

DOYLE LONDON HOTELS LIMITED

YEAR ENDED 31 JULY 1992

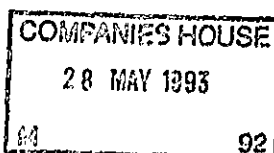


TABLE OF CONTENTS

	<u>Page</u>
Directors and other information	2
Report of the Directors	3
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Supplementary Information	14

DIRECTORS AND OTHER INFORMATION

DIRECTORS	M.E. Doyle W.M. Corrigan P.E. Steggles D. Doyle G.P. Carville
SECRETARY	C. Henniker
REGISTERED OFFICE	2 Bedford Row London WC1R 4BU
AUDITORS	Bastow Charleton Chartered Accountants Marine House Clanwilliam Court Dublin 2 Ireland
PRINCIPAL BANKERS	Bank of Ireland 20 Berkeley Square London W1X 5HD Barclays Bank Marylebone Branch London W1M 4AH
SOLICITORS	Steggles Palmer 2 Bedford Row London WC1R 4BU
REGISTERED NUMBER	1280133

DOYLE LONDON HOTELS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 July 1992.

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of accomodation and allied hotel services.

RESULTS AND DIVIDENDS

The results for the financial year are set out in detail on Page 5. The directors do not recommend the declaration of a dividend. Retained profits of £171,940 have been transferred to reserves.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors do not envisage any change in the principal activity of the company, and expect that the present level of activity will be sustained for the foreseeable future.

DIRECTORS

The present membership of the board is set out on Page 2. These persons were the only directors of the company during the year.

In accordance with the Articles of Association the directors do not retire by rotation.

The directors' beneficial interests in the £1 Ordinary shares of the company, including those of their immediate families were as follows:-

M.E. Doyle and D. Doyle

	<u>1992</u>	<u>1991</u>
	200,100	200,100

AUDITORS

Bastow Charleton, Chartered Accountants, will continue in office in accordance with Section 384 of the Companies Act, 1985.

Approved by the board and signed on its behalf by:

DATE: 28th May 1993.

C.H.M. Henniker
SECRETARY

REPORT OF THE AUDITORS TO THE MEMBERS OF

DOYLE LONDON HOTELS LIMITED

We have audited the financial statements, on pages 5 to 13, in accordance with auditing standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the company at 31 July 1992 and of its result and cash flows for the year then ended, and have been properly prepared in accordance with the Companies Act, 1985.

DATE: 26 May 1993

Boston Charleton
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS,
Marine House,
Clanwilliam Court,
Dublin 2.

DOYLE LONDON HOTELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY

	NOTES	1992 £	1991 £
TURNOVER		4,074,383	4,310,680
COST OF SALES		(2,979,537)	(2,706,086)
GROSS PROFIT		1,094,846	1,604,594
DISTRIBUTION COSTS		(241,524)	(236,361)
ADMINISTRATIVE EXPENSES		(458,156)	(363,823)
		(699,680)	(600,184)
OPERATING PROFIT	2	395,166	1,004,410
Bank interest receivable		7,753	11,840
Bank interest payable		(155,169)	(198,104)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		247,750	818,146
Taxation on profit on ordinary activities	4	(75,810)	(216,065)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		171,940	602,081
Retained profits brought forward		4,131,924	3,529,843
RETAINED PROFIT CARRIED FORWARD		4,303,864	4,131,924

Approved by the board of directors on 25/5/93 and signed on its behalf by:


DIRECTOR


DIRECTOR

DOYLE LONDON HOTELS LIMITED

BALANCE SHEET AS AT 31 JULY

	<u>NOTE</u>	1992 <u>£</u>	1991 <u>£</u>
FIXED ASSETS			
Tangible Assets	5	11,007,550	10,143,856
		-----	-----
CURRENT ASSETS			
Stocks	6	53,103	48,634
Debtors	7	275,461	155,802
Cash at bank and on hand		18,137	57,157
		-----	-----
		346,701	261,593
CREDITORS (Amounts falling due within one year)	8	(6,373,387)	(5,721,525)
		-----	-----
NET CURRENT LIABILITIES		(6,026,686)	(5,459,932)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		4,980,864	4,683,924
PROVISIONS FOR LIABILITIES AND CHARGES	10	(377,000)	(252,000)
		-----	-----
NET ASSETS		4,603,864	4,431,924
		-----	-----
CAPITAL AND RESERVES			
Called up share capital	11	300,000	300,000
Revenue Reserve		4,303,864	4,131,924
		-----	-----
		4,603,864	4,431,924
		-----	-----

Approved by the board of directors on 25/5/93 and signed on its behalf by:



DIRECTOR



DIRECTOR

DOYLE LONDON HOTELS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1992

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the company in determining the amounts included in the balance sheet and in determining the results for the year are as follows:

1.1 Basis of Accounting:

The financial statements are prepared under the historical cost convention.

1.2 Turnover:

Turnover represents the invoiced amount of goods and services sold, net of trade discounts and value added tax.

1.3 Depreciation:

Provision is made for depreciation on all tangible assets, other than leasehold land and premises, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life by the reducing balance method at the following annual rates:

Fixtures fittings and equipment	12.5%
---------------------------------	-------

It is company policy to maintain its properties in such a condition that their value to the company is not impaired by the passage of time. As a consequence, and notwithstanding revaluations, any element of depreciation would, in the opinion of the directors, not be material and no such provision has been made in the financial statements.

1.4 Stocks:

Stocks are stated at the lower of cost and net realisable value.

Cost includes all expenditure which has been incurred in the normal course of business in bringing the products to their present location and condition.

Net realisable value is the actual or estimated selling price net of trade discounts, less all further costs to completion and all costs to be incurred in realising the selling price.

1.5 Repairs:

Repairs and maintenance are charged against income as they are incurred.

DOYLE LONDON HOTELS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

1.6 Foreign currency:

Monetary assets and liabilities denominated in a foreign currency are translated into Irish pounds at the exchange rate ruling at the balance sheet date, unless specifically covered by forward exchange contracts, whereupon the contract rate is used.

Revenues, costs and non-monetary assets are translated at the exchange rates ruling at the dates of the transactions.

Profits and losses arising on settlement of amounts receivable and payable in a foreign currency are dealt with through profit and loss account.

The excess amount of unrealised translation surpluses over unrealised translation deficits is carried forward as an undistributable reserve to meet any future excess deficits.

Net excess deficits are written off to profit and loss account.

1.7 Deferred Taxation:

Deferred taxation is provided on timing differences between profits as computed for taxation purposes and profits as stated in the financial statements.

1.8 Pensions:

Pension benefits are funded over the employees' period of service by way of contributions from the company and employees. Contributions are based on actuarial advice and are charged to profit and loss account in the year in which they become payable.

2. OPERATING PROFIT

	1992	1991
	£	£
This is stated after charging:		
Auditors remuneration	7,750	7,250
Depreciation	439,589	360,877

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

3. PARTICULARS OF STAFF

3.1 Excluding non-executive directors, the average number of persons employed in the financial year was 75 (1991 - 84).

3.2 The aggregate amounts paid to or on behalf of the above staff are as follows:

	1992	1991
	£	£
Wages and salaries	1,014,393	1,080,507
Social security costs	100,367	106,772
Corporate pensions costs	8,338	8,740
	-----	-----
	1,123,098	1,196,019
	=====	=====

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge on the profit on ordinary activities, as adjusted for tax purposes, for the year is as follows:

	1992	1991
	£	£
Corporation tax (1991: 33.33%)	-	230,397
Deferred taxation	125,000	36,000
Overprovision in previous years	(49,190)	(50,332)
	-----	-----
	75,810	216,065
	=====	=====

5. TANGIBLE ASSETS

The movements during the year were as follows:

	Total	Leasehold Land and Premises	Fixtures, Fittings and Equipment
	£	£	£
Cost:			
At beginning of year	11,332,571	7,617,664	3,714,907
Additions	1,303,283	312,762	990,521
	-----	-----	-----
At end of year	12,635,854	7,930,426	4,705,428
	=====	=====	=====
Accumulated Depreciation:			
At beginning of year	1,188,715	-	1,188,715
Provision	439,589	-	439,589
	-----	-----	-----
At end of year	1,628,304	-	1,628,304
	=====	=====	=====
Net book value at beginning of year	10,143,856	7,617,664	2,526,192
	=====	=====	=====
Net book value at end of year	11,007,550	7,930,426	3,077,124
	=====	=====	=====

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

6. STOCKS

	1992	1991
	<u>£</u>	<u>£</u>
Stocks for resale	23,816	18,289
Consummable stores	29,287	30,345
	-----	-----
	53,103	48,634
	=====	=====

The replacement cost of stocks is not considered to be materially different from the balance sheet value.

7. DEBTORS

	1992	1991
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Trade debtors	164,686	89,097
Other debtors	48,793	-
Prepayments	61,982	66,705
	-----	-----
	275,461	155,802
	=====	=====

8. CREDITORS (Amounts falling due within one year)

	1992	1991
	<u>£</u>	<u>£</u>
8.1 Bank loans and overdrafts	1,793,857	2,622,041
Trade creditors	214,324	170,913
Amounts owed to connected companies	4,206,570	2,494,883
Tax and social welfare	62,785	287,813
Accruals	95,851	145,875
	-----	-----
	6,373,387	5,721,525
	=====	=====

8.2 Tax and Social Welfare:

	1992	1991
	<u>£</u>	<u>£</u>
Corporation tax	-	230,397
Value added tax	31,726	43,310
Payroll taxes	31,059	14,106
	-----	-----
	62,785	287,813
	=====	=====

8.3 Some trade creditors had reserved title to goods supplied to the company. Since the extent to which such creditors are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

DOYLE LONDON HOTELS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

9. BANK LOANS AND OVERDRAFTS

The bank loans and overdrafts are repayable as follows:

	1992	1991
	£	£
Repayment in full within five years:		
Bank overdrafts	94,335	87,126
Bank loans	1,699,522	2,534,915
	-----	-----
Total bank borrowings	1,793,857	2,622,041
	=====	=====

The bank borrowings are secured by a first legal charge dated 22.08.83 over property at 46/47 Welbeck Street, 2 & 4 Bulstrode Street and 1,2,3, and 4 Bulstrode Place (known as Clifton Ford Hotel) to secure group facilities.

10. PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAXATION

	1992	1991
	£	£
Balance at beginning of year	252,000	216,000
Transfer from profit and loss account	125,000	36,000
	-----	-----
Balance at end of year	377,000	252,000
	=====	=====

11. CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called-Up and fully paid</u>	
		1992	1991
	£	£	£
Ordinary shares of £1 each	1,000,000	300,000	300,000
	=====	=====	=====

12. CAPITAL COMMITMENTS

The company had not contracted for, nor the directors authorised, any capital expenditure at 31 July 1992.

13. PENSIONS

The company operates a defined benefits pension scheme for employees and executive directors which the company insures.

The pension costs and liabilities are assessed in accordance with the advice of a professionally qualified actuary. The most recent actuarial report was undertaken at 31 October 1991 by Commercial Union Life Assurance Company Limited. The actuarial report is not available for public inspection.

DOYLE LONDON HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY

	<u>NOTES</u>	1992 <u>£</u>	1991 <u>£</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	774,196 -----	1,274,031 -----
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		7,753	11,840
Interest paid		(171,189) -----	(224,126) -----
		(163,436) -----	(212,286) -----
TAXATION:			
Corporation tax paid		(230,000) -----	- -----
INVESTING ACTIVITIES:			
Payments to acquire tangible assets		(1,303,283) -----	(1,526,128) -----
NET CASH (OUTFLOW) BEFORE FINANCING		(922,523)	(464,383)
FINANCING:			
Loans received from connected company		1,711,687	245,427
Loans (repaid)/advanced		(835,394) -----	243,355 -----
		46,230 -----	24,399 -----
(DECREASE) IN CASH AND CASH EQUIVALENTS	2	(46,230) -----	(24,399) -----

DOYLE LONDON HOTELS LIMITED

NOTES TO AND FORMING PART OF THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 19921. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

	1992 £	1991 £
Operating profit	395,166	1,004,410
Depreciation charges	439,589	360,877
(Increase)/Decrease in stocks	(4,469)	1,172
(Increase)/Decrease in debtors	(70,866)	42,102
Increase/(Decrease) in creditors	14,776	(134,530)
	-----	-----
Net cash inflow from operating activities	774,196	1,274,031
	=====	=====

2. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN
IN THE BALANCE SHEET

	1992 £	1991 £	Change in year £
Cash at bank and in hand	18,137	57,157	(39,020)
Bank loans and overdrafts	94,335	87,125	(7,210)
	-----	-----	-----
	(76,198)	(29,968)	(46,230)
	=====	=====	=====

DOYLE LONDON HOTELS LIMITED

SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY

	1992 £	1991 £
SALES		
Accommodation	2,728,614	3,018,337
Food and beverage	995,776	920,790
Sundry	349,993	371,553
	-----	-----
	4,074,383	4,310,680
	=====	=====
COST OF SALES		
Food and beverage	361,396	328,380
Sundry	92,648	108,552
	-----	-----
	454,044	436,932
	=====	=====
Direct wages	807,533	879,842
Indirect wage costs	199,565	200,177
Laundry and cleaning	160,425	158,258
Printing, postage and stationery	84,000	70,000
Light and heat	103,000	90,000
Repairs and maintenance	485,381	310,000
Miscellaneous expenses	246,000	200,000
Depreciation: plant and equipment	439,589	360,877
	-----	-----
	2,979,537	2,706,086
	=====	=====
DISTRIBUTION COSTS		
Indirect wage costs	50,000	50,000
Advertising and sales promotion	143,524	146,361
Miscellaneous expenses	48,000	40,000
	-----	-----
	241,524	236,361
	=====	=====
ADMINISTRATIVE EXPENSES		
Indirect wage costs	66,000	66,000
Printing, postage and stationery	11,216	8,479
Light and heat	3,010	2,666
Repairs and maintenance	11,807	10,693
Rent and rates	279,477	188,831
Bank charges	5,869	6,726
Insurance	40,486	46,338
Auditors remuneration	7,750	7,250
Bad debts	9,226	7,788
Miscellaneous expenses	23,315	19,052
	-----	-----
	458,156	363,823
	=====	=====
OTHER OPERATING INCOME		
Interest receivable	7,753	11,840
	=====	=====