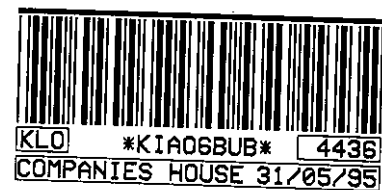


DOYLE LONDON HOTELS LIMITED

YEAR ENDED 31 JULY 1994



DOYLE LONDON HOTELS LIMITED

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DOYLE LONDON HOTELS LIMITED  
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 and  
Registered Auditors,  
Marine House,  
Clanwilliam Court,  
Dublin 2,  
Ireland.

PRINCIPAL BANKERS

Bank of Ireland,  
20 Berkeley Square,  
London W1X 5HD.

Barclays Bank,  
93 Baker Street,  
London W1A 4SD.

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 1994.

DIRECTORS RESPONSIBILITIES

The directors are required to prepare financial statements on a going concern basis 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 the year. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently and to make judgements and estimates that are reasonable and prudent.

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 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.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The results for the financial year are set out in detail on Page 6. The directors do not recommend the declaration of a dividend. The profit for the year of 714,854 has 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:-

	<u>1994</u>	<u>1993</u>
M.E. Doyle and D. Doyle	<u>200,000</u>	<u>200,000</u>

DOYLE LONDON HOTELS LIMITED

REPORT OF THE DIRECTORS CONTINUED

AUDITORS

Bastow Charleton, Chartered Accountants and Registered Auditors, 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: 22<sup>nd</sup> May 1995

C. H. M. Hemiker  
SECRETARY

REPORT OF THE AUDITORS TO THE MEMBERS OF

DOYLE LONDON HOTELS LIMITED

We have audited the financial statements, on pages 6 to 15, 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 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, on those statements and to report our opinion to you.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 1994 and of its result for the year ended on that date and have been properly prepared in accordance with the Companies Act, 1985.

*Boston Charleston*

Chartered Accountants  
and Registered Auditors,  
Marine House,  
Clanwilliam Court,  
Dublin 2.

DATE: 26 May 1994

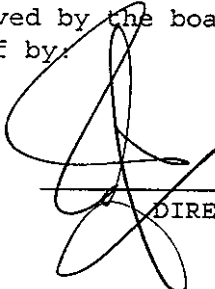
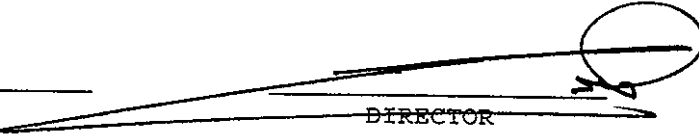
## DOYLE LONDON HOTELS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY

	<u>NOTES</u>	1994 £	1993 £
TURNOVER		4,670,427	3,785,862
COST OF SALES		(3,128,141)	(3,238,442)
GROSS PROFIT		<u>1,542,286</u>	<u>547,420</u>
DISTRIBUTION COSTS		(292,599)	(285,092)
ADMINISTRATIVE EXPENSES		(467,814)	(396,538)
		<u>(760,413)</u>	<u>(681,630)</u>
OPERATING PROFIT/(LOSS)	2	781,873	(134,210)
Bank interest receivable		4,360	2,225
Bank interest payable		(72,038)	(94,129)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>714,195</u>	<u>(226,114)</u>
Taxation on profit/(loss) on ordinary activities	4	659	(149,747)
PROFIT/(LOSS) RETAINED FOR THE FINANCIAL YEAR		<u>714,854</u>	<u>(375,861)</u>
Retained profits brought forward		<u>3,928,003</u>	<u>4,303,864</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>4,642,857</u></u>	<u><u>3,928,003</u></u>

All of the turnover and profits arise from continuing operations. The company has no recognised gains or losses other than the profit for the year which has been calculated on the historical cost basis.

Approved by the board of directors on *22 May 1995* and signed on its behalf by:

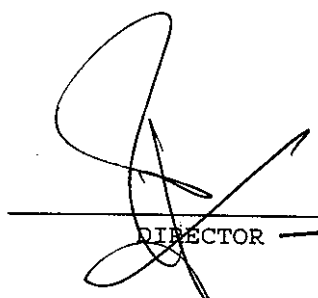

 DIRECTOR  DIRECTOR

## DOYLE LONDON HOTELS LIMITED

## BALANCE SHEET AS AT 31 JULY

	NOTE	1994 £	1993 £
FIXED ASSETS			
Tangible Assets	5	11,241,413	11,477,228
CURRENT ASSETS			
Stocks	6	47,219	49,325
Debtors	7	926,073	398,099
Cash at bank and on hand		316,891	80,380
		1,290,183	527,804
CREDITORS (Amounts falling due within one year)	8	(7,011,739)	(7,200,029)
NET CURRENT LIABILITIES		(5,721,556)	(6,672,225)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,519,857	4,805,003
PROVISIONS FOR LIABILITIES AND CHARGES	10	(577,000)	(577,000)
NET ASSETS		4,942,857	4,228,003
CAPITAL AND RESERVES			
Called-up share capital	11	300,000	300,000
Revenue Reserve		4,642,857	3,928,003
		4,942,857	4,228,003

Approved by the board of directors on *22 May 1995* and signed on its behalf by:

 DIRECTOR  DIRECTOR



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1994

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 sold, net of trade discounts and value added tax.

1.3 Tangible Fixed Assets and Depreciation:

Tangible fixed assets are stated in the balance sheet at cost less accumulated 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

## 1. ACCOUNTING POLICIES CONTINUED

## 1.6 Foreign Currency:

Monetary assets and liabilities denominated in a foreign currency are translated into Sterling 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

This is stated after charging:

	1994	1993
	£	£
Auditor's remuneration	8,000	8,000
Depreciation	392,160	428,888
	<u>          </u>	<u>          </u>

## DOYLE LONDON HOTELS LIMITED

## 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 96 (1993 - 80).

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

	1994	1993
	£	£
Wages and salaries	1,358,079	1,111,945
Social security costs	106,279	110,490
Corporate pension costs	33,520	42,117
	<u>1,497,878</u>	<u>1,264,552</u>

## 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:

	1994	1993
	£	£
Corporation tax @ 25% (1993 - 25%)	-	-
Deferred taxation	-	200,000
Overprovision in previous years	(659)	(50,253)
	<u>(659)</u>	<u>149,747</u>

## 5. TANGIBLE ASSETS

	Total	Leasehold land and premises	Fixtures, fittings and equipment
	£	£	£
<b>COST</b>			
At 1 August 1993	13,534,420	8,475,013	5,059,407
Additions	156,345	21,280	135,065
At 31 July 1994	<u>13,690,765</u>	<u>8,496,293</u>	<u>5,194,472</u>
<b>DEPRECIATION</b>			
At 1 August 1993	2,057,192	-	2,057,192
Charge for the year	392,160	-	392,160
At 31 July 1994	<u>2,449,352</u>	<u>-</u>	<u>2,449,352</u>
<b>NET BOOK VALUE</b>			
At 31 July 1994	<u>11,241,413</u>	<u>8,496,293</u>	<u>2,745,120</u>
At 1 August 1993	<u>11,477,228</u>	<u>8,475,013</u>	<u>3,002,215</u>

## DOYLE LONDON HOTELS LIMITED

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

## 6. STOCKS

	1994	1993
	£	£
Stocks for resale	26,760	23,866
Consumable stores	20,459	25,459
	<u>47,219</u>	<u>49,325</u>

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

## 7. DEBTORS

	1994	1993
	£	£
Amounts falling due within one year:		
Trade debtors	816,608	234,731
Other debtors	-	50,253
Prepayments	109,465	113,115
	<u>926,073</u>	<u>398,099</u>

## 8. CREDITORS (Amounts falling due within one year)

	1994	1993
	£	£
8.1 Bank loans and overdrafts	757,948	1,733,654
Trade creditors	94,072	161,942
Amounts owed to group undertakings	5,824,526	5,070,800
Tax and social welfare	231,867	148,842
Accruals	103,326	83,144
	<u>7,011,739</u>	<u>7,198,382</u>

8.2 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.

## 8.3 Tax and Social Welfare:

	1994	1993
	£	£
Value Added Tax	172,961	114,622
Payroll taxes	58,906	34,220
	<u>231,867</u>	<u>148,842</u>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

## 9. BANK LOANS AND OVERDRAFTS

The bank loans and overdrafts are repayable as follows:

	1994	1993
	£	£
Repayment in full within five years:		
Bank overdrafts	113,170	35,853
Bank loans	644,778	1,697,801
	<u>          </u>	<u>          </u>
Total bank borrowings	757,948	1,733,654
	<u>          </u>	<u>          </u>

The bank borrowings are secured by a first legal charge dated 22 August 1983 over property at 46/47 Welbeck Street, 2 and 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

	1994	1993
	£	£
Balance at beginning of year	577,000	377,000
Transfer from profit and loss account	-	200,000
	<u>          </u>	<u>          </u>
	577,000	577,000
	<u>          </u>	<u>          </u>

## 11. CALLED-UP SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called-up and fully paid</u>	
	£	1994	1993
	£	£	£
Ordinary shares of £1 each	1,000,000	300,000	300,000
	<u>          </u>	<u>          </u>	<u>          </u>

## 12. CAPITAL COMMITMENTS

The company had neither contracted for, nor had the directors authorised, any capital expenditure at 31 July 1994.

13. CONTINGENT LIABILITIES

The directors were not aware of any material contingent liabilities at the balance sheet date.

14. 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>	1994 <u>£</u>	1993 <u>£</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	<u>631,602</u>	<u>245,029</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		4,360	2,225
Interest paid		<u>(72,038)</u>	<u>(139,265)</u>
		<u>(67,678)</u>	<u>(137,040)</u>
TAXATION:			
Corporation tax refund		<u>50,912</u>	<u>48,793</u>
INVESTING ACTIVITIES:			
Payments to acquire tangible assets		<u>(156,345)</u>	<u>(898,566)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		458,491	(741,784)
FINANCING:			
Loans received from connected company		753,726	864,230
Loans repaid		<u>(1,053,023)</u>	<u>(1,721)</u>
		<u>(299,297)</u>	<u>862,509</u>
INCREASE IN CASH AND CASH EQUIVALENTS	2	<u><u>159,194</u></u>	<u><u>120,725</u></u>

## DOYLE LONDON HOTELS LIMITED

NOTES TO AND FORMING PART OF THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 19941. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM  
OPERATING ACTIVITIES

	1994 £	1993 £
Operating profit/(loss)	781,873	(134,210)
Depreciation charges	392,160	428,888
Decrease in stocks	2,106	3,778
Increase in debtors	(578,227)	(121,178)
Increase in creditors	33,690	67,751
	<u>          </u>	<u>          </u>
Net cash inflow from operating activities	<u>631,602</u>	<u>245,029</u>

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

	1994 £	1993 £	Change in year £
Cash at bank and in hand	316,891	80,380	236,511
Bank loans and overdrafts	(113,170)	(35,853)	(77,317)
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>203,721</u>	<u>44,527</u>	<u>159,194</u>