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DOYLE LONDON HOTELS LIMITED

YEAR ENDED 31ST JULY 1988

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DOYLE LONDON HOTELS LIMITED
2 Bedford Row, London WC1R 4BU, England.
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DOYLE LONDON HOTELS LIMITED

2, Bedford Row, London WC1R 4BU, England.

REPORT OF THE DIRECTORS

The directors submit their report together with the financial statements for the year ended 31st July 1988.

Results for the Year

	£
The profit for the year after tax is	872,445
Balance forward from previous year is	1,239,266

	2,111,711
	=====

Principal Activities

The company continued trading as hoteliers during the year.

Directors

There was no change in directors holding office during the year. The directors' beneficial interests in the £1 Ordinary shares of the company, including those of their immediate families were as follows:-

	1988	1987
M.E. Doyle	200,100	200,100
	=====	=====

Auditors

The auditors, Bastow, Charleton & Co., have expressed their willingness to continue in office and a resolution re-appointing them will be proposed at the Annual General Meeting.

By order of the Board

C.M. HENNIKER

SECRETARY

24, August, 1989

REPORT OF THE AUDITORS TO THE MEMBERS OF
DOYLE LONDON HOTELS LIMITED

We have audited the financial statements on pages 4 to 10 in accordance with approved auditing standards. In our opinion, the financial statements, which have been prepared under the historical cost convention, together with the accompanying notes, give a true and fair view of the state of affairs of the company at 31st July 1988, and of the profit and source and application of funds for the year then ended, and comply with the Companies Act, 1985.

DATE: 25th August 1989.

Barton Challenor & Co

CHARTERED ACCOUNTANTS,
Marine House,
Clanwilliam Court,
Dublin 2.

DOYLE LONDON HOTELS LIMITED

2 Bedford Row, London WC1R 4BU, England.

ACCOUNTING POLICIES

(a) Basis of Accounts

The accounts are prepared under the historical cost convention.

(b) Depreciation

(i) Depreciation has been provided on fixtures, fittings and equipment at an annual rate of 12 1/2% on the reducing balance.

(ii) No depreciation has been provided on long leasehold land and premises.

(c) Stocks

Stocks are valued at cost which is less than net realisable value.

(d) Repairs

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

(e) Foreign Currency

Foreign exchange profits and losses arising in the ordinary course of business during the year are dealt with in determining the profit for the year.

(f) Deferred Taxation

Deferred taxation is provided on timing differences except to the extent that it is not expected to become payable in the foreseeable future; the amount not provided is disclosed as a contingent liability.

DOYLE LONDON HOTELS LIMITED

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TRADING AND PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST JULY

	1988		1987	
	£	£	£	£
Sales				
- Accommodation		3,079,157		3,114,779
Food and Beverage		1,098,746		1,070,140
Sundry		392,024		344,430
		-----		-----
		4,569,927		4,529,349
Cost of Sales				
- Food and Beverage	391,758		404,751	
Sundry	113,166		106,651	
	-----		-----	
	504,924		511,402	
Direct Wages	917,834		837,843	
	-----		-----	
		1,422,758		1,349,245
		-----		-----
Gross Profit for Year		3,147,169		3,180,104
Indirect wages costs	206,387		186,513	
Laundry and cleaning	141,020		138,880	
Printing, postage and stationery	43,476		37,578	
Advertising and sales promotion	142,081		144,004	
Heat, light and power	75,504		78,220	
Repairs and maintenance	198,911		191,830	
Rent and rates	141,401		139,263	
Bank interest	488,788		588,506	
Bank charges	9,761		13,011	
Insurance	37,780		27,819	
Auditors remuneration	6,650		6,250	
Miscellaneous expenses	232,541		208,662	
Depreciation: Plant and equipment	123,201		75,380	
Loss on disposal of investments	4,258			
	-----		-----	
		1,851,759		1,835,916
		-----		-----
		1,295,410		1,344,188
Interest receivable	15,510		8,674	
Investment Income	11,385		4,593	
	-----		-----	
		26,895		13,267
		-----		-----
Net profit for year		1,322,305		1,357,455
		=====		=====

The annexed notes numbered 1 to 7 inclusive form an integral part of these financial statements and should be read in conjunction therewith.

The financial statements were approved by the Board of Directors on 24 August 1989 and are signed on its behalf by:-

DAVID DOYLE

WILLIAM M. CORRIGAN

DIRECTORS

DOYLE LONDON HOTELS LIMITED

2 Bedford Row, London, WC1R 4BU, England.

GENERAL PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST JULY

	NOTE	1 9 8 8 £	1 9 8 7 £
Turnover for year		4,569,927 =====	4,529,349 =====
Net profit for year before taxation	1	1,322,305	1,357,455
Less: Taxation	2	449,860	492,240
Net profit for year after taxation		----- 872,445	----- 865,215
Add: Balance from previous account		1,239,266	374,051
Balance forward to next account		----- 2,111,711 =====	----- 1,239,266 =====

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DAVID DOYLE

WILLIAM M. CORRIGAN

DIRECTORS

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BALANCE SHEET AS AT 31ST JULY

	NOTE	1988		1987	
		£	£	£	£
Fixed Assets	3		7,388,341		6,419,537
Investments			-		349,163
Current Assets					
Stocks	4	31,843		28,500	
Debtors		378,260		352,963	
Cash at Bank - Deposit		142,640		420,602	
Cash on hand		5,557		5,609	
		=====		=====	
		558,300		807,674	
Current Liabilities					
Creditors and expenses accrued		655,350		678,680	
Current taxation		436,597		460,999	
Short term borrowings	5	2,251,841		2,028,574	
		=====		=====	
		3,343,788		3,168,253	
Net Current Liabilities			(2,785,488)		(2,360,579)
Employment of Funds			=====		=====
			4,602,853		4,408,121
Share Capital					
			Issued and		
			Authorised Fully Paid		
Ordinary shares of £1 each		1,000,000	300,000		300,000
		=====			
Revenue Reserve			2,111,711		1,239,266
			=====		=====
			2,411,711		1,539,266
Medium Term Loans	5		2,057,142		2,742,855
Deferred Tax			134,000		126,000
			=====		=====
Funds Employed			4,602,853		4,408,121
			=====		=====

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DAVID DOYLE

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR YEAR ENDED 31ST JULY

	1988		1987	
	£	£	£	£
Revenue Funds				
Source of Funds				
Profit for year		1,322,305		1,357,455
Add: Items not involving the movement of funds:				
Depreciation		123,201		75,380
Loss on disposal of investments		4,258		
		<u>1,449,764</u>		<u>1,432,835</u>
Working Capital				
Stocks	(3,343)		1,065	
Debtors	(24,057)		(4,730)	
Creditors	(23,330)		260,590	
		<u>(50,730)</u>		<u>256,925</u>
		1,399,034		1,689,760
Capital Funds				
Source of Funds				
Disposal of investments		344,905		
		<u>1,743,939</u>		<u>1,689,760</u>
Application of Funds				
Medium term bank loans	(685,713)		(685,717)	
Purchase of tangible assets	(1,092,005)		(345,842)	
Purchase of investments	-		(299,055)	
Tax paid	(467,502)		(33,843)	
		<u>(2,245,220)</u>		<u>(1,364,457)</u>
		(501,281)		325,303
Movement in net liquid funds				
Cash and short term deposits	278,014		418,704	
Short term bank loans and overdrafts	223,267		(93,401)	
		<u>501,281</u>		<u>325,303</u>

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DIRECTORS

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

1. Net Profit

	1988 £	1987 £
The net profit is stated after charging:-		
Directors' remuneration	-	-
Auditors' remuneration	6,650	6,250
Depreciation	123,201	75,380
Interest Payable	488,788	588,506
	=====	=====
and after crediting:-		
Interest receivable	15,510	8,674
Investment Income	11,385	4,593
	=====	=====

2. Taxation

	1988 £	1987 £
Corporation Tax	440,000	477,240
Prior year adjustment	1,860	-
	-----	-----
Deferred Tax	441,860	477,240
	8,000	15,000
	-----	-----
	449,860	492,240
	=====	=====

3. Fixed Assets

	Total £	Leasehold Land and Premises £	Fixtures, Fittings and Equipment £
Cost			
Balance at 31st July 1987	6,675,239	5,906,274	768,965
Additions	1,092,005	619,663	472,342
	-----	-----	-----
Balance at 31st July 1988	7,767,244	6,525,937	1,241,307
	=====	=====	=====
Accumulated Depreciation			
Balance at 31st July 1987	255,702	-	255,702
Provision	123,201	-	123,201
	-----	-----	-----
Balance at 31st July 1988	378,903	-	378,903
	=====	=====	=====
Net Book Value			
1988	7,388,341	6,525,937	862,404
	=====	=====	=====
1987	6,419,537	5,906,274	513,263
	=====	=====	=====

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 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

4. Stocks

Stocks are comprised of the following:-

Stocks for resale
 Consumable stores

1988 £	1987 £
19,343	16,000
12,500	12,500
-----	-----
31,843	28,500
=====	=====

5. Borrowings

Guinness & Mahon Ltd. (Secured)
 Bank of Ireland (Secured)
 Barclays Bank PLC

Total Borrowings

1988 £	1987 £
1,000,000	1,000,000
3,299,424	3,771,429
9,559	-
-----	-----
4,308,983	4,771,429
=====	=====

Total borrowings comprise :-

Amounts falling due within one year

Amounts falling due after more than one year

2,251,841	2,028,574
2,057,142	2,742,855
-----	-----
4,308,983	4,771,429
=====	=====

6. Capital Commitments.

The company had not contracted for, nor the directors authorised, any capital expenditure at 31st July 1988.

7. Contingent Liabilities

The tax effect of timing differences, resulting from accelerated capital allowances and for which provision is not made, amounts to £38,264.