

REGISTERED NUMBER 03707886 (England and Wales)

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010
FOR
THE ARDEN HOTEL LIMITED**

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THE ARDEN HOTEL LIMITED

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FOR THE YEAR ENDED 30 JUNE 2010**

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THE ARDEN HOTEL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2010**

DIRECTORS

D J Gardner
S J M Gardner
A G Cheal
J E Gardner
Mrs R M Gardner
P L Bretherton

SECRETARY:

D J Gardner

REGISTERED OFFICE

Coventry Road
Bickenhill
Solihull
West Midlands
B92 0EH

REGISTERED NUMBER:

03707886 (England and Wales)

AUDITORS:

Williams, Anderson & Dudley
Registered Auditors
359 Yardley Road
Yardley
Birmingham
West Midlands
B25 8NB

BANKERS:

Barclays Bank Plc
One Snowhill
Snow Hill Queensway
Birmingham
West Midlands
B4 6GN

SOLICITORS:

Hammonds LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR

THE ARDEN HOTEL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2010

The directors present their report with the accounts of the company for the year ended 30 June 2010

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of a hotel, restaurant and leisure club

REVIEW OF BUSINESS

Sales of £3,972,171 were achieved during the year, a 1.3% increase on the previous year, which given the economic climate in which we operate, is a positive result. We hope this trend will continue in the forthcoming year with further forecasted economic growth. However, as mentioned in previous years, it is difficult to forecast week on week, let alone year on year. Our gross margin was consistent with the previous year and overheads have been further managed increasing profitability. General overheads decreased by 3.9% on the previous year.

Due to a significant decrease in interest rates, our finance costs decreased by 44.6% again increasing net profitability.

Our most significant cost continued, as in previous years, to be wages, the cost of which remained consistent with the prior year.

DIVIDENDS

An interim dividend of £4.18 per share was paid on 5 April 2010. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2010 will be £125,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2009 to the date of this report.

D J Gardner
S J M Gardner
A G Cheal
J E Gardner
Mrs R M Gardner
P L Bretherton

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

THE ARDEN HOTEL LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2010**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Williams, Anderson & Dudley, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



D J Gardner - Director

30 December 2010

**REPORT OF THE INDEPENDENT AUDITORS TO
THE ARDEN HOTEL LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to sixteen, together with the full financial statements of The Arden Hotel Limited for the year ended 30 June 2010 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 auditors' 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 directors and auditors

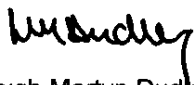
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated 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.



Leigh Martyn Dudley FCCA (Senior Statutory Auditor)
for and on behalf of Williams, Anderson & Dudley
Registered Auditors
359 Yardley Road
Yardley
Birmingham
West Midlands
B25 8NB

30 December 2010

THE ARDEN HOTEL LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	30 6 10 £	30 6 09 £
TURNOVER		3,972,171	3,922,636
Cost of sales		(583,866)	(547,398)
		<u>3,388,305</u>	<u>3,375,238</u>
Administrative expenses		2,777,139	2,887,163
OPERATING PROFIT	3	611,166	488,075
Interest receivable and similar income		16	149
		<u>611,182</u>	<u>488,224</u>
Interest payable and similar charges	4	106,968	201,041
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		504,214	287,183
Tax on profit on ordinary activities	5	124,236	73,159
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>379,978</u>	<u>214,024</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

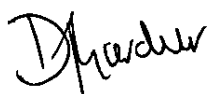
THE ARDEN HOTEL LIMITED

**ABBREVIATED BALANCE SHEET
30 JUNE 2010**

	Notes	30 6 10		30 6 09	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		8,768,094		9,105,904
Investments	8		50,000		50,000
			<u>8,818,094</u>		<u>9,155,904</u>
CURRENT ASSETS					
Stocks	9	31,618		26,523	
Debtors	10	227,961		173,219	
Cash at bank and in hand		10,493		15,045	
		<u>270,072</u>		<u>214,787</u>	
CREDITORS					
Amounts falling due within one year	11	1,095,797		1,140,966	
NET CURRENT LIABILITIES			<u>(825,725)</u>		<u>(926,179)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,992,369		8,229,725
CREDITORS					
Amounts falling due after more than one year	12		(3,599,680)		(4,033,014)
PROVISIONS FOR LIABILITIES	15		<u>(142,000)</u>		<u>(201,000)</u>
NET ASSETS			<u>4,250,689</u>		<u>3,995,711</u>
CAPITAL AND RESERVES					
Called up share capital	16		29,900		29,900
Profit and loss account	17		4,220,789		3,965,811
SHAREHOLDERS' FUNDS	20		<u>4,250,689</u>		<u>3,995,711</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 30 December 2010 and were signed on its behalf by



D J Gardner - Director

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	30 6 10 £	£	30 6 09 £	£
Net cash inflow from operating activities	1		862,379		742,011
Returns on investments and servicing of finance	2		(116,773)		(229,006)
Taxation			(103,159)		(132,588)
Capital expenditure	2		(11,235)		(19,809)
Equity dividends paid			(125,000)		-
			506,212		360,608
Financing	2		(433,334)		(433,333)
Increase/(Decrease) in cash in the period			<u>72,878</u>		<u>(72,725)</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		72,878		(72,725)	
Cash outflow from decrease in debt		<u>433,334</u>		<u>433,333</u>	
Change in net debt resulting from cash flows			<u>506,212</u>		<u>360,608</u>
Movement in net debt in the period			<u>506,212</u>		<u>360,608</u>
Net debt at 1 July			<u>(4,528,732)</u>		<u>(4,889,340)</u>
Net debt at 30 June			<u><u>(4,022,520)</u></u>		<u><u>(4,528,732)</u></u>

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30 6 10 £	30 6 09 £
Operating profit	611,166	488,075
Depreciation charges	349,045	370,327
Increase in stocks	(5,095)	(4,655)
(Increase)/Decrease in debtors	(54,742)	56,349
Decrease in creditors	(37,995)	(168,085)
Net cash inflow from operating activities	862,379	742,011

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30 6 10 £	30 6 09 £
Returns on investments and servicing of finance		
Interest received	16	149
Interest paid	(116,789)	(229,155)
Net cash outflow for returns on investments and servicing of finance	(116,773)	(229,006)
Capital expenditure		
Purchase of tangible fixed assets	(11,235)	(19,809)
Net cash outflow for capital expenditure	(11,235)	(19,809)
Financing		
Loan repayments in year	(433,334)	(433,333)
Net cash outflow from financing	(433,334)	(433,333)

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 7 09 £	Cash flow £	At 30 6 10 £
Net cash			
Cash at bank and in hand	15,045	(4,552)	10,493
Bank overdraft	(77,430)	77,430	-
	<u>(62,385)</u>	<u>72,878</u>	<u>10,493</u>
Debt			
Debts falling due within one year	(433,333)	-	(433,333)
Debts falling due after one year	(4,033,014)	433,334	(3,599,680)
	<u>(4,466,347)</u>	<u>433,334</u>	<u>(4,033,013)</u>
Total	<u>(4,528,732)</u>	<u>506,212</u>	<u>(4,022,520)</u>

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 5% on cost and 2% on cost
Fixtures, fittings, plant and equipment	- 25% on cost and 15% on reducing balance
Computer equipment	- 25% on cost

No depreciation is provided on the land element of freehold property

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value

2 STAFF COSTS

	30 6 10 £	30 6 09 £
Wages and salaries	1,302,429	1,306,733
Social security costs	86,575	87,742
	<u>1,389,004</u>	<u>1,394,475</u>

The average monthly number of employees during the year was as follows

	30 6 10	30 6 09
Management and administration staff	3	3
Restaurant and hotel staff	112	121
	<u>115</u>	<u>124</u>

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2010**

3 OPERATING PROFIT

The operating profit is stated after charging

	30 6 10	30 6 09
	£	£
Equipment rental	63,578	60,714
Depreciation - owned assets	349,045	370,327
Other operating leases	10,000	10,000
Auditors' remuneration	5,200	5,200
	<u> </u>	<u> </u>
Directors' remuneration	150,000	150,000
	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 6 10	30 6 09
	£	£
Bank interest	92,794	115,524
Loan note interest	14,174	85,517
	<u> </u>	<u> </u>
	106,968	201,041
	<u> </u>	<u> </u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	30 6 10	30 6 09
	£	£
Current tax		
UK corporation tax	183,236	103,159
Deferred tax	(59,000)	(30,000)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	124,236	73,159
	<u> </u>	<u> </u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	30 6 10	30 6 09
	£	£
Profit on ordinary activities before tax	504,214	287,183
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	141,180	80,411
Effects of		
Expenses not deductible for tax purposes	-	14
Excess of depreciation over capital allowances	55,983	41,372
Marginal tax relief	(13,927)	(18,638)
	<u> </u>	<u> </u>
Current tax charge	183,236	103,159
	<u> </u>	<u> </u>

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2010**

5 TAXATION - continued

Factors that may affect future tax charges

Due to the phased removal of Industrial Buildings allowances, future tax charges are expected to increase until the year ended 30 June 2012, when the effect will stabilise as the phasing out will be complete

No deferred taxation has been provided in respect of any future capital gain on the company's freehold property as it is not anticipated that the property will be disposed of within the foreseeable future

6 DIVIDENDS

	30 6 10 £	30 6 09 £
Ordinary shares of £1 each		
Interim dividends	<u>125,000</u>	<u>-</u>

7 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings, plant and equipment £	Computer equipment £	Totals £
COST				
At 1 July 2009	10,793,303	2,321,293	98,591	13,213,187
Additions	-	11,235	-	11,235
At 30 June 2010	<u>10,793,303</u>	<u>2,332,528</u>	<u>98,591</u>	<u>13,224,422</u>
DEPRECIATION				
At 1 July 2009	2,236,229	1,773,988	97,066	4,107,283
Charge for year	230,866	117,671	508	349,045
At 30 June 2010	<u>2,467,095</u>	<u>1,891,659</u>	<u>97,574</u>	<u>4,456,328</u>
NET BOOK VALUE				
At 30 June 2010	<u>8,326,208</u>	<u>440,869</u>	<u>1,017</u>	<u>8,768,094</u>
At 30 June 2009	<u>8,557,074</u>	<u>547,305</u>	<u>1,525</u>	<u>9,105,904</u>

Included in cost of land and buildings is freehold land of £1,500,000 (2009 - £1,500,000) which is not depreciated

THE ARDEN HOTEL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2010

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2009 and 30 June 2010	50,000
NET BOOK VALUE	
At 30 June 2010	50,000
At 30 June 2009	50,000

The company's investments at the balance sheet date in the share capital of companies include the following

Arden Restaurant & Hotel Limited

Nature of business Dormant

	% holding	30 6 10	30 6 09
Class of shares			
Ordinary	79 55	£	£
Aggregate capital and reserves		50,000	50,000

Kelube Limited

Nature of business Dormant

	% holding	30 6 10	30 6 09
Class of shares			
Ordinary	100 00	£	£
Aggregate capital and reserves		1,000	1,000

9 STOCKS

	30 6 10	30 6 09
	£	£
Stocks	31,618	26,523

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 6 10	30 6 09
	£	£
Trade debtors	216,111	162,319
Prepayments and accrued income	11,850	10,900
	227,961	173,219

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2010**

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 6 10	30 6 09
	£	£
Bank loans and overdrafts (see note 13)	433,333	510,763
Trade creditors	139,637	125,787
Amounts owed to group undertakings	50,000	50,000
Tax	183,236	103,159
Social security and other taxes	147,136	112,334
Other creditors	-	125,000
Accruals and deferred income	142,455	113,923
	<u>1,095,797</u>	<u>1,140,966</u>

12 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 6 10	30 6 09
	£	£
Bank loans (see note 13)	1,700,000	2,133,334
Other loans (see note 13)	1,899,680	1,899,680
	<u>3,599,680</u>	<u>4,033,014</u>

13 LOANS

An analysis of the maturity of loans is given below

	30 6 10	30 6 09
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	77,430
Bank loans	433,333	433,333
	<u>433,333</u>	<u>510,763</u>
Amounts falling due between one and two years		
Bank loans	433,333	433,333
	<u>433,333</u>	<u>433,333</u>
Amounts falling due between two and five years		
Bank loans	1,266,667	1,299,999
Other loans	1,899,680	1,899,680
	<u>3,166,347</u>	<u>3,199,679</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	-	400,002
	<u>-</u>	<u>400,002</u>

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2010**

13 LOANS - continued

Bank loans are repayable by quarterly instalments. Interest on the bank loans is chargeable at 1.15% over Barclays base rate.

The loan notes are repayable by 2014. Interest is charged at Libor rate.

14 SECURED DEBTS

The following secured debts are included within creditors:

	30.6.10 £	30.6.09 £
Bank overdraft	-	77,430
Bank loans	2,133,333	2,566,667
	<u>2,133,333</u>	<u>2,644,097</u>

The bank loans and overdrafts are secured by a charge over Arden Hotel & Restaurant, Coventry Road, Bickenhill, Solihull dated 13 September 1999 and also by a cross guarantee and debenture between Arden Restaurant & Hotel Limited and The Arden Hotel Limited dated 4 March 1999.

15 PROVISIONS FOR LIABILITIES

	30.6.10 £	30.6.09 £
Deferred tax	<u>142,000</u>	<u>201,000</u>
		Deferred tax £
Balance at 1 July 2009		201,000
Credited to profit and loss account		(59,000)
Balance at 30 June 2010		<u>142,000</u>

The provision for deferred taxation has not been discounted as it is the directors' belief that it will have no material impact upon the financial statements.

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	30.6.10 £	30.6.09 £
29,900	Ordinary		<u>29,900</u>	<u>29,900</u>

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2010**

17 RESERVES

	Profit and loss account £
At 1 July 2009	3,965,811
Profit for the year	379,978
Dividends	(125,000)
At 30 June 2010	<u>4,220,789</u>

18 OTHER FINANCIAL COMMITMENTS

At 30 June 2010, the company had annual commitments under non-cancellable operating leases as detailed below

	2010 Land and Buildings £	2009 Land and Buildings £
Operating leases which expire		
Within two to five years	<u>10,000</u>	<u>10,000</u>

19 RELATED PARTY DISCLOSURES

The loan notes included within creditors are unsecured and are owned by J E Gardner and Mrs R M Gardner (£899,840) and P L Bretherton (£999,840). During the year ended 30 June 2010 the company paid interest on these loan notes amounting to £6,714 (2009 £40,508) to J E and Mrs R M Gardner and £7,460 (2009 £45,009) to P L Bretherton.

Also, during the year, the company was charged rent of £10,000 (2009 £10,000) for the use of certain land owned by J E Gardner, P L Bretherton, S J M Gardner, A G Cheal and D J Gardner. Prior to January 2009, this land was owned by J E Gardner and P L Bretherton only.

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 6 10 £	30 6 09 £
Profit for the financial year	379,978	214,024
Dividends	(125,000)	-
Net addition to shareholders' funds	<u>254,978</u>	<u>214,024</u>
Opening shareholders' funds	3,995,711	3,781,687
Closing shareholders' funds	<u>4,250,689</u>	<u>3,995,711</u>