

**Marybone Hotels Holdings Limited**  
**Directors' report and financial statements**  
**for the year ended 31 December 1992**

Company Number: 543409



# **Marybone Hotels Holdings Limited**

## **Directors' report and financial statements for the year ended 31 December 1992**

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## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 1992.

### Principal activities and business review

The principal activity of the company continues to be the provision of finance for fellow subsidiary undertakings.

Both the level of business and the year end financial position were satisfactory. The directors expect that the present level of activity will be sustained for the foreseeable future.

### Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (1991: £18,280,000) and the retained profit of £12,937,000 (1991 loss: £9,057,000) has been transferred to reserves.

### Post balance sheet events

On 31 March 1993, Queens Moat Houses P.L.C., the company's ultimate parent company, announced the suspension of its shares pending clarification of the group's financial position. Since that time, the group has, with the agreement of its banks, deferred payment of certain interest and capital due on its financial obligations. The group's banks have continued to provide facilities and the group has been meeting its payments to creditors as they fall due.

The group has put forward proposals to its banks to extend the current standstill arrangements which expire formally on 31 October 1993 and, in the longer term, for a financial restructuring. In addition certain group undertakings have entered into a guarantee and mortgage debenture providing fixed and floating charges over all of their assets to secure borrowings of Queens Moat Houses P.L.C. amounting to £215 million. Furthermore, the company has guaranteed the borrowings of certain other group undertakings which are party to the standstill arrangements or mortgage debentures. The financial statements have been prepared on a going concern basis the validity of which depends on the continued provision of facilities by the group's banks pending completion of the financial restructuring and on the guarantees and mortgage debenture not being called. Further details are set out in note 1.

Attention is also drawn to the qualified audit report on page 3.

## Directors

The directors of the company from 1 January 1992 to date were as follows:

J Bairstow (Chairman)	- Resigned 18 August 1993
D M Hersey	- Resigned 26 May 1993
M A Marcus	- Resigned 25 May 1993
A W Porter	- Resigned 2 July 1993

G J Bell	- Appointed 2 July 1993
A M Coppel	- Appointed 2 July 1993

G J Bell and A M Coppel are required to retire under the provisions of the Articles of Association of the company and, being eligible, offer themselves for election.

None of the directors who held office at 31 December 1992 had any interest in the share capital of the company. Their interests in the shares of Queens Moat Houses PLC. are disclosed in that company's financial statements.

## Insurance of directors

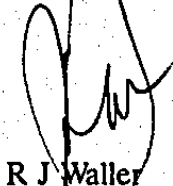
During the year the group maintained insurance for its directors in respect of their duties to the group.

## Auditors

Bird Luckin resigned as auditors of the company on 18 May 1993 and have indicated that there are no circumstances connected with their resignation which they consider should be brought to the notice of the members or creditors of the company. The directors appointed Coopers & Lybrand as auditors.

In accordance with Section 384(1) of the Companies Act 1985, a resolution to re-appoint Coopers & Lybrand as auditors will be placed before the Annual General Meeting of the company.

By order of the board



R J Waller  
Company Secretary  
29 October 1993

## Report of the auditors to the members of Marybone Hotels Holdings Limited

We have audited the financial statements on pages 4 to 9 in accordance with Auditing Standards.

As explained in note 1, Queens Moat Houses P.L.C., the company's ultimate parent company, and the majority of its subsidiary undertakings (together "the group") are currently operating under standstill arrangements with their banks, which expire formally on 31 October 1993. The group has put forward proposals to the banks to extend the current arrangements pending the completion of a refinancing programme.

In addition, as also explained in note 1, certain other group undertakings have entered into a guarantee and mortgage debenture providing fixed and floating charges over all of their assets to secure certain borrowings of Queens Moat Houses P.L.C.. Furthermore, the company has amounts due from certain other group undertakings which are party to the standstill arrangements or mortgage debenture.

The financial statements have been prepared on a going concern basis and the validity of this depends on the group's banks continuing to provide adequate facilities and on the guarantee and mortgage debenture not being called.

In the absence of continuing support from the group's banks, or if the guarantee and mortgage debenture were called, this basis would be invalid and adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify long term liabilities as current assets liabilities.

Subject to the banks continuing their support to the group, and to the guarantee and mortgage debenture not being called, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*

Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
London  
29 October 1993

**Profit and loss account  
for the year ended 31 December 1992**

	Notes	1992 £'000	1991 £'000 As restated
Net operating costs		29	(2,493)
Operating profit/(loss)		29	(2,493)
Other interest receivable and similar income	5	10,940	13,378
Interest payable and similar charges	6	(1,392)	-
Foreign exchange gain		8,336	636
Profit on ordinary activities before taxation	7	17,963	11,521
Tax on profit on ordinary activities	8	(5,025)	(2,298)
Profit on ordinary activities after taxation		12,937	9,223
Dividends	9	-	(18,280)
Retained profit/(loss) for the year	14	12,937	(9,057)

**Balance sheet  
at 31 December 1992**

	Notes	1992 £'000	1991 £'000
<b>Current assets</b>			
Debtors	10	269,614	132,511
Creditors: amounts falling due within one year	11	(244,563)	(129,555)
<b>Net current assets</b>		<u>25,051</u>	<u>2,956</u>
 <b>Provisions for liabilities and charges</b>	12	<u>(11,735)</u>	<u>(2,577)</u>
<b>Net assets</b>		<u>13,316</u>	<u>379</u>
 <b>Capital and reserves</b>			
Called up share capital	13	5	5
Profit and loss account	14	13,311	374
		<u>13,316</u>	<u>379</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 29 October 1993 and were signed on its behalf by:

  
A M Coppel  
Director

**Notes to the financial statements  
for the year ended 31 December 1992**

**1 Accounting policies**

**(a) Accounting convention and going concern basis**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, as amended by the Companies Act 1989, and applicable Accounting Standards.

As explained in the Directors' report, the group is currently operating under standstill arrangements with its banks, which expire formally on 31 October 1993. In addition, certain group undertakings have entered into a guarantee and mortgage debenture providing fixed and floating charges over all of their assets to secure certain borrowings of Queens Moat Houses P.L.C. amounting to £215 million.

At 31 December 1992, the company had amounts totalling £268,470,000 due from other group undertakings which are party to the standstill arrangements or the mortgage debenture.

The financial statements have been prepared on the going concern basis which assumes the continued provision of facilities by the group's banks pending completion of a refinancing programme and on the guarantees and debenture not being called.

**(b) Cashflow**

The company is a wholly owned subsidiary of Queens Moat Houses P.L.C. and the cashflows of the company will be included in the consolidated cashflow statement of Queens Moat Houses P.L.C. Consequently, the company is exempt under the provisions of Financial Reporting Standard 1 from publishing a cashflow statement.

**(c) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account in the year in which they arise.



## (d) Deferred taxation

Provision is made for deferred taxation under the liability method arising from timing differences between profits as computed for taxation purposes and profits as stated in the financial statements to the extent that the liability is likely to arise in the foreseeable future.

## 2 Reclassification

An adjustment has been made to reclassify certain foreign exchange gains previously dealt with in reserves to the profit and loss account.

## 3 Directors' emoluments

None of the directors received emoluments in respect of their services as directors of the company.

## 4 Employee information

The company had no employees (1991: Nil) and thus employment costs were £Nil (1991: £Nil).

## 5 Other interest receivable and similar income

	1992 £'000	1991 £'000
Interest receivable from group undertakings	10,940	13,378

## 6 Interest payable and similar charges

	1992 £'000	1991 £'000
On loans to other group companies	1,392	-

## 7 Profit on ordinary activities before taxation

The remuneration of the auditors of £5,000 was borne by Queens Moat Houses P.L.C..

Profit on ordinary activities before taxation in 1991 is stated after charging £2,493,000 relating to the disposal of the St James's Club Paris.

8 Tax on profit on ordinary activities

	1992 £'000	1991 £'000
United Kingdom corporation tax at 33% (1991: 33.25%):		
current	15	1,721
deferred	5,048	2,577
Under/(over) provision in respect of prior years:		
current	(4,148)	(2,000)
deferred	4,111	-
	<u>5,026</u>	<u>2,298</u>

9 Dividends

	1992 £'000	1991 £'000
Final proposed dividend	-	18,280

10 Debtors

	1992 £'000	1991 £'000
Amounts falling due within one year		
Amounts owed by group undertakings - parent company and fellow subsidiary undertakings	268,470	132,511
Other debtors	20	-
Corporation tax recoverable	1,124	-
	<u>269,614</u>	<u>132,511</u>

11 Creditors: amounts falling due within one year

	1992 £'000	1991 £'000
Amounts owed to group undertakings - parent company and fellow subsidiary undertakings	244,563	101,069
Dividend payable	-	18,280
Corporation tax	-	10,206
	<u>244,563</u>	<u>129,555</u>

## 12 Provisions for liabilities and charges

Deferred taxation provided in the financial statements, and the amount unprovided of the total potential liability, are as follows:

	Amount provided		Amount unprovided	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Tax effect of timing differences because of:				
short term timing differences	11,735	2,577	-	4,111
	<u>11,735</u>	<u>2,577</u>	<u>-</u>	<u>4,111</u>

The movement on the provision for deferred taxation is as follows:

	£'000
At 1 January 1992	2,577
Transferred to profit and loss account	9,158
	<u>11,735</u>
At 31 December 1992	

## 13 Called up share capital

	1992 £'000	1991 £'000
Authorised 10,000 ordinary shares of £1 each	10	10
Allocated, called up and fully paid 5,000 ordinary shares of £1 each	5	5

## 14 Profit and loss account

	£'000
At 1 January 1992	374
Retained profit for the year	12,937
	<u>13,311</u>
At 31 December 1992	

## 15 Ultimate parent company

The ultimate parent company is Queens Moat Houses P.L.C. which is registered in England and Wales. Copies of the parent company's consolidated financial statements will be available from: The Secretary, Queens Court, 9-17 Eastern Road, Romford, Essex RM1 3NG.