

STANDARD HOTELS LIMITED

FINANCIAL STATEMENTS

30 JUNE 1994

Company number: 979400

Baker Tilly

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST



DIRECTORS AND OFFICERS

DIRECTORS

Mr NE Dangoor
Mrs RR Dangoor
Mr DA Dangoor

SECRETARY

Mr DA Dangoor

REGISTERED OFFICE

20 Queens Gate Terrace
London SW7 5PF

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 1994

The directors submit their report and the financial statements for the year ended 30 June 1994.

REVIEW OF ACTIVITIES

The principal activity of the company is that of property investment.

RESULTS

The results for the year are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend (1993: £300,000).

The deficit for the year has been deducted from reserves.

The directors consider that the company's state of affairs is unsatisfactory and that future results will be of a similar nature.

POST BALANCE SHEET EVENT

Since the balance sheet date the company acquired a property for £1,300,000.

FIXED ASSETS

The movements in fixed assets are shown in note 6 to the financial statements.

MARKET VALUE OF INVESTMENT PROPERTY

The directors are of the opinion that the open market value of the property closely approximates to its cost and no revaluation has therefore been reflected in the financial statements.

DIRECTORS

The directors during the year were as follows:

Mr NE Dangoor
Mrs RR Dangoor
Mr DA Dangoor

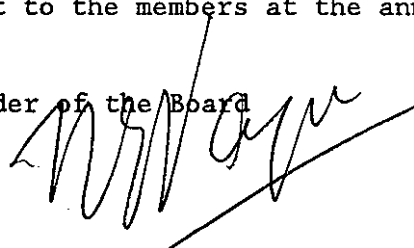
No director, who is not also a director of the parent company Monopro Limited, has any interest in the share capital of the company.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 1994

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the Board



NE DANGOOR
Chairman

STANDARD HOTELS LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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.

AUDITORS' REPORT TO THE MEMBERS OF STANDARD HOTELS LIMITED

We have audited the financial statements on pages 6 to 10.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

27th April 1995

PROFIT AND LOSS ACCOUNT
for the year ended 30 June 1994

	Notes	1994	1993
TURNOVER		2,700	3,156
Cost of sales		-	-
GROSS PROFIT		<u>2,700</u>	<u>3,156</u>
Administration expenses		(609)	(2,752)
OPERATING PROFIT	1	<u>2,091</u>	<u>404</u>
Interest payable	3	(5,210)	(1,603)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(3,119)</u>	<u>(1,199)</u>
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(3,119)</u>	<u>(1,199)</u>
Dividends	5	-	300,000
LOSS FOR THE YEAR RETAINED	9	<u>£(3,119)</u>	<u>£(301,199)</u>

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

All profits and losses are based on an historical cost basis.

BALANCE SHEET
30 June 1994

	Notes	1994	1993
FIXED ASSETS			
Investment property	6	303,260	303,260
		<u> </u>	<u> </u>
CREDITORS			
Amounts falling due within one year	7	(228,679)	(225,560)
		<u> </u>	<u> </u>
NET CURRENT LIABILITIES		(228,679)	(225,560)
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 74,581	£ 77,700
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account	9	74,481	77,600
		<u> </u>	<u> </u>
		£ 74,581	£ 77,700
		<u> </u>	<u> </u>

Approved by the Board on 27 April 1995
and signed on its behalf by:

NE DANGOOR

DA DANGOOR

) DIRECTORS
)
)
)

NOTES TO THE FINANCIAL STATEMENTS
ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of the investment property and in accordance with applicable accounting standards.

INVESTMENT PROPERTY

Investment properties are accounted for in accordance with SSAP 19 "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges (unless held on short lease), but should be shown at an open market value. This is contrary to the Companies Act 1985 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

Details of the current value and historical cost information for investment properties are given in Note 6.

CASH FLOW STATEMENT

The company has taken advantage of the dispensation provided by Financial Reporting Standard 1 and has not provided a cash flow statement.

TURNOVER

Turnover represents the net amount invoiced to and recoverable from customers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	1994	1993
1. OPERATING PROFIT		
This is stated after charging:		
Auditors' remuneration	500	500
	<u> </u>	<u> </u>
2. DIRECTORS AND STAFF		
The company has no employees other than the directors, who received no remuneration during the year under review (1993: £Nil).		
	1994	1993
3. INTEREST PAYABLE		
On bank loans, overdrafts and other loans:		
Repayable within 5 years	£ 5,210	£ 1,603
	<u> </u>	<u> </u>
4. TAXATION		
The company is not liable to corporation tax due to losses incurred in the year.		
	1994	1993
5. DIVIDENDS		
Final dividend	£ -	£300,000
	<u> </u>	<u> </u>
6. FIXED ASSETS - INVESTMENT PROPERTY		
		Long term leasehold property
Cost:		
1 July 1993 and 30 June 1994		£ 303,260
		<u> </u>

Mr NE Dangoor, a director of the company, considers that the value of the leasehold property at 30 June 1994 closely approximates to cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	1994	1993
7. CREDITORS		
Amounts falling due within one year:		
Bank overdraft	75,674	70,386
Amounts owed to parent undertaking	153,005	155,174
	<u>£ 228,679</u>	<u>£ 225,560</u>

The bank overdraft is secured by way of a parent company guarantee.

	1994	1993
8. CALLED UP SHARE CAPITAL		
Authorised:		
1,000 ordinary shares of £1 each	£ 1,000	£ 1,000
	<u> </u>	<u> </u>
Issued and fully paid:		
100 ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>

The directors regard Monopro Limited, which is registered in England and Wales, as the ultimate parent undertaking.

	1994	1993
9. PROFIT AND LOSS ACCOUNT		
Balance at 1 July 1993	77,600	378,799
Loss for the year	(3,119)	(301,199)
Balance at 30 June 1994	<u>£ 74,481</u>	<u>£ 77,600</u>