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REGISTERED NUMBER: SC267043

Report of the Directors and

Financial Statements for the Year Ended 30 September 2011

for

Airth Castle Limited

Contents of the Financial Statements
for the Year Ended 30 September 2011

Airth Castle Limited

Company Information
for the Year Ended 30 September 2011

DIRECTORS:	F Colombetti R Granello S McLeod
SECRETARY:	Lincoln Secretaries Limited
REGISTERED OFFICE:	Airth Castle Hotel Airth Stirlingshire FK2 8JF
REGISTERED NUMBER:	SC267043
AUDITORS:	Baker Tilly UK Audit LLP Breckenridge House 274 Sauchiehall Street Glasgow G2 3EH
ACCOUNTANTS:	Ogilvie & Company 25 Rutland Square Edinburgh EH1 2BW

Airth Castle Limited (Registered number: SC267043)

Report of the Directors
for the Year Ended 30 September 2011

Thè directors present their report with the financial statements of the company for the year ended 30 September 2011.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of providing hotel, conference and leisure facilities.

REVIEW OF BUSINESS
Annual Report from the Chief Executive 2011
The financial results for the 52 weeks ended 30th September 2011 are contained in the profit and loss account on page 7 of the attached accounts. Turnover for the year was €5,792,328.

We are very proud of our achievements over the past 7 years, and we feel that we are have prepared ourselves for the continued challenging future in which we operate. Our business has continued to demonstrate strong sustainable revenue figures and remains cash generative over the past 7 years and indications are that this will continue and improve.

This trading performance and outstanding business management has been achieved through the inspiring and entrepreneurial approach of the company's Chief Executive Steven McLeod, who is unquestionably one of Scotland's most dynamic hoteliers, and his very valued team of people.

In the forthcoming year it is anticipated that the company will again accelerate its position, however, whilst appreciating some of the challenges that the Scottish Hotel sector is experiencing.

Financial Risk
The company's principal financial instruments comprise of cash in the bank and its long term bank loan only. The company does not feel the need to work with overdraft facilities and prefers to manage its cash flow without such additional support at the moment. Other financial assets and liabilities, such as trade debtors and trade creditors arise directly from the company's operating activities.

Following the year end, the company has, with its financial partner Banca Veneto, arranged new long term banking facilities, which shall enable and assist in the continued success and development of our very proactive business.

The company is exposed to the usual credit risk and cash flow movement involved with selling on credit and we manage this through our internal standards policy on Credit. The company aims to minimise Credit risk by maintaining strong relationships with our key customers, also constant monitoring to ensure that credit terms are granted only to customers who demonstrate an appropriate payment history and satisfy our internal standards policy on credit check parameters and procedures.

The policy is to finance the on-going working capital through its retained earnings and finance fixed assets through a combination of long term borrowing and through the retained earnings of the company.

Interest Rate Risk
The business has borrowings on the long term mortgage in Euro's with its partner bank Banca Veneto.
The company enjoys a very good long term relationship with its principal banking partner and will manage interest rate risk by fixing the interest payable on long term loans where management consider appropriate.

Exchange Rate Risk
The business term loan is funded in Euro's currently. As it is a long term facility, the short term volatility of the exchange rate is not considered to create a significant risk to the business. This situation will be monitored very closely by the directors of the company and of course it's principal funding partner Banca Veneto.

Liquidity Risk
The company aims to mitigate liquidity risk by forecasting requirements and managing cash generated by its on-going operations. The company aims to maintain a balance between continuity of funding and flexibility through effective use of its bank loan. The business currently has no overdraft facilities, however we shall monitor operations moving forward and should we require this facility we shall review this at the time. All capital expenditure is planned and only carried out when the on-going successful performance of the company dictates this.

Report of the Directors
for the Year Ended 30 September 2011

Economic Recession
The business continues to operate in an industry that is impacted by customer spending levels. It is forecasted that the economy shall continue to experience very challenging times in the immediate future.
It is very important that we continue to keep our eyes wide open and capitalise on our core Values and Integrity and to realise the importance of our very dynamic business maintain our activity in the market place to secure our long term position as a premier select hotel venue.

Constantly aiming to "raise the bar" on every opportunity and deliver quality and excellence consistently should secure position in the future, however the rising cost of consumables is very concerning with prices of raw materials rising to wholly unacceptable levels.
Food, Beverage, Electricity, Gas, Wage Costs as well as general day to day supplies have elevated to price levels which we have never experienced before.

Changes to Government Regulations
The continuous, frustrating and in most cases inappropriate changes to legislation by government rules cost the business substantially each year. We must monitor and manage these changes to the best of our ability and control to ensure that the future continues to be seamless. Challenges like on-going increase to the Minimum Wage structure and the propositions for "bed tax" are challenging for the business but we remain confident that we can manage these changes.

Disaster / Disruption
We appreciate disaster planning within the business and are currently producing a detailed disaster and crisis manual through the business. This highlights most if not all potential disasters that could happen to the business and a description of how this could be controlled or managed with minimum disruption to the business.

Competitive Risk
The company continues to operate in very competitive times with on-going product development, new build hotels and overall substantial local investment in our competitive set and local area; this will without doubt over time possibly have a competitor effect at some point on our business trading.

Our focus on High Standards and unparalleled quality remain top of our agenda and one of our key values which I strongly believe set the distance between us and our current competitors.
It is also critical that we capitalise on the diversity of our operations and continue with our planned investment programme to underpin our commitment in business.

We have invested within the year on improvements within the business which have without doubt helped us maintain our competitive advantage and deliver outstanding returns. We will continue to do adopt this strategy moving forward.

Our People
We clearly understand that our biggest asset within the business is our people. We will continue to invest in training and development programmes and continue to underpin our investment in our people. The company places considerable value on the involvement of all its employees and always keeps them informed on matters affecting them.

Employees are consulted regularly on a wide spectrum of matters and policies affecting them including their future interests, also financial and economic factors affecting the performance of the company. This is communicated through a series of planned meetings on a regular basis.

The company will always treat its employees fairly.

Disabled Employees
The company always gives full consideration to applications for employment from disabled persons where a handicapped or disabled person can handle the requirements for the job.
Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under the normal terms and conditions and to provide training, career development and promotion where appropriate

Report of the Directors
for the Year Ended 30 September 2011

Sales & Marketing
A considerable focus has been placed upon the sales and marketing of the business, with additional people being employed within the business to protect our current business levels and indeed maintaining existing key customer relationships. New markets are being tapped into with the view to winning new business on every occasion. The business has a very entrepreneurial sales approach coupled with an element of flexibility and a very robust sales plan to take it forward; however the central belt in Scotland is now becoming very rate driven with prices being reduced and profit margins being squeezed to much lower levels than what we have.

Environment
New methods of achieving greater environmental effectiveness are being investigated. We have recently appointed advisors to assist us with the on-going challenges that face the business in the forthcoming year. We have a duty to ourselves to manage the on-going rise of environmental challenges and energy costs.

Competitive Advantage
The competitive edge in the coming decades will be held by us as we continue to tap into our sources of inspiration, creativity and vitality.

The company prides itself in exceeding customer expectations always and is dedicated to setting new inspiring standards within the hotel industry. We focus constantly on areas which deliver for us a competitive advantage in the Four Star Hotel market.
Our people, Quality and a perception of being good value are paramount in maintaining our strong position within the market place.

Development
We will work with our funding partner Banca Veneto and strategically plan our development programme in line with the business successes and strength. Capitalising on our potential development areas within the business also the long term vision and strategies of Steven McLeod, this will without any doubt guarantee our strong position in the market place moving forward. The development pan of the business will continue over the forthcoming years.

IT Systems
We appreciate the importance of having a sustainable and very intelligent IT system to assist us with the managing of the business. We have again invested in IT and have replaced all computers and installed a new advanced server within the business, and have a continued planned investment to replace our current Micros system.

Internal Control Systems & Policy Procedures
The business appreciates the requirement for internal control procedures for all areas especially areas with financial responsibility. We have in place an on-going library of standards manuals for control procedures and these are trained in to the business and are policed via checks and internal audit procedures.
The manuals give clear instruction to policy and mention in many areas "Zero Tolerance" with the guidelines in the manuals being applied as a given and general instruction to be followed.

We also use external audit facilities for the management of our Liquor and Spa stocks within the business.

Steven McLeod
Chief Executive
Airth Castle Limited

DIVIDENDS
No dividends will be distributed for the year ended 30 September 2011.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 October 2010 to the date of this report.

F Colombetti
R Granello
S McLeod

Report of the Directors
for the Year Ended 30 September 2011

POLITICAL AND CHARITABLE CONTRIBUTIONS
During the year charitable donations were made to the following:

Cash for Kids	€7,715
Enable	€1,727

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 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Baker Tilly UK Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

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F Colombetti - Director

Date: 27/09/12

Report of the Independent Auditors to the Members of Airth Castle Limited

We have audited the financial statements of Airth Castle Limited for the year ended 30 September 2011 on pages seven to eighteen. 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 members, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 30 September 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

Alan John Aitchison (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

Date: 28\09\12

Airth Castle Limited (Registered number: SC267043)

Profit and Loss Account
for the Year Ended 30 September 2011

	Notes	2011 €	2010 €
TURNOVER		5,792,328	6,383,586
Cost of sales		3,065,426	3,169,714
GROSS PROFIT		2,726,902	3,213,872
Administrative expenses		2,645,475	2,773,554
		81,427	440,318
Other operating income		2,812	5,915
OPERATING PROFIT	3	84,239	446,233
Interest receivable and similar income		99	138
		84,338	446,371
Interest payable and similar charges	4	414,130	372,694
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(329,792)	73,677
Tax on (loss)/profit on ordinary activities	5	(145,500)	109,500
LOSS FOR THE FINANCIAL YEAR		(184,292)	(35,823)

CONTINUING OPERATIONS
The operating profit for the year, and the previous period, arises from the company's continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the losses for the current year or previous year.

The notes form part of these financial statements

Airth Castle Limited (Registered number: SC267043)

Balance Sheet
30 September 2011

	Notes	2011 €	2011 €	2010 €	2010 €
FIXED ASSETS					
Intangible assets	6		2,742,197		2,970,760
Tangible assets	7		9,725,988		9,945,817
			12,468,185		12,916,577
CURRENT ASSETS					
Stocks	8	83,518		55,274	
Debtors	9	1,260,766		866,531	
Cash at bank and in hand		328,719		129,682	
		1,673,003		1,051,487	
CREDITORS					
Amounts falling due within one year	10	1,252,439		1,149,101	
NET CURRENT ASSETS/(LIABILITIES)			420,564		(97,614)
TOTAL ASSETS LESS CURRENT LIABILITIES			12,888,749		12,818,963
CREDITORS					
Amounts falling due after more than one year	11		(13,017,721)		(12,618,143)
PROVISIONS FOR LIABILITIES	15		-		(145,500)
NET (LIABILITIES)/ASSETS			(128,972)		55,320
CAPITAL AND RESERVES					
Called up share capital	16		176,952		176,952
Profit and loss account	17		(305,924)		(121,632)
SHAREHOLDERS' FUNDS	19		(128,972)		55,320

The financial statements were approved & authorised for issue by the Board of Directors on ....27/09/12.......... and were signed on its behalf by:

....

F Colombetti - Director

The notes form part of these financial statements

Airth Castle Limited (Registered number: SC267043)

Cash Flow Statement
for the Year Ended 30 September 2011

	Notes	2011 €	2011 €	2010 €	2010 €
Net cash inflow from operating activities	1		503,078		800,723
Returns on investments and servicing of finance	2		(3,183)		(372,556)
Capital expenditure	2		(276,751)		(483,131)
			223,144		(54,964)
Financing	2		(24,107)		(20,097)
Increase/(decrease) in cash in the period			199,037		(75,061)

	Notes	2011 €	2011 €	2010 €	2010 €
Reconciliation of net cash flow to movement in net debt	3				
Increase/(decrease) in cash in the period		199,037		(75,061)	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(386,741)		20,098	
Change in net debt resulting from cash flows			(187,704)		(54,963)
Movement in net debt in the period			(187,704)		(54,963)
Net debt at 1 October			(12,512,365)		(12,457,402)
Net debt at 30 September			(12,700,069)		(12,512,365)

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2011

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

	2011	2010
	€	€
Operating profit	84,239	446,233
Depreciation charges	727,095	735,027
(Profit)/loss on disposal of fixed assets	(1,952)	9,632
Increase in stocks	(28,244)	(2,135)
Increase in debtors	(394,235)	(371,730)
Increase/(decrease) in creditors	116,175	(16,304)
Net cash inflow from operating activities	503,078	800,723

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

	2011	2010
	€	€
Returns on investments and servicing of finance		
Interest received	99	138
Interest paid	-	(520,226)
Interest element of hire purchase payments	(3,930)	(3,094)
Finance costs	648	150,626
Net cash outflow for returns on investments and servicing of finance	(3,183)	(372,556)
Capital expenditure		
Purchase of tangible fixed assets	(279,809)	(496,267)
Sale of tangible fixed assets	3,058	13,136
Net cash outflow for capital expenditure	(276,751)	(483,131)
Financing		
Overdraft advanced in year	-	(232)
Capital repayments on HP in year	(24,107)	(19,865)
Net cash outflow from financing	(24,107)	(20,097)

Airth Castle Limited (Registered number: SC267043)

Notes to the Cash Flow Statement
for the Year Ended 30 September 2011

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.10	Cash flow	At 30.9.11
	€	€	€
Net cash:			
Cash at bank and in hand	129,682	199,037	328,719
	129,682	199,037	328,719
Debt:			
Hire purchase	(42,672)	24,107	(18,565)
Debts falling due after one year	(12,599,375)	(410,848)	(13,010,223)
	(12,642,047)	(386,741)	(13,028,788)
Total	(12,512,365)	(187,704)	(12,700,069)

The notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 30 September 2011

1. ACCOUNTING POLICIES

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

Going concern
The Directors have reviewed trading forecasts for the next 12 months, their capital development programme and their banking arrangements. The bank funding is through a long term loan provided until 2024, secured over the shares of the company, and is repayable on an interest only basis until March 2012. Whilst there is an ongoing cyclical refurbishment programme, in keeping with the high quality facilities offered by the Company, further major capital developments can be timed at the discretion of the Directors based on the availability of funds. Following the year end, a new additional long term loan facility has been agreed, supporting the ongoing capital plan. The most recent forecasts show continued stable trading within the business and, as such, the Directors have assured that the Company is able to continue to meet its' obligations as they fall due out of current available facilities. On this basis, the Directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

Turnover
Turnover represents net invoiced sales of services, excluding value added tax.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2005, is being amortised evenly over its estimated useful life of twenty years.

The Directors have taken the decision to increase the estimated useful life of goodwill from 15 years to 20 years during the year. The amortisation charge for the year reflects the revised useful life, with the brought forward cumulative total of amortisation remaining at the previous rate. No prior year adjustment has been made.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and Fittings - 12% on cost
Motor vehicles - 25% on cost
Computer equipment - 25% on cost

The Directors have taken the decision in the year to write off Fixtures & Fittings at 12% on cost. Up to 30 September 2009 the rate was 15% on cost. The Directors believe that this more accurately reflects the economic life of the assets. No prior year adjustment has been made and the brought forward cumulative depreciation remains at the previous rate.

No depreciation is provided on freehold property as, in the opinion of the directors, the length of its estimated useful life and estimated residual value of the property is such that depreciation would not be material. Costs of repairs and maintenance are charged against revenue as incurred.

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. Deferred tax is not discounted.

continued...

1. ACCOUNTING POLICIES - continued

Foreign currencies
The directors believe that from 1 October 2006, the functional currency of the company is the Euro. Transactions denominated in foreign currencies are translated into the functional currency. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. The euro/sterling exchange rate at year end was €1 = £0.8608.

The opening balances in the balance sheet have been translated at the historic rate. The difference arising from the translation of the opening balances are taken direct to reserves.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

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.

Management of Liquid Resources
Cash and cash equivalent comprise in hand and on deposit and are subject to an insignificant risk of change in value.

2. STAFF COSTS

	2011	2010
	€	€
Wages and salaries	2,115,617	2,211,027
Social security costs	158,342	172,763
Other pension costs	42,249	42,247
	2,316,208	2,426,037

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

	2011	2010
Hotel and leisure club	107	116

continued...

3. OPERATING PROFIT

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

	2011	2010
	€	€
Depreciation - owned assets	477,038	484,971
Depreciation - assets on hire purchase contracts	21,494	21,494
(Profit)/loss on disposal of fixed assets	(1,952)	9,632
Goodwill amortisation	228,563	228,563
Auditors' remuneration	10,364	10,363

	2011	2010
Directors' remuneration	124,362	124,878
Directors' pension contributions to money purchase schemes	42,249	42,247

The number of directors to whom retirement benefits were accruing was as follows:

	2011	2010
Money purchase schemes	1	1

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	€	€
Mortgage - BPI	410,826	520,226
Hire purchase	3,952	3,094
(Gain)/Loss foreign exchange	(648)	(150,626)
	414,130	372,694

5. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2011	2010
	€	€
Deferred tax	(145,500)	109,500
Tax on (loss)/profit on ordinary activities	(145,500)	109,500

Factors that may affect future tax charges

There are net tax losses available for relief against future trading profits that give rise to an unprovided deferred tax asset of €343,000.

continued...

6. INTANGIBLE FIXED ASSETS

	Goodwill €
COST	
At 1 October 2010	
and 30 September 2011	4,571,260
AMORTISATION	
At 1 October 2010	1,600,500
Amortisation for year	228,563
At 30 September 2011	1,829,063
NET BOOK VALUE	
At 30 September 2011	2,742,197
At 30 September 2010	2,970,760

7. TANGIBLE FIXED ASSETS

	Freehold property €	Fixtures and fittings €	Motor vehicles €	Computer equipment €	Totals €
COST					
At 1 October 2010	8,364,014	3,603,813	55,520	155,175	12,178,522
Additions	57,944	181,032	-	40,833	279,809
Disposals	-	(7,366)	(20,305)	-	(27,671)
At 30 September 2011	8,421,958	3,777,479	35,215	196,008	12,430,660
DEPRECIATION					
At 1 October 2010	-	2,142,041	28,922	61,742	2,232,705
Charge for year	-	444,410	12,738	41,384	498,532
Eliminated on disposal	-	(6,260)	(20,305)	-	(26,565)
At 30 September 2011	-	2,580,191	21,355	103,126	2,704,672
NET BOOK VALUE					
At 30 September 2011	8,421,958	1,197,288	13,860	92,882	9,725,988
At 30 September 2010	8,364,014	1,461,772	26,598	93,433	9,945,817

continued...

7. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles €	Computer equipment €	Totals €
COST			
At 1 October 2010			
and 30 September 2011	24,636	61,341	85,977
DEPRECIATION			
At 1 October 2010	8,725	27,909	36,634
Charge for year	6,159	15,335	21,494
At 30 September 2011	14,884	43,244	58,128
NET BOOK VALUE			
At 30 September 2011	9,752	18,097	27,849
At 30 September 2010	15,911	33,432	49,343

8. STOCKS

	2011 €	2010 €
Stocks	83,518	55,274

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 €	2010 €
Trade debtors	262,780	213,024
Other debtors	77,152	43,840
Prepayments and accrued income	920,834	609,667
	1,260,766	866,531

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 €	2010 €
Hire purchase contracts (see note 13)	11,067	23,904
Trade creditors	437,584	322,451
Social security and other taxes	46,628	49,132
VAT	257,508	275,588
Other creditors	50,790	32,698
Accrued expenses	44,258	86,945
Advance Gym membership	10,904	6,788
Deposit Ledger	393,700	351,595
	1,252,439	1,149,101

continued...

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	€	€
Bank loans (see note 12)	13,010,223	12,599,375
Hire purchase contracts (see note 13)	7,498	18,768
	13,017,721	12,618,143

12. LOANS

An analysis of the maturity of loans is given below:

	2011	2010
	€	€
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	2,600,000
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	13,010,223	9,999,375

Bank loans are repayable at rates of interest of 3.148% in the year to September 2011. Interest only repayments are made until March 2012.

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2011	2010
	€	€
Net obligations repayable:		
Within one year	11,067	23,904
Between one and five years	7,498	18,768
	18,565	42,672

14. SECURED DEBTS

The following secured debts are included within creditors:

	2011	2010
	€	€
Bank loans	13,010,223	12,599,375

The mortgage has been taken out from Banca Veneto, a bank registered in Italy. The security is the shares in the company which were pledged to the bank by Filippo Colombetti, one of the directors and shareholder.

15. PROVISIONS FOR LIABILITIES

	2011	2010
	€	€
Deferred tax	-	145,500

continued...

15. PROVISIONS FOR LIABILITIES - continued

	Deferred tax €
Balance at 1 October 2010	145,500
Accelerated capital allowances	(145,500)
Balance at 30 September 2011	-

Deferred tax represents advance capital allowances, offset by trading losses.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2011 €	2010 €
120,000	Ordinary Shares	£1	176,952	176,952

17. RESERVES

	Profit and loss account €
At 1 October 2010	(121,632)
Deficit for the year	(184,292)
At 30 September 2011	(305,924)

18. ULTIMATE CONTROLLING PARTY

Dr Filippo Colombetti, who owns all the shares in the company and is a director, controls the company.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 €	2010 €
Loss for the financial year	(184,292)	(35,823)
Net reduction of shareholders' funds	(184,292)	(35,823)
Opening shareholders' funds	55,320	91,143
Closing shareholders' funds	(128,972)	55,320