

Chamberlain Hotels Limited

Directors' report and financial statements

For the year ended 31 December 2008

Registered no. 2307261

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Chamberlain Hotels Limited

Directors' report and financial statements

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Chamberlain Hotels Limited

Directors and other information

Directors	John Brennan Thomas Dowd Cormac O'Tighearnaigh
Secretary	Linda Jordan
Bankers	Royal Bank of Scotland Kirkstane House 139 St Vincent Street Glasgow G2 5JF
Solicitors	Hammonds 7 Devonshire Square Cutlers Gardens London EC2M 4YH
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
Registered office	245 Broad Street Birmingham B1 2HQ England
Registered Number	2307261

Chamberlain Hotels Limited

Directors' report

The Directors submit their annual report together with the audited financial statements of the Company for the year ended 31 December 2008.

Principal activities

The Company is part of a leading hotel group and operates premium budget hotel in the United Kingdom.

Business risks and uncertainties

The hotel industry's performance is closely aligned to the general economic environment. Therefore, a key risk facing the Company is adverse economic conditions. Chamberlain Hotels Limited has a low cost business model, charging its customers rates that vary depending on levels of demand. This reduces, though does not eliminate, the financial impact arising from such adverse conditions.

Results and dividends

The Company reported a profit of £3.978 million in the year to 31 December 2008 (*2007: £5.026 million*) and had net assets at that date of £108.427 million. The directors do not recommend the payment of a dividend.

Future developments

The Company expects 2009 to be difficult in terms of trading, but is confident that trading will perform above market levels.

Directors and Secretary

The Directors are not required to retire by rotation.

On 15 September 2009 Stephen Johnston resigned as company secretary and Linda Jordan was appointed as company secretary.

Disabled persons

It is the policy of the Company to give fair and full consideration to registered disabled persons applying for employment and to the continuing employment and appropriate training of staff who become disabled having regard to their particular aptitudes and abilities.

Chamberlain Hotels Limited

Directors' report *(continued)*

Employee participation

The Company places particular importance on the involvement of its employees keeping them regularly informed through meetings and the Company's internal newsletter on matters affecting them as employees and on issues affecting the company's performance. The training and development of employees at all levels continues to be a major priority.

Payment of suppliers

The Company's policy is to agree payment terms with individual suppliers and to abide by such terms.

Post balance sheet events

In July 2009, the Company's ultimate parent company Vesway Limited, raised an additional £30 million of convertible loans from existing loan note holders. In addition, Vesway Limited raised additional debt of £30 million and renegotiated the repayment date for all existing debt facilities from 2012 to 2014.

Charitable contributions

The Company made no donations to UK charities during the year.

Political donations

The Company made no political donations during the year.

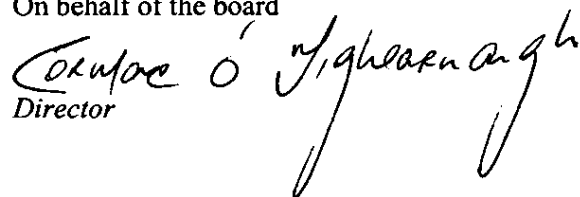
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the re-appointment of KPMG, Chartered Accountants, will be proposed at the Annual General Meeting.

On behalf of the board


Director

21 October 2009

Chamberlain Hotels Limited

Statement of Directors' responsibilities in respect of the director's report and the financial statements

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

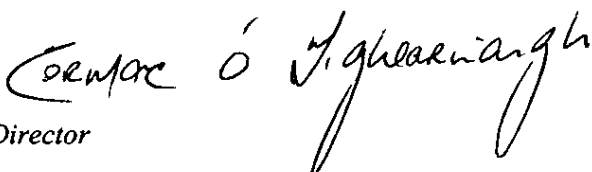
The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board


Director



KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Chamberlain Hotels Limited

We have audited the financial statements of Chamberlain Hotels Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Note of Historical Cost Profits and Losses, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies as set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act, 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the directors' report is not consistent with the financial statements.

In addition we report to you if, in our opinion the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.



Independent auditor's report to the members of Chamberlain Hotels Limited
(continued)

Basis of opinion *(continued)*

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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG

Chartered Accountants
Registered Auditor

21 October 2009

Chamberlain Hotels Limited

Statement of accounting policies

for the year ended 31 December 2008

Basis of preparation

The financial statements are prepared in Sterling in accordance with generally accepted accounting principles under the historical cost convention, modified by the revaluation of certain assets, and comply with financial reporting standards of the Accounting Standards Board.

The accounting policies applied to the financial statements are consistent with those applied in the preparation of the Company's financial statements for the year ended 31 December 2007.

Tangible fixed assets

(a) Hotel properties and other assets

The Company's hotel properties are valued on an existing use value basis by professional valuers at least every five years with an interim valuation at least every three years in accordance with FRS 15: Tangible Fixed Assets. In the intervening years the Company's hotel properties and other assets are held at director's valuation. These revaluations are incorporated in the financial statements and the gains arising thereon are recognised in the statement of total recognised gains and losses.

Revaluation losses that are caused by a consumption of economic benefits are recognised in the profit and loss account. Other revaluation losses are recognised in the statement of total recognised gains and losses until the carrying amount of the asset reaches its depreciated historical cost and thereafter losses are recognised in the profit and loss account.

On an annual basis the directors review the carrying amount of the hotel properties and other assets to determine whether there is any indication of impairment. In completing the impairment review the Company estimates the recoverable amount of its hotel properties based on the higher of their net realisable values or the present values of future cash flows expected to result from their use. Where the recoverable amount is less than the carrying amount of the hotel properties the Company recognises an impairment loss in the financial statements on a basis consistent with the recognition of revaluation gains and losses as set out above. Other fixed assets are stated at cost or revalued amount less accumulated depreciation.

(b) Investment properties

Investment properties are, in accordance with Statement of Standard Accounting Practice No. 19: Investment Properties (SSAP 19), revalued annually, on an open market value basis. All surpluses and deficits arising on valuation are taken directly to revaluation reserve except that any reduction in value below historical cost is taken to the profit and loss account for the period. Depreciation or amortisation is not provided in respect of investment properties.

Chamberlain Hotels Limited

Statement of accounting policies *(continued)* *for the year ended 31 December 2008*

Depreciation of tangible fixed assets

Depreciation is calculated to write off the original cost of valuation of tangible fixed assets less their estimated residual value over their expected useful lives on a straight line basis. The estimated useful lives applied in determining the charge to depreciation are as follows.

Land	Nil
Buildings Core	50 to 125 years
Buildings Non-Core	30 years
Plant	20 years
Fixtures, fittings and equipment	5 to 10 years

Stocks

Stocks are valued at the lower of cost and net realisable value on a first-in, first-out basis. Cost comprises invoice price including delivery costs.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or, if hedged, at the contracted rate. Foreign currency assets and liabilities are translated at the rate ruling at the balance sheet date. All gains or losses arising are reflected in the profit and loss account.

Taxation

Corporation tax in respect of the Company is provided at current rates and is calculated on the basis of the results for the year.

Full provision, without discounting, is made for all timing differences at the balance sheet date in accordance with FRS 19. As permitted by FRS 19 deferred tax is not recognised on the gains arising from the revaluation of hotel properties. Provision is made at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

Pension

The Company is a participating employer in group defined benefit schemes operated by Jurys Inns Group Limited, providing benefits based on final pensionable salary. The Company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the schemes as if they were defined contribution schemes. As a result the amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting year.

Chamberlain Hotels Limited

Statement of accounting policies *(continued)* *for the year ended 31 December 2008*

Turnover

Turnover represents the invoiced fair value of goods and services exclusive of Value Added Tax and other sales taxes delivered to third party customers during the year.

Cash and liquid resources

Cash includes cash in hand and deposits repayable on demand. Liquid resources are liquid current asset investments and generally consist of short-term bank deposits.

Dividends

Interim dividends on ordinary shares are recognised as a liability on the Company's financial statements in the period in which they are approved by the Board. Final dividends on ordinary shares are recognised as a liability in the Company's financial statements in the period in which they are approved by shareholders.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a post balance sheet event, and it is probable that an outflow of economic benefits would be required to settle the obligation.

Chamberlain Hotels Limited

Profit and loss account

for the year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Turnover – continuing activities	<i>1</i>	12,976	12,988
Cost of sales		(8,873)	(7,765)
		<hr/>	<hr/>
Gross profit		4,103	5,223
Administrative expenses		(31)	(27)
		<hr/>	<hr/>
Operating profit – continuing activities	<i>3</i>	4,072	5,196
Interest payable and similar charges	<i>4</i>	-	(75)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		4,072	5,121
Tax charge on profit on ordinary activities	<i>5</i>	(94)	(95)
		<hr/>	<hr/>
Profit for the financial year	<i>12</i>	3,978	5,026
		<hr/>	<hr/>

Conor Ó Sighéarnágh

Chamberlain Hotels Limited

Statement of total recognised gains and losses for the year ended 31 December 2008

	<i>Notes</i>	2008 £'000	2007 £'000
Profit for the financial year		3,978	5,026
Unrealised surplus on revaluation of fixed assets	<i>11</i>	-	43,310
Total recognised gains and losses for the year	<i>13</i>	3,978	48,336

Note of historical cost profits and losses For the year ended 31 December 2008

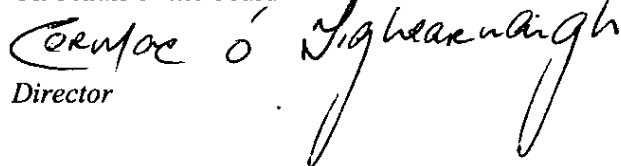
	2008 £'000	2007 £'000
Reported profit on ordinary activities before taxation	4,072	5,121
Difference between the historical cost depreciation charge and the actual depreciation charge for the year arising from the revaluation of tangible fixed assets	95	92
Historical cost profit on ordinary activities before taxation	4,167	5,213
Historical cost profit on ordinary activities after taxation	4,073	5,118

Chamberlain Hotels Limited

Balance sheet at 31 December 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	6	92,574	93,353
Current assets			
Stocks		34	38
Debtors	7	19,034	16,202
Cash at bank and in hand		70	70
		<u>19,138</u>	<u>16,310</u>
Creditors: amounts falling due within one year	8	<u>(1,638)</u>	<u>(3,537)</u>
Net current assets		<u>17,500</u>	<u>12,773</u>
Total assets less current liabilities		<u>110,074</u>	<u>106,126</u>
Provision for liabilities and charges			
Deferred tax	9	<u>(1,647)</u>	<u>(1,677)</u>
Net assets		<u>108,427</u>	<u>104,449</u>
Capital and reserves			
Called up share capital	10	1,501	1,501
Revaluation reserve	11	82,451	82,451
Profit and loss account	12	24,475	20,497
Shareholder's funds	13	<u>108,427</u>	<u>104,449</u>

On behalf of the board


Director

Chamberlain Hotels Limited

Notes

forming part of the financial statements

1 Turnover

The Company's turnover arises from hotel activities in the United Kingdom. The company's net assets are located in the United Kingdom.

2 Staff numbers and costs

The average number of persons, including executive directors, employed by the Company, during the year was 146 (*year ended 31 December 2007: 149*).

The aggregate payroll costs of these persons were as follows:

	2008 £'000	2007 £'000
Wages and salaries	2,312	2,362
Social security costs	158	172
Pension costs	68	56
	<hr/>	<hr/>
	2,538	2,590
	<hr/>	<hr/>

3 Profit on ordinary activities before taxation

2008 £'000	2007 £'000
---------------	---------------

The profit on ordinary activities before taxation has been arrived at after charging the following items:

Directors' remuneration	-	-
Fees	-	-
Depreciation	868	790
Auditor's remuneration	5	5
	<hr/>	<hr/>

4 Interest payable and similar charges

2008 £'000	2007 £'000
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Interest on group borrowings	-	75
	<hr/>	<hr/>

Chamberlain Hotels Limited

Notes (continued)

5 Tax on profit on ordinary activities

	2008 £'000	2007 £'000
Corporation tax charge	124	389
	<hr/>	<hr/>
	124	389
<i>Deferred tax origination and reversal of timing differences</i>		
Credit for year (Note 9)	(30)	(294)
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	94	95
	<hr/>	<hr/>

No provision has been made for deferred tax on gains recognised on revaluing hotel properties to their market value, in accordance with FRS 19. This tax would only be payable if the hotel properties were sold at their book values and if rollover relief could not be claimed. The total estimated amount not provided for is £13.6 million. It is not envisaged that any such tax will be payable in the foreseeable future.

The current tax charge for the year is lower than the standard rate of tax in the United Kingdom. The differences are set out in the tax reconciliation below:

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	4,072	5,121
	<hr/>	<hr/>
Profit on ordinary activities at standard corporation tax rate in the UK of 28.5% (Year ended 31 December 2007: 30%)	1,161	1,536
Effects of:		
Capital allowance variance to depreciation	43	(108)
Group relief claimed	(1,259)	(1,117)
Expenses not deductible for tax purposes	38	55
(Overprovision) in respect of prior years	124	23
Other timing differences	17	-
	<hr/>	<hr/>
Current tax charge	124	389
	<hr/>	<hr/>

Chamberlain Hotels Limited

Notes (continued)

6 Tangible assets

	Freehold and Leasehold Land and Buildings £'000	Plant, Fixtures, Fittings and Properties £'000	Investment Property £'000	Total £'000
Cost or valuation:				
At 1 January 2008				
Valuation	85,224	6,314	2,900	94,438
Cost	-	783	-	783
	<hr/>	<hr/>	<hr/>	<hr/>
	85,224	7,097	2,900	95,221
Additions	-	89	-	89
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008				
Valuation	85,224	6,314	2,900	94,438
Cost	-	872	-	872
	<hr/>	<hr/>	<hr/>	<hr/>
	85,224	7,186	2,900	95,310
Depreciation:				
At 1 January 2008	(695)	(1,173)	-	(1,868)
Charge for year	(278)	(590)	-	(868)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	(973)	(1,763)	-	(2,736)
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
31 December 2008	84,251	5,423	2,900	92,574
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2007	84,529	5,924	2,900	93,353
	<hr/>	<hr/>	<hr/>	<hr/>

The company's hotel property was valued on an existing use value basis by HVS International at 7 June 2007. The valuation was carried out in accordance with the Practice Statements of Asset Valuation and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

In accordance with SSAP 19 the Group undertakes a valuation of investment properties on an annual basis. The valuation of investment properties on an open market value basis at 31 December 2008 resulted in a surplus on revaluation of £Nil (2007: £Nil). The valuation of investment properties at 31 December 2008 was carried out by CBRE in accordance with the Practice Statements of Asset Valuation and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

Included in land and buildings is land with a book value of £65.6 million.

Chamberlain Hotels Limited

Notes (continued)

6 Tangible assets

In accordance with the Company's accounting policies the directors undertake an annual review of the carrying value of the Company's hotel property to determine where there is any indication of impairment. In determining the hotel property's value in use the directors are required to make judgements, estimates and assumptions that impact on the carrying value of the properties. The recoverable amount for the property is determined from the value in use calculations.

In assessing the value in use for the property, the estimated future cashflows for the property are discounted to their net present value using a pre tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property.

Management have estimated future cashflows for the property and have extrapolated it for 50 years using a growth rate which after a maximum of 4 years does not exceed the average long term growth for the relevant markets.

Management have discounted the cashflows to their net present value using a pre-tax discount rate of 7.1%. As noted above the discount rate, calculated using the Weighted Average Cost of Capital model, reflects current market assessments of the time value of money and the risks specific to the property.

In completing the impairment review management have made a number of estimates and assumptions which are based on historical experience and other factors that are believed to be reasonable based on information available to management. The estimates and assumptions made by management are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the assumptions are revised.

7 Debtors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade debtors	790	696
Prepayments	207	182
Amount owed by group undertakings	18,037	15,324
	<hr/>	<hr/>
	19,034	16,202
	<hr/>	<hr/>

Chamberlain Hotels Limited

Notes (continued)

8 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	299	325
Corporation tax payable	513	389
Accruals	441	460
VAT	269	333
Capital accruals	103	370
Amounts owed to group undertakings	13	1,660
	<u>1,638</u>	<u>3,537</u>

9 Provision for liabilities and charges

	2008 £'000	2007 £'000
<i>Deferred taxation</i>		
At start of year	1,677	1,971
Credit for year (Note 5)	(30)	(294)
	<u>1,647</u>	<u>1,677</u>

Analysis of deferred tax balance

	2008 £'000	2007 £'000
Capital allowances in excess of depreciation	1,679	1,705
Other timing differences	(32)	(28)
	<u>1,647</u>	<u>1,677</u>

Provision for deferred tax

Chamberlain Hotels Limited

Notes (continued)

10 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
Ordinary shares of £1 each	684,100	684,100
D Ordinary shares of £1 each	65,000	65,000
E Ordinary shares of 1p each	130,000	130,000
	<hr/>	<hr/>
	879,100	879,100
Non-voting B ordinary shares of £10 each	1,100,000	1,100,000
Non-voting C ordinary shares of 1p each	20,900	20,900
	<hr/>	<hr/>
	1,120,900	1,120,900
	<hr/>	<hr/>
	2,000,000	2,000,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	185,000	185,000
D ordinary shares of £1 each	65,000	65,000
E Ordinary shares of 1p each	130,000	130,000
	<hr/>	<hr/>
	380,000	380,000
	<hr/>	<hr/>
Non-voting B ordinary shares of £10 each	1,100,000	1,100,000
Non voting C ordinary shares of 1p each	20,900	20,900
	<hr/>	<hr/>
	1,120,900	1,120,900
	<hr/>	<hr/>
	1,500,900	1,500,900
	<hr/>	<hr/>

Non-voting shareholders are not entitled to request, attend or vote at any general meeting. Neither are they entitled to receive more than the amount paid up. In all other respects, non-voting shares rank pari passu with ordinary shares.

Chamberlain Hotels Limited

Notes (continued)

11 Revaluation reserve

	2008 £'000	2007 £'000
At beginning of the year	82,451	39,141
Arising on revaluation of tangible fixed assets	-	43,310
	<hr/>	<hr/>
At end of year	82,451	82,451
	<hr/>	<hr/>

12 Profit and loss account

	2008 £'000	2007 £'000
At beginning of year	20,497	15,471
Profit for the financial year	3,978	5,026
	<hr/>	<hr/>
At end of year	24,475	20,497
	<hr/>	<hr/>

13 Reconciliation of movement in shareholder's funds

	2008 £'000	2007 £'000
Opening shareholder's funds	104,449	56,113
Total recognised gains and losses for the year	3,978	48,336
	<hr/>	<hr/>
Closing shareholder's funds	108,427	104,449
	<hr/>	<hr/>

Chamberlain Hotels Limited

Notes (continued)

14 Pensions

The Company participates in group defined benefit schemes operated by Jurys Inns Group Limited. The schemes' assets are held in trustee administered funds, which are separate from the Company. The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit and attained age methods. The effective dates of the last actuarial valuations are 11 April 2007.

The directors are unable to identify the Company's share of the underlying assets and liabilities of the schemes as for funding purposes, the employers within the group share actuarial risks. The determination of cash contributions does not separately identify assets and liabilities for individual participating companies and all employers pay the same contribution rate in respect of accruing benefits. Contributions in respect of the past service deficit are paid separately by another group company.

As a result it is accounted for as a defined contribution scheme. Overall, the schemes are currently in deficit and it is expected that contributions will be increased to reduce the deficit. At 31 December 2008 this deficit, calculated in accordance with FRS 17, amounted to £3.2 million (31 December 2007: deficit of £2.3 million). Full details of the schemes are disclosed in the consolidated financial statements of the company's ultimate parent company, Vesway Limited.

The total pension charge for the year amounted to £67,988 (2007: £55,549).

15 Commitments

At 31 December 2008, the Company had capital commitments of £Nil (2007: £Nil).

16 Cash flow statement

The Company has availed of the exemption under Financial Reporting Standard No 1 (Revised) 'Cash Flow Statements' not to prepare a cash flow statement as a consolidated cash flow statement has been prepared by its ultimate parent undertaking Vesway Limited.

17 Group relationships and controlling parties

The Company is a wholly owned subsidiary of Jurys Doyle Hotel Management (UK) Limited.

The ultimate controlling party is Vesway Limited. This company which is incorporated in Ireland prepares consolidated financial statements which include the results of this company and are available from 146 Pembroke Road, Dublin 4, Ireland.

Chamberlain Hotels Limited

Notes *(continued)*

18 Related party transactions

The Company has availed of the exemption available in FRS 8 'Related Party Disclosures' from disclosing transactions with Group undertakings. Details on the availability of Group consolidated financial statements are given in Note 17.

19 Contingent liabilities

The Company has extended a composite guarantee and indemnity incorporating cross guarantees and indemnities and a composite debenture incorporating first floating charges over all assets as security against Group borrowings. It has also issued a negative pledge in respect of other bank borrowings of group undertakings.

20 Approval of financial statements

The financial statements were approved by the Directors on 21 October 2009.