

Registered number: 02460827

## **DONNINGTON VALLEY GROUP LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**



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## **DONNINGTON VALLEY GROUP LIMITED**

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### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	Malcolm Morris Margaret Morris Andrew McKenzie Peter Gubb
<b>COMPANY SECRETARY</b>	Margaret Morris
<b>COMPANY NUMBER</b>	02460827
<b>REGISTERED OFFICE</b>	12 Sheet Street Windsor Berkshire SL4 1BG
<b>AUDITORS</b>	Felton Pumphrey Chartered Accountants & Statutory Auditors 12 Sheet Street Windsor Berkshire SL4 1BG
<b>BANKERS</b>	HSBC Bank Plc 28 High Street Uxbridge Middlesex UB8 1BY
<b>SOLICITORS</b>	Thomas Eggar Newbury House 20 King's Road West Newbury Berkshire RG14 5XR

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**DONNINGTON VALLEY GROUP LIMITED**

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## **DONNINGTON VALLEY GROUP LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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The Directors present their report and the financial statements for the year ended 31 December 2010

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company during the year continued to be that of running a hotel and golf club.

#### **BUSINESS REVIEW**

The company is a four star luxury Hotel, Spa and Golf Club. The hotel targets both the business and the leisure traveller and received the accolade of being awarded the title of AA Hotel of the Year for 2008.

Despite continued difficult trading conditions, the Directors are pleased to note that the Company has increased revenue by 2.7% on 2009 and continued to decrease administrative expenses (by 3.7% on 2009), resulting in a substantially decreased loss before interest and taxation of £166,948 (from -£388,215 in 2009).

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company uses various financial instruments including cash, loans and items such as trade debtors and trade creditors that arise directly from its operations. The purpose of these financial instruments is to raise finance for the company's operations.

The risks arising from the company's financial instruments are currency risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and these policies have remained unchanged from previous years.

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## **DONNINGTON VALLEY GROUP LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **Liquidity risk**

The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

#### **Interest rate risk**

The company uses loans to finance the expansion and improvement of the facilities which in the long term improve profitability. Any interest rate risk is hedged through interest rate swaps. No interest is payable on inter company balances. The company's cash assets are all held in floating rate deposit accounts. Trade debtors and creditors do not attract interest.

#### **Credit risk**

The company's principal financial assets are cash and trade debtors. To manage trade debtor credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history. The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

## **RESULTS**

The loss for the year, after taxation, amounted to £952,775 (2009 - loss £1,183,164)

## **DIRECTORS**

The Directors who served during the year were

Malcolm Morris  
Margaret Morris  
Andrew McKenzie  
Peter Gubb

## **PROVISION 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

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**DONNINGTON VALLEY GROUP LIMITED**

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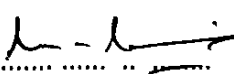
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**AUDITORS**

The auditors, Felton Pumphrey, 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

  
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**Malcolm Morris**  
Director

Date 30/8/11

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## **DONNINGTON VALLEY GROUP LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DONNINGTON VALLEY GROUP LIMITED**

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We have audited the financial statements of Donnington Valley Group Limited for the year ended 31 December 2010, set out on pages 6 to 17. 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 an 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 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, 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.

#### **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.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 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.

#### **EMPHASIS OF MATTER**

##### **GOING CONCERN**

In forming our opinion, we have considered the adequacy of the disclosure made in the Accounting Policies note to the financial statements regarding the preparation of the accounts on a going concern basis. In view of the losses made by the company and its net liabilities, we feel that attention should be drawn to this note. However our opinion is not qualified in any way over this matter.

#### **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.

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**DONNINGTON VALLEY GROUP LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DONNINGTON VALLEY GROUP LIMITED**

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



Robert Carter (Senior statutory auditor)  
for and on behalf of  
**Felton Pumphrey**  
Chartered Accountants & Statutory Auditors  
12 Sheet Street  
Windsor  
Berkshire  
SL4 1BG  
Date 31/8/11



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**DONNINGTON VALLEY GROUP LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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	Note	2010 £	2009 £
<b>TURNOVER</b>	1,2	<b>6,769,858</b>	<b>6,592,043</b>
Cost of sales		<u>(956,787)</u>	<u>(934,884)</u>
<b>GROSS PROFIT</b>		<b>5,813,071</b>	<b>5,657,159</b>
Administrative expenses		<u>(5,848,670)</u>	<u>(6,045,374)</u>
Other operating charges		<u>(131,349)</u>	<u>-</u>
<b>OPERATING LOSS</b>	3	<b>(166,948)</b>	<b>(388,215)</b>
Interest payable and similar charges	7	<u>(785,827)</u>	<u>(794,949)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(952,775)</b>	<b>(1,183,164)</b>
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	16	<b><u>(952,775)</u></b>	<b><u>(1,183,164)</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

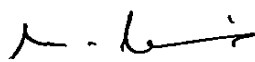
The notes on pages 8 to 17 form part of these financial statements

**DONNINGTON VALLEY GROUP LIMITED**  
**REGISTERED NUMBER 02460827**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	9		14,064,994		15,134,374
Investments	10		102		102
			<u>14,065,096</u>		<u>15,134,476</u>
<b>CURRENT ASSETS</b>					
Stocks	11	93,519		94,940	
Debtors	12	673,593		491,037	
Cash at bank		154,619		189,975	
		<u>921,731</u>		<u>775,952</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(1,374,103)</u>		<u>(1,418,774)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(452,372)</u>		<u>(642,822)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,612,724</u>		<u>14,491,654</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
	14		26,391,798		26,317,953
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15	1,000,000		1,000,000	
Profit and loss account	16	<u>(13,779,074)</u>		<u>(12,826,299)</u>	
	17		<u>(12,779,074)</u>		<u>(11,826,299)</u>
			<u>13,612,724</u>		<u>14,491,654</u>

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

  
.....  
**Malcolm Morris**  
Director

Date 30/8/11

The notes on pages 8 to 17 form part of these financial statements

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## **DONNINGTON VALLEY GROUP LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **1 ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

##### **1.2 CASH FLOW**

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

##### **1.3 TURNOVER**

Turnover comprises revenue recognised by the Company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### **1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% straight line
Plant & machinery	-	20% - 30% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	20% straight line
Assets under construction	-	0% straight line

Within the category of freehold land and buildings, the freehold land element is not depreciated

It is the company's policy to continually refurbish and maintain the property to ensure that the building is maintained to the highest standards. The company depreciates the building over its useful economic life which is deemed to be 50 years. Any permanent diminution in value is charged to the profit and loss account as it arises.

In addition, as per GAAP (Generally Accepted Accounting Practice), the assets under construction do not begin to be depreciated until they come into use. Once the assets under construction come into use they are transferred to the relevant categories and commence being depreciated.

##### **1.5 INVESTMENTS**

Investments held as fixed assets are shown at cost less provision for impairment

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## **DONNINGTON VALLEY GROUP LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.6 LEASING AND HIRE PURCHASE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.7 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **1.8 FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

##### **1.9 PENSIONS**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

##### **1.10 FINANCE COSTS**

Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when the finance costs are being incurred, expenditures for the asset are being incurred, and activities that are necessary to get the asset ready for use are in progress. Capitalisation of finance costs ceases when substantially all the activities that are necessary to get the tangible fixed asset ready for use are complete.

##### **1.11 GOING CONCERN**

Undertakings to provide sufficient financial support to the company to enable it to meet its liabilities as they fall due have been given and accordingly the financial statements have been prepared on a going concern basis.

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**DONNINGTON VALLEY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**2. TURNOVER**

The whole of the turnover is attributable to the one principal activity of the Company

All turnover arose within the United Kingdom

**3 OPERATING LOSS**

The operating loss is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	1,274,359	1,369,148
- held under finance leases	6,359	10,540
	<u>          </u>	<u>          </u>

**4 AUDITORS' REMUNERATION**

	2010 £	2009 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,500	11,500
Fees payable to the Company's auditor and its associates in respect of		
Other services relating to taxation	625	3,500
All other services	-	2,733
	<u>          </u>	<u>          </u>

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**DONNINGTON VALLEY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**5. STAFF COSTS**

Staff costs, including Directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	2,302,187	2,299,242
Social security costs	173,463	182,438
Other pension costs	25,169	25,057
	<u>2,500,819</u>	<u>2,506,737</u>

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

	2010 No	2009 No
Golf Staff	18	17
Hotel and Bar Staff	130	121
Property Services Staff	8	11
	<u>156</u>	<u>149</u>

**6 DIRECTORS' REMUNERATION**

	2010 £	2009 £
Emoluments	<u>107,285</u>	<u>129,302</u>
Company pension contributions to defined contribution pension schemes	<u>6,324</u>	<u>10,827</u>

During the year retirement benefits were accruing to 1 Director (2009 - 1) in respect of defined contribution pension schemes

**7. INTEREST PAYABLE**

	2010 £	2009 £
On bank loans and overdrafts	785,756	794,367
On finance leases and hire purchase contracts	71	582
	<u>785,827</u>	<u>794,949</u>

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**DONNINGTON VALLEY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**8 TAXATION**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2009 - the same as) the standard rate of corporation tax in the UK of 28% (2009 - 28%) as set out below

	2010 £	2009 £
Loss on ordinary activities before tax	(952,775)	(1,183,164)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(266,777)	(331,286)
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	353
Capital allowances for year in excess of depreciation	(5,336)	(74,943)
Unrelieved tax losses and other deductions arising in the period	267,936	405,884
Other short term timing differences	4,177	(8)
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	-	-

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

**DONNINGTON VALLEY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**9 TANGIBLE FIXED ASSETS**

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £
<b>COST</b>				
At 1 January 2010	15,097,876	3,588,061	74,861	1,960,075
Additions	-	68,655	-	142,148
Disposals	-	(16,150)	(21,765)	-
Transfer between classes	-	-	-	43,038
At 31 December 2010	15,097,876	3,640,566	53,096	2,145,261
<b>DEPRECIATION</b>				
At 1 January 2010	1,530,480	2,627,994	60,314	1,433,690
Charge for the year	280,405	614,058	7,218	379,037
On disposals	-	(16,150)	(21,765)	-
At 31 December 2010	1,810,885	3,225,902	45,767	1,812,727
<b>NET BOOK VALUE</b>				
At 31 December 2010	13,286,991	414,664	7,329	332,534
At 31 December 2009	13,567,396	960,067	14,547	526,385
			<b>Other fixed assets £</b>	<b>Total £</b>
<b>COST</b>				
At 1 January 2010			65,979	20,786,852
Additions			535	211,338
Disposals			-	(37,915)
Transfer between classes			(43,038)	-
At 31 December 2010			23,476	20,960,275
<b>DEPRECIATION</b>				
At 1 January 2010			-	5,652,478
Charge for the year			-	1,280,718
On disposals			-	(37,915)
At 31 December 2010			-	6,895,281
<b>NET BOOK VALUE</b>				
At 31 December 2010			23,476	14,064,994
At 31 December 2009			65,979	15,134,374



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**DONNINGTON VALLEY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**9 TANGIBLE FIXED ASSETS (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Plant and machinery	-	8,869

The net book value of freehold land and buildings comprises freehold land of £1,178,822 and hotel construction and fittings of £12,108,169. Freehold land is not depreciated.

**10. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £</b>
<b>COST OR VALUATION</b>	
At 1 January 2010 and 31 December 2010	<b>102</b>
<b>NET BOOK VALUE</b>	
At 31 December 2010	<b>102</b>
<i>At 31 December 2009</i>	<i>102</i>

**11 STOCKS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Raw materials	<b>22,642</b>	<i>22,570</i>
Finished goods and goods for resale	<b>70,877</b>	<i>72,370</i>
	<b>93,519</b>	<i>94,940</i>

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**DONNINGTON VALLEY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**12. DEBTORS**

	2010	2009
	£	£
Trade debtors	381,150	252,184
Amounts owed by group undertakings	145,175	154,967
Other debtors	1,767	800
Prepayments and accrued income	145,501	83,086
	<u>673,593</u>	<u>491,037</u>

**13 CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Bank loans and overdrafts	419,497	395,481
Net obligations under finance leases and hire purchase contracts	-	2,083
Trade creditors	200,077	222,086
Social security and other taxes	258,556	219,440
Other creditors	40,236	64,280
Accruals and deferred income	455,737	515,404
	<u>1,374,103</u>	<u>1,418,774</u>

The bank loan and overdraft are secured by a mortgage over the freehold property and by fixed and floating charges over all of the company's assets

**14. CREDITORS  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010	2009
	£	£
Bank loans	11,721,012	12,147,167
Other loans	8,520,786	8,520,786
Amounts owed to group undertakings	6,150,000	5,650,000
	<u>26,391,798</u>	<u>26,317,953</u>

**DONNINGTON VALLEY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**14. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows

	2010 £	2009 £
Repayable by instalments	9,733,259	10,288,598
Repayable other than by instalments	14,670,786	14,170,787
	<u>24,404,045</u>	<u>24,459,385</u>

The bank loan and overdraft are secured by a mortgage over the freehold property and by fixed and floating charges over all of the company's assets

The bank loans are repayable quarterly at an interest rate of LIBOR plus 1 25%, with LIBOR hedged to 5 525%

**15. SHARE CAPITAL**

	2010 £	2009 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

**16. RESERVES**

	Profit and loss account £
At 1 January 2010	(12,826,299)
Loss for the year	(952,775)
At 31 December 2010	<u>(13,779,074)</u>

**17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2010 £	2009 £
Opening shareholders' deficit	(11,826,299)	(10,643,135)
Loss for the year	(952,775)	(1,183,164)
Closing shareholders' deficit	<u>(12,779,074)</u>	<u>(11,826,299)</u>

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## DONNINGTON VALLEY GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 18. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £18,844 (2009 £14,230). Contributions totalling £2,793 (2009 £2,883) were payable to the fund at the balance sheet date and are included in other creditors.

#### 19. FINANCE LEASE COMMITMENTS

Future commitments under hire purchase agreements are as follows:

	2010 £	2009 £
Amounts due within 1 year	-	2,083
Amounts due between 1 and 2 years	-	-
Amounts due between 2 and 5 years	-	-
Total	-	2,083

#### 20. RELATED PARTY TRANSACTIONS

The following balances were outstanding with related parties as of 31 December 2010:

	2010 £	2009 £
The Vineyard at Stockcross Limited	145,173	153,895
Stockford Limited	(6,150,000)	(5,650,000)
Sir Peter Michael CBE	(8,520,786)	(8,520,786)

The Vineyard at Stockcross Limited is the sister company of Donnington Valley Group Limited.

The company considers KV Hotels Limited, a company registered in England, to be its immediate parent company. At 31 December 2010 the company had nil balances with KV Hotels Limited.

The company considers Stockford Limited, a company registered in England, to be its ultimate parent company.

The company considers Sir Peter Michael CBE to be its ultimate controlling party throughout the current and previous years.

The company has taken advantage of the exemption in Financial Reporting Standard 8 regarding disclosure of related party transactions with fellow 100% subsidiaries as it is a wholly owned subsidiary. Its result and position are included in the consolidated financial statements of Stockford Limited which are publicly available from 12 Sheet Street, Windsor, Berkshire, SL4 1BG.