performance in the sector is affected by general economic conditions leading to a general decline in disposable income. The management of the business and the execution of the company's strategy are also subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competitor activity, market trends and forecasts and customer behaviour.

Key performance indicators (KPI)

The company's key performance indicators are as follows:

	2012	2011
(Decline) / growth in sales	(2.4%)	6.2%
Gross profit margin	18.2%	20.5%
(Decline) / growth in operating profit	(27.7%)	67.5%

Environment

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Health and safety

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all areas of the hotel safe environments for employees and customers alike.

Human resources

Management of the company recognise that its most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Financial risk management

The company's operations expose it to some financial risks which include the effects of foreign exchange interest risk, liquidity risk and interest rate risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Armagh City Hotel Limited

Directors' report For the year ended 29 July 2012

Foreign exchange risk

While the greater part of the company's revenues and expenses are denominated in sterling, the company is exposed to some foreign exchange risk in the normal course of business, principally on payments received in Euro. While the company has not used financial instruments to date to hedge foreign exchange exposure, this position is kept constantly under review.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has interest bearing liabilities. The company has a policy of maintaining debt at a competitive rate to ensure a reasonable degree of certainty over future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature

Results and dividends

The profit for the year, after taxation, amounted to £318,882 (2011 - £435,802).

The directors do not recommend the payment of a dividend (2011: £nil).

Directors

The directors of the company who were in office during the financial year and up to the date of signing the financial statements were:

Kieran McAnallen
Brian McCormack
Ernest Fisher
Felix Mooney

Political and charitable contributions

The company made charitable donations amounting to £25 (2011: £40) during the year for the benefit of local communities in which the company operates. No donations for political purposes were made during the year (2011: £nil).

Armagh City Hotel Limited

Directors' report For the year ended 29 July 2012

Directors' responsibilities statement

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 prepared 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 judgments 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 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.

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Anne Millar
Company secretary

Date: 31 January 2013

Independent auditors' report to the members of Armagh City Hotel Limited

We have audited the financial statements of Armagh City Hotel Limited for the year ended 29 July 2012 which comprise the Profit and Loss account, the Balance Sheet, the Cash Flow Statement 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).

Respective responsibilities of directors and auditors

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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' 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 29 July 2012 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Armagh City Hotel Limited

Independent auditors' report to the members of Armagh City Hotel Limited

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.

Martin O'Hanlon

Martin O'Hanlon (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

32 Linen Green
Dungannon
Co Tyrone
BT71 7HB

31 January 2013

Armagh City Hotel Limited

**Profit and loss account
For the year ended 29 July 2012**

	Note	2012 £	2011 £
Turnover	1,2	4,600,912	4,718,528
Cost of sales		(3,759,721)	(3,749,244)
Gross profit		841,191	969,284
Administrative expenses		(495,135)	(496,672)
Operating profit	3	346,056	472,612
Interest payable and similar charges	5	(27,174)	(36,810)
Profit on ordinary activities before taxation		318,882	435,802
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	15	318,882	435,802

All amounts relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

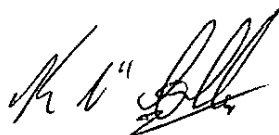
The notes on pages 9 to 17 form part of these financial statements.

Armagh City Hotel Limited
Registered number: NI030708

Balance sheet
As at 29 July 2012

	Note	£	29 July 2012 £	31 July 2011 £
Fixed assets				
Tangible assets	7		5,929,390	6,101,942
Current assets				
Stocks	8	112,950		115,760
Debtors	9	270,368		292,476
Cash at bank and in hand		63,394		109,888
		<u>446,712</u>		<u>518,124</u>
Creditors: amounts falling due within one year	10	<u>(971,433)</u>	<u>(1,230,449)</u>	
Net current liabilities			(524,721)	(712,325)
Total assets less current liabilities			5,404,669	5,389,617
Creditors: amounts falling due after more than one year	11		(1,525,000)	(1,782,538)
Accruals and deferred income			(1,795,400)	(1,841,692)
Net assets			2,084,269	1,765,387
Capital and reserves				
Called up share capital	14		1,539,700	1,539,700
Share premium account	15		1,013,302	1,013,302
Profit and loss account	15		<u>(468,733)</u>	<u>(787,615)</u>
Total shareholders' funds	16		2,084,269	1,765,387

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 January 2013.


Kieran McAnallen
Director

The notes on pages 9 to 17 form part of these financial statements.

Armagh City Hotel Limited

Cash flow statement For the year ended 29 July 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	17	366,256	550,474
Returns on investments and servicing of finance	18	(27,174)	(38,118)
Capital expenditure and financial investment	18	(39,949)	(23,937)
Net cash inflow before financing		299,133	488,419
Financing	18	(345,627)	(562,530)
Decrease in net cash in the year		(46,494)	(74,111)

Reconciliation of net cash flow to movement in net debt For the year ended 29 July 2012

	2012 £	2011 £
Decrease in net cash in the year	(46,494)	(74,111)
Cash outflow from decrease in debt and lease financing	345,627	562,530
Movement in net debt in the year	299,133	488,419
Net debt at 1 August 2011	(1,510,739)	(1,999,158)
Net debt at 29 July 2012	(1,211,606)	(1,510,739)

The notes on pages 9 to 17 form part of these financial statements.

**Notes to the financial statements
For the year ended 29 July 2012**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below

1.2 Turnover

Turnover represents net sales to customers and excludes value added tax. Turnover is recognised when, and to the extent that, the company obtains the right to consideration in exchange for its performance.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic cost less depreciation. The cost of tangible fixed assets is their purchase cost together with an incidental costs of acquisition. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over the expected useful lives on the following bases: Freehold land is not depreciated.

Freehold buildings	-	2% straight line
Plant and equipment	-	12.5% straight line
Motor vehicles	-	25% straight line
Hotel equipment	-	25% straight line
Furniture	-	25% straight line
Administration and IT equipment	-	25% straight line
Soft furnishings and original art	-	20-25% straight line

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a first in first out basis.

1.5 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 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. A net deferred tax asset is recognised as recoverable and therefore recognised only when, 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 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 an undiscounted basis.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

Armagh City Hotel Limited

Notes to the financial statements For the year ended 29 July 2012

1. Accounting policies (continued)

1.7 Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

2. Turnover

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging/(crediting):

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the company	212,501	251,620
- held under finance leases	-	3,162
Auditors' remuneration	9,060	8,840
Difference on foreign exchange	(154)	(632)
Deferred capital grant released	(46,292)	(46,292)
	<u>212,501</u>	<u>251,620</u>

During the year, no director received any emoluments (2011 - £NIL).

4. Staff costs

Staff costs were as follows:

	2012 £	2011 £
Wages and salaries	1,606,865	1,606,621
Social security costs	80,743	96,745
	<u>1,687,608</u>	<u>1,703,366</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2012 Number	2011 Number
Administration	5	6
Others	119	126
	<u>124</u>	<u>132</u>

Armagh City Hotel Limited

Notes to the financial statements For the year ended 29 July 2012

5. Interest payable and similar charges

	2012 £	2011 £
On bank loans and overdrafts	26,383	35,677
Other interest payable	749	627
On finance leases and hire purchase contracts	42	506
	<u>27,174</u>	<u>36,810</u>

6. Tax on profit on ordinary activities

	2012 £	2011 £
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 20% (2011 - 20%). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before taxation	318,882	435,802
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 20%)	63,776	87,160
Effects of:		
Expenses not deductible for tax purposes	28,657	(6,853)
Depreciation on non-qualifying assets	-	22,143
Movement in deferred tax asset not provided for	(92,433)	(96,514)
Industrial building allowances treated as a permanent difference	-	(5,936)
Total current tax (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has carried forward tax losses totalling £715,611 (2011: £1,156,958). These losses have not been recognised in the deferred tax calculation as they may not be utilised in the foreseeable future. However, if taxable profits do arise, these losses will be offset against future trading profits to reduce tax payable in the future by potentially £143,122 (2011: £231,391).

Deferred tax assets have not been discounted.

Armagh City Hotel Limited

Notes to the financial statements For the year ended 29 July 2012

7. Tangible fixed assets

	Freehold land and buildings £	Plant, equipment and motor vehicles £	Hotel equipment and furniture £	Administra- tion and IT equipment £	Soft furnishings and original art £	Total £
Cost						
At 1 August 2011	7,258,607	3,179,801	1,372,108	505,966	313,139	12,629,621
Additions	-	-	35,136	4,813	-	39,949
Disposals	-	-	-	(10,224)	-	(10,224)
At 29 July 2012	<u>7,258,607</u>	<u>3,179,801</u>	<u>1,407,244</u>	<u>500,555</u>	<u>313,139</u>	<u>12,659,346</u>
Accumulated depreciation						
At 1 August 2011	1,299,270	3,141,414	1,319,101	459,312	308,582	6,527,679
Charge for the year	136,788	14,615	37,915	21,815	1,368	212,501
On disposals	-	-	-	(10,224)	-	(10,224)
At 29 July 2012	<u>1,436,058</u>	<u>3,156,029</u>	<u>1,357,016</u>	<u>470,903</u>	<u>309,950</u>	<u>6,729,956</u>
Net book value						
At 29 July 2012	<u>5,822,549</u>	<u>23,772</u>	<u>50,228</u>	<u>29,652</u>	<u>3,189</u>	<u>5,929,390</u>
At 31 July 2011	<u>5,959,337</u>	<u>38,387</u>	<u>53,007</u>	<u>46,654</u>	<u>4,557</u>	<u>6,101,942</u>

Included in land and buildings is freehold land at cost of £410,843 (2011: £410,843) which is not depreciated.

8. Stocks

	2012 £	2011 £
Consumables	<u>112,950</u>	<u>115,760</u>

9. Debtors

	2012 £	2011 £
Trade debtors	75,313	68,995
Amounts owed by related undertakings	4,933	7,343
Other debtors	28,605	93,256
Prepayments and accrued income	161,517	122,882
	<u>270,368</u>	<u>292,476</u>

Amounts owed by related undertakings are unsecured, interest free and recoverable on demand.

Armagh City Hotel Limited

**Notes to the financial statements
For the year ended 29 July 2012**

**10. Creditors:
Amounts falling due within one year**

	2012 £	2011 £
Bank loans and overdrafts	325,000	450,000
Other loans	-	20,416
Net obligations under finance leases and hire purchase contracts	-	211
Trade creditors	248,128	240,715
Amounts owed to related undertakings	-	71,461
Other taxation and social security	175,359	191,418
Other creditors	25,364	31,709
Accruals and deferred income	197,582	224,519
	<u>971,433</u>	<u>1,230,449</u>

**11. Creditors:
Amounts falling due after more than one year**

	2012 £	2011 £
Bank loans	950,000	1,150,000
Amounts owed to related undertakings	575,000	632,538
	<u>1,525,000</u>	<u>1,782,538</u>

The amounts owed to related undertakings disclosed as falling due after more than one year are unsecured and interest free. The directors are of the opinion that this debt will fall due after more than one year.

Included within the above are amounts falling due as follows:

	2012 £	2011 £
Between one and two years		
Bank loans	325,000	450,000
Between two and five years		
Bank loans	625,000	700,000
Over five years		
Amounts owed to related undertakings	575,000	632,538

The bank loan is repaid by an annual capital repayment of £325,000. Interest is charged at 1.75% per annum variable being 1.25% above the bank's base rate.

Creditors include amounts not wholly repayable within 5 years as follows:

	2012 £	2011 £
Repayable other than by instalments	575,000	632,538

Armagh City Hotel Limited

Notes to the financial statements For the year ended 29 July 2012

12. Deferred taxation

	2012 £	2011 £
At beginning and end of year	-	-

Deferred tax comprises:

	2012 £	2011 £
Accelerated capital allowances	-	-

Potential deferred taxation asset:

	2012 £	2011 £
Accelerated capital allowances and other timing differences	6,372	3,102
Losses	(143,122)	(231,391)
Total	(136,750)	(228,289)

The above asset has not been accounted for as in the opinion of the directors the timing of its recovery in the foreseeable future is not certain. (See note 6).

13. Accruals and deferred income

	Grants £
At 1 August 2011	1,841,692
Released to the profit and loss account	(46,292)
At 29 July 2012	1,795,400

14. Called up share capital

	2012 £	2011 £
Allotted, called up and fully paid		
1,154,775 ordinary A shares of £1 each	1,154,775	1,154,775
384,925 ordinary B shares of £1 each	384,925	384,925
Total	1,539,700	1,539,700

Armagh City Hotel Limited

**Notes to the financial statements
For the year ended 29 July 2012**

15. Reserves

	Share premium account £	Profit and loss account £
At 1 August 2011	1,013,302	(787,615)
Profit for the financial year		318,882
At 29 July 2012	<u>1,013,302</u>	<u>(468,733)</u>

16. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	1,765,387	1,329,585
Profit for the financial year	318,882	435,802
Closing shareholders' funds	<u>2,084,269</u>	<u>1,765,387</u>

17. Net cash flow from operating activities

	2012 £	2011 £
Operating profit	346,056	472,612
Depreciation of tangible fixed assets	212,501	254,781
Deferred capital grant release	(46,292)	(46,293)
Decrease/(increase) in stocks	2,810	(13,810)
Decrease/(increase) in debtors	22,108	(44,737)
Decrease in creditors	(170,927)	(72,079)
Net cash inflow from operating activities	<u>366,256</u>	<u>550,474</u>

18. Analysis of cash flows for headings netted in cash flow statement

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest paid	(27,132)	(37,612)
Hire purchase interest	(42)	(506)
Net cash outflow from returns on investments and servicing of finance	<u>(27,174)</u>	<u>(38,118)</u>

Notes to the financial statements
For the year ended 29 July 2012

18. Analysis of cash flows for headings netted in cash flow statement (continued)

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(39,949)	(28,316)
Government grants received	-	4,379
Net cash outflow from capital expenditure	(39,949)	(23,937)
	2012 £	2011 £
Financing		
Repayment of loans	(325,000)	(525,000)
Repayment of other loans	(20,416)	(35,000)
Repayment of finance leases	(211)	(2,530)
Net cash outflow from financing	(345,627)	(562,530)

19. Analysis of changes in net debt

	1 August 2011 £	Cash flow £	Other non-cash changes £	29 July 2012 £
Cash at bank and in hand	109,888	(46,494)	-	63,394
Debt:				
Debts due within one year	(470,627)	345,627	(200,000)	(325,000)
Debts falling due after more than one year	(1,150,000)	-	200,000	(950,000)
Net debt	(1,510,739)	299,133	-	(1,211,606)

20. Contingent liabilities

There is a contingent liability to repay government grants under the terms of the letter of offer if the company fails to achieve and maintain specified conditions. In the opinion of the directors the terms of the letter of offer have been complied with and no loss is expected.

Armagh City Hotel Limited

Notes to the financial statements For the year ended 29 July 2012

21. Ultimate controlling party and related party transactions

Each of the shareholders of the company holds an equal number of shares in the company, and therefore there is deemed to be no ultimate controlling party.

The company has identified the following transactions, which must be disclosed under the terms of Financial Reporting Standard 8 "Related Party Disclosures".

(a) Dunadry Development Company Limited, a shareholder in Armagh City Hotel Limited, traded with the company during the year under the same terms as those available to other customers in the ordinary course of business. During the year Dunadry Development Company Limited raised a management charge of £155,527 (2011: £173,924) to Armagh City Hotel Limited.

The amount due to Dunadry Development Company Limited at 29 July 2012 was £nil (2011: £13,923).

Dunadry Development Company Limited owns 25% of the issued share capital of Armagh City Hotel Limited. At 29 July 2012, the balance outstanding on a loan made by Dunadry Development Company Limited to the company was £nil (2011: £57,538).

(b) Friary Road Enterprises Limited, of which Kieran McAnallen, Ernest Fisher, Brian McCormack and Felix Mooney are directors, traded with Armagh City Hotel Limited under the same terms as those available to other customers in the ordinary course of business.

The amount due from Friary Road Enterprises Limited at 29 July 2012 was £4,933 (2011: £7,343).

Armagh City Hotel Limited has received loans of £575,000 from Friary Road Enterprises Limited during 2005 and 2006, which are unsecured and there are no agreed repayment terms. At 29 July 2012, the amount owed by Armagh City Hotel Limited was £575,000 (2011: £575,000).

(c) Ernest Fisher, a director of Armagh City Hotel Limited is also a director of Fisher Holdings (NI) Limited, which owns 25% of the issued share capital of Armagh City Hotel Limited. At 29 July 2012, the balance outstanding on a loan made by Fisher Holdings (NI) Limited to the company was £nil (2011: £57,538).

(d) Directors of the company, Kieran McAnallen, Brian McCormack and Ernest Fisher and shareholder, Dunadry Development Company Limited, have provided letters of undertaking to First Trust Bank.

(e) TYR-ARM Properties Limited of which Kieran McAnallen is a director, traded with Armagh City Hotel Limited under the same terms as those available to other customers in the ordinary course of business.

Total purchases from TYR-ARM Properties Limited amounted to £nil (2011: £8,200).

The amount due to TYR-ARM Properties Limited at 29 July 2012 was £nil (2011: £nil).