

1280133

DOYLE LONDON HOTELS LIMITED

YEAR ENDED 31 JULY 1993



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KLO/RECEIPT DATE:31/05/94

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

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 July 1993.

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 loss for the year of £375,861 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>1993</u>	<u>1992</u>
M.E. Doyle and D. Doyle	200,000	200,000

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: 23rd April 86

C.A.M. Hemmick
SECRETARY

DOYLE LONDON HOTELS LIMITED

We have audited the financial statements, on pages 6 to 14, 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 1993 and of its result for the year ended on that date and have been properly prepared in accordance with the Companies Act, 1985.

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

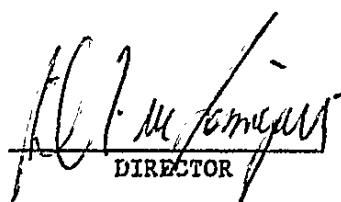
DATE: 23 March 1994

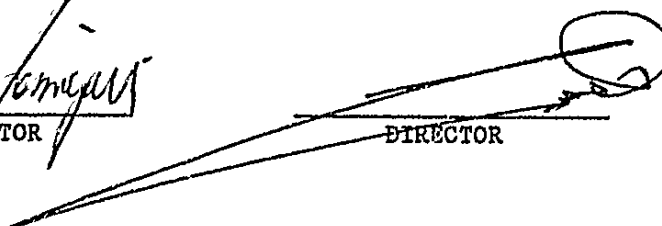
DOYLE LONDON HOTELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY

	NOTES	1993 £	1992 £
TURNOVER		3,785,862	4,074,383
COST OF SALES		(3,238,442)	(2,979,537)
GROSS PROFIT		547,420	1,094,846
DISTRIBUTION COSTS		(285,092)	(241,524)
ADMINISTRATIVE EXPENSES		(396,538)	(458,156)
		(681,630)	(699,680)
OPERATING (LOSS)/PROFIT	2	(134,210)	395,166
Bank interest receivable		2,225	7,753
Bank interest payable		(94,129)	(155,169)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(226,114)	247,750
Taxation on (loss)/profit on ordinary activities	4	(149,747)	(75,810)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(375,861)	171,940
Retained profits brought forward		4,303,864	4,131,924
RETAINED PROFIT CARRIED FORWARD		3,928,003	4,303,864

Approved by the board of directors on 23rd March '94 and signed on its behalf by:


DIRECTOR


DIRECTOR

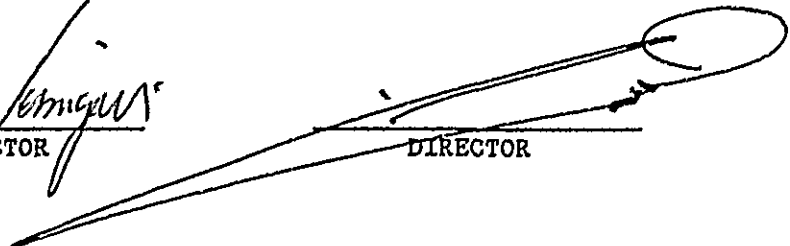
DOYLE LONDON HOTELS LIMITED

BALANCE SHEET AS AT 31 JULY

	<u>NOTE</u>	1993 <u>£</u>	1992 <u>£</u>
FIXED ASSETS			
Tangible Assets	5	11,477,228	11,007,550
		-----	-----
CURRENT ASSETS			
Stocks	6	49,325	53,103
Debtors	7	398,099	275,461
Cash at bank and on hand		80,380	18,137
		-----	-----
		527,804	346,701
CREDITORS (Amounts falling due within one year)	8	(7,200,029)	(6,373,387)
		-----	-----
NET CURRENT LIABILITIES		(6,672,225)	(6,026,686)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		4,805,003	4,980,864
PROVISIONS FOR LIABILITIES AND CHARGES	10	(577,000)	(377,000)
		-----	-----
NET ASSETS		4,228,003	4,603,864
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	11	300,000	300,000
Revenue Reserve		3,928,003	4,303,864
		-----	-----
		4,228,003	4,603,864
		=====	=====

Approved by the board of directors on 23rd March '94 and signed on its behalf by:


DIRECTOR


DIRECTOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1993

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.

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 (LOSS)/PROFIT

	1993	1992
	£	£
This is stated after charging:		
Auditors' remuneration	8,000	7,750
Depreciation	428,888	439,589

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 80 (1992 - 75).

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

	1993	1992
	£	£
Wages and salaries	1,111,945	1,014,393
Social security costs	110,490	100,367
Corporate pensions costs	42,117	8,338
	-----	-----
	1,264,552	1,123,098
	=====	=====

4. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

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

	1993	1992
	£	£
Corporation tax (1992 - 33.33%)	-	-
Deferred taxation	200,000	125,000
Overprovision in previous years	(50,253)	(49,190)
	-----	-----
	149,747	75,810
	=====	=====

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	12,635,854	7,930,426	4,705,428
Additions	898,566	544,587	353,979
	-----	-----	-----
At end of year	13,534,420	8,475,013	5,059,407
	=====	=====	=====
Accumulated Depreciation:			
At beginning of year	1,628,304	-	1,628,304
Provision	428,888	-	428,888
	-----	-----	-----
At end of year	2,057,192	-	2,057,192
	=====	=====	=====
Net book value at beginning of year	11,007,550	7,930,426	3,077,124
	=====	=====	=====
Net book value at end of year	11,477,228	8,475,013	3,002,215
	=====	=====	=====

DOYLE LONDON HOTELS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

6. STOCKS

	1993	1992
	£	£
Stocks for resale	23,866	23,816
Consummable stores	25,459	29,287
	-----	-----
	49,325	53,103
	=====	=====

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

7. DEBTORS

	1993	1992
	£	£
Amounts falling due within one year:		
Trade debtors	234,731	164,686
Other debtors	50,253	48,793
Prepayments	113,115	61,982
	-----	-----
	398,099	275,461
	=====	=====

8. CREDITORS (Amounts falling due within one year)

	1993	1992
	£	£
8.1 Bank loans and overdrafts	1,733,654	1,793,857
Trade creditors	161,942	214,324
Amounts owed to connected companies	5,070,800	4,206,570
Tax and social welfare	148,842	62,785
Accruals	84,791	95,851
	-----	-----
	7,200,029	6,373,387
	=====	=====

8.2 Tax and Social Welfare:

	1993	1992
	£	£
Value added tax	114,622	31,726
Payroll taxes	34,220	31,059
	-----	-----
	148,842	62,785
	=====	=====

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS CONTINUED

9. BANK LOANS AND OVERDRAFTS

The bank loans and overdrafts are repayable as follows:

	1993	1992
	£	£
Repayment in full within five years:		
Bank overdrafts	35,853	94,335
Bank loans	1,697,801	1,699,522
	-----	-----
Total bank borrowings	1,733,654	1,793,857
	44 923 286 886 886 226 126	42 986 886 886 226 126

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

	1993	1992
	£	£
Balance at beginning of year	377,000	252,000
Transfer from profit and loss account	200,000	125,000
	-----	-----
Balance at end of year	577,000	377,000
	57 000 000 000 000 000	37 000 000 000 000 000

11. CALLED UP SHARE CAPITAL

	<u>Authorized</u>	<u>Allotted, called-Up and fully paid</u>	
		1993	1992
	£	£	£
Ordinary shares of £1 each	1,000,000	300,000	300,000
	44 000 000 000 000 000	30 000 000 000 000	30 000 000 000 000

12. CAPITAL COMMITMENTS

The company had not contracted for, nor had the directors authorised, any capital expenditure at 31 July 1993.

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>	1993 £	1992 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	245,029 -----	774,196 -----
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		2,225	7,753
Interest paid		(139,265)	(171,189)
		-----	-----
		(137,040)	(163,436)
		-----	-----
TAXATION:			
Corporation tax refund/(paid)		48,793	(230,000)
		-----	-----
INVESTING ACTIVITIES:			
Payments to acquire tangible assets		(898,566)	(1,303,283)
		-----	-----
NET CASH OUTFLOW BEFORE FINANCING		(741,784)	(922,523)
FINANCING:			
Loans received from connected company		864,230	1,711,687
Loans repaid		(1,721)	(835,394)
		-----	-----
		862,509	876,293
		-----	-----
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2	120,725 =====	(46,230) =====

DOYLE LONDON HOTELS LIMITED

NOTES TO AND FORMING PART OF THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 19931. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

	1993 £	1992 £
Operating (loss)/profit	(134,210)	395,166
Depreciation charges	428,888	439,589
Decrease/(Increase) in stocks	3,778	(4,469)
Increase in debtors	(121,178)	(70,866)
Increase in creditors	67,751	14,776
	-----	-----
Net cash inflow from operating activities	245,029	774,196
	=====	=====

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

	1993 £	1992 £	Change in year £
Cash at bank and in hand	80,380	18,137	62,243
Bank loans and overdrafts	(35,853)	(94,335)	58,482
	-----	-----	-----
	44,527	(76,198)	120,725
	=====	=====	=====