



# Chamberlain Hotels Limited

## Directors' report and financial statements

*For the year ended 31 December 2009*

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# Chamberlain Hotels Limited

## Directors' report and financial statements

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## Chamberlain Hotels Limited

### Directors and other information

<b>Directors</b>	John Brennan Thomas Dowd Cormac O'Tighearnaigh
<b>Secretary</b>	Linda Jordan
<b>Bankers</b>	Royal Bank of Scotland Kirkstane House 139 St Vincent Street Glasgow G2 5JF
<b>Solicitors</b>	Hammonds 7 Devonshire Square Cutlers Gardens London EC2M 4YH
<b>Auditor</b>	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
<b>Registered office</b>	245 Broad Street Birmingham B1 2HQ England
<b>Registered Number</b>	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 2009.

### Principal activities

The Company is part of a leading hotel group and operates a 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 £3.141 million for the year to 31 December 2009 (*Year to 31 December 2008 £3 978 million*) and had net assets at that date of £110 743 million (*2008 £108 427 million*). The directors do not recommend the payment of a dividend.

### Business review

The Company expects 2010 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 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

### Employee participation

The Company places particular importance on the involvement of its employees keeping them regularly informed through meetings 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



## Chamberlain Hotels Limited

### Directors' report *(continued)*

#### **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**

There have been no significant events since the balance sheet date that would require adjustments to the financial statements or inclusion of a note hereto.

#### **Charitable contributions**

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

#### **Political donations**

The Company made no political donations during the year

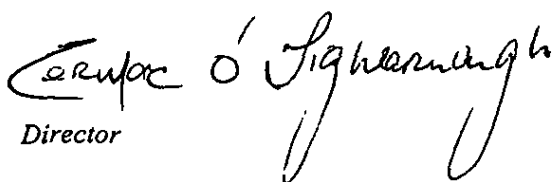
#### **Disclosure of information to auditors**

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**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG will therefore continue in office

On behalf of the board

  
Director

12 August 2010

Cormac O'Tighearnaigh



## Chamberlain Hotels Limited

### Statement of Directors' responsibilities in respect of the directors' 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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

12 August 2010

Cormac O'Tighearnaigh



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 2009 set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements are provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



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

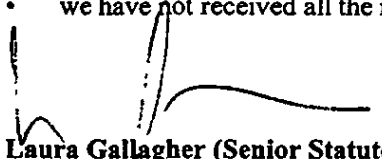
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Laura Gallagher (Senior Statutory Auditor)**  
**for and on behalf of KPMG, Statutory Auditor**  
Chartered Accountants  
1 Stokes Place,  
St Stephens Green,  
Dublin 2

12 August 2010





## Chamberlain Hotels Limited

### Statement of accounting policies *for the year ended 31 December 2009*

#### **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 2008.

#### **Tangible fixed assets**

##### **(a) *Hotel properties and other assets***

The company's hotel properties, excluding hotel properties under construction or held under short term leases, 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 2009*

#### **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 is provided on the Company's taxable profits, at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its reliefs as granted in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements. As permitted by FRS 19, deferred tax is not recognised on the gains arising from the revaluation of hotel properties.

#### **Pension**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. 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 assets of the scheme are held separately from those of the Company. 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 2009*

#### **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 2009

	<i>Notes</i>	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>Turnover – continuing activities</b>	<i>1</i>	<b>10,749</b>	<b>12,976</b>
<b>Cost of sales</b>		<b>(7,700)</b>	<b>(8,873)</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>3,049</b>	<b>4,103</b>
<b>Administrative expenses</b>		<b>(23)</b>	<b>(31)</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<i>3</i>	<b>3,026</b>	<b>4,072</b>
<b>Tax credit/(charge) on profit on ordinary activities</b>	<i>4</i>	<b>115</b>	<b>(94)</b>
		<hr/>	<hr/>
<b>Profit for the financial year</b>	<i>11</i>	<b>3,141</b>	<b>3,978</b>
		<hr/>	<hr/>



## Chamberlain Hotels Limited

### Statement of total recognised gains and losses for the year ended 31 December 2009

	<i>Notes</i>	<b>2009 £'000</b>	<b>2008 £'000</b>
Profit for the financial year		<b>3,141</b>	<b>3,978</b>
Unrealised deficit on revaluation of investment properties	<i>5,10</i>	<b>(825)</b>	<b>-</b>
<b>Total recognised gains and losses for the year</b>	<i>12</i>	<b>2,316</b>	<b>3,978</b>

### Note of historical cost profits and losses For the year ended 31 December 2009

	<b>2009 £'000</b>	<b>2008 £'000</b>
Reported profit on ordinary activities before taxation	<b>3,026</b>	<b>4,072</b>
Difference between the historical cost depreciation charge and the actual depreciation charge for the year arising from the revaluation of tangible fixed assets	<b>93</b>	<b>95</b>
<b>Historical cost profit on ordinary activities before taxation</b>	<b>3,119</b>	<b>4,167</b>
<b>Historical cost profit on ordinary activities after taxation</b>	<b>3,234</b>	<b>4,073</b>



# Chamberlain Hotels Limited

Balance sheet  
at 31 December 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	5	91,138	92,574
<b>Current assets</b>			
Stocks		31	34
Debtors	6	24,417	19,034
Cash at bank and in hand		47	70
		<u>24,495</u>	<u>19,138</u>
<b>Creditors</b> amounts falling due within one year	7	(3,358)	(1,638)
		<u>21,137</u>	<u>17,500</u>
<b>Net current assets</b>			
		<u>21,137</u>	<u>17,500</u>
<b>Total assets less current liabilities</b>		<u>112,275</u>	<u>110,074</u>
<b>Provision for liabilities and charges</b>			
Deferred tax	8	(1,532)	(1,647)
		<u>110,743</u>	<u>108,427</u>
<b>Net assets</b>			
		<u>110,743</u>	<u>108,427</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,501	1,501
Revaluation reserve	10	81,626	82,451
Profit and loss account	11	27,616	24,475
		<u>110,743</u>	<u>108,427</u>
<b>Shareholder's funds</b>	12	<u>110,743</u>	<u>108,427</u>

On behalf of the board



Director

Cormac O'Tighearnaigh

12 August 2010



# 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 127 (*year ended 31 December 2008: 146*)

The aggregate payroll costs of these persons were as follows

	2009 £'000	2008 £'000
Wages and salaries	1,910	2,312
Social security costs	131	158
Pension costs	63	68
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	2,104	2,538
	<hr/>	<hr/>

### 3 Profit on ordinary activities before taxation

2009 £'000	2008 £'000
---------------	---------------

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

Directors' remuneration:

Fees	-	-
Other emoluments	-	-
Pension contributions	-	-
Depreciation	891	868
Auditor's remuneration	5	5
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# Chamberlain Hotels Limited

## Notes (continued)

### 4 Tax (credit)/charge on profit on ordinary activities

	2009 £'000	2008 £'000
Corporation tax charge	-	124
<i>Deferred tax origination and reversal of timing differences</i>		
Credit for year (Note 8)	(115)	(30)
<b>Tax (credit)/charge on profit on ordinary activities</b>	<b>(115)</b>	<b>94</b>

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 £13.5 million (2008 £13.6 million). It is not envisaged that any such tax will be payable in the foreseeable future.

Pursuant to Finance (No 2) Act 2010 (enacted on 27 July 2010), the rate of corporation tax has been reduced to 27% from the current 28% rate, first coming into effect for the company on 1 April 2011.

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.

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation	3,026	4,072
Profit on ordinary activities at standard corporation tax rate in the UK of 28% (Year ended 31 December 2008 28.5%)	847	1,161
Effects of		
Capital allowance for period in excess of depreciation	69	43
Group relief claimed	(936)	(1,259)
Expenses not deductible for tax purposes	43	38
Other timing differences	(23)	17
Underprovision in respect of prior years	-	124
<b>Current tax charge</b>	<b>-</b>	<b>124</b>



# Chamberlain Hotels Limited

Notes (continued)

## 5 Tangible assets

	Freehold and Leasehold Land and Buildings £'000	Plant, Fixtures, Fittings and Properties £'000	Investment Property £'000	Total £'000
<b>Cost or valuation:</b>				
At 1 January 2009				
Valuation	85,224	6,314	2,900	94,438
Cost	-	872	-	872
	<hr/>	<hr/>	<hr/>	<hr/>
	85,224	7,186	2,900	95,310
Additions	-	280	-	280
Revaluation	-	-	(825)	(825)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2009</b>				
Valuation	85,224	6,314	2,075	93,613
Cost	-	1,152	-	1,152
	<hr/>	<hr/>	<hr/>	<hr/>
	85,224	7,466	2,075	94,765
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation:</b>				
At 1 January 2009	(973)	(1,763)	-	(2,736)
Charge for year	(278)	(613)	-	(891)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2009</b>	<b>(1,251)</b>	<b>(2,376)</b>	<b>-</b>	<b>(3,627)</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
<b>31 December 2009</b>	<b>83,973</b>	<b>5,090</b>	<b>2,075</b>	<b>91,138</b>
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2008	84,251	5,423	2,900	92,574
	<hr/>	<hr/>	<hr/>	<hr/>

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 2009 resulted in an impairment of £825,000

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

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.



# Chamberlain Hotels Limited

## Notes (continued)

### 5 Tangible assets (continued)

In accordance with the Company's accounting policies the directors undertake an annual review of the carrying value of the 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 each property is determined from the value in use calculations.

In assessing the value in use for each property, the estimated future cashflows for each 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. Future cashflows have been estimated for each property and have been extrapolated for 50 years using a growth rate which after a maximum of 5 years does not exceed the average long term growth for the relevant markets. Cashflows have been discounted to their net present value using a pre-tax discount rate of 7.3%. 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 properties.

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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the assumptions are revised.

### 6 Debtors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade debtors	432	790
Prepayments	233	207
Amount owed by group undertakings	23,752	18,037
	<u>24,417</u>	<u>19,034</u>

### 7 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	930	299
Corporation tax payable	-	513
Accruals	386	441
VAT	244	269
Capital accrual	80	103
Amounts owed to group undertakings	1,718	13
	<u>3,358</u>	<u>1,638</u>



# Chamberlain Hotels Limited

## Notes (continued)

### 8 Provision for liabilities and charges

	2009 £'000	2008 £'000
<i>Deferred taxation</i>		
At start of year	1,647	1,677
Credit for year (Note 4)	(115)	(30)
	<hr/>	<hr/>
<b>At end of year</b>	<b>1,532</b>	<b>1,647</b>
	<hr/>	<hr/>
<i>Analysis of deferred tax balance</i>		
	2009 £'000	2008 £'000
Capital allowances in excess of depreciation	1,567	1,679
Other timing differences	(35)	(32)
	<hr/>	<hr/>
<b>Provision for deferred tax</b>	<b>1,532</b>	<b>1,647</b>
	<hr/>	<hr/>

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantially enacted at the balance sheet date.

### 9 Called up share capital

	2009 £	2008 £
<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/>

# Chamberlain Hotels Limited

## Notes (continued)

### 9 Called up share capital (continued)

#### *Allotted, called up and fully paid*

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.

### 10 Revaluation reserve

	2009 £'000	2008 £'000
At beginning of the year	82,451	82,451
Unrealised deficit on revaluation of investment properties (Note 5)	(825)	-
	<hr/>	<hr/>
At end of year	81,626	82,451
	<hr/>	<hr/>

### 11 Profit and loss account

	2009 £'000	2008 £'000
At beginning of year	24,475	20,497
Profit for the financial year	3,141	3,978
	<hr/>	<hr/>
At end of year	27,616	24,475
	<hr/>	<hr/>

# Chamberlain Hotels Limited

## Notes (continued)

### 12 Reconciliation of movement in shareholder's funds

	2009 £'000	2008 £'000
Opening shareholder's funds	108,427	104,449
Total recognised gains and losses for the year	2,316	3,978
<b>Closing shareholder's funds</b>	<b>110,743</b>	<b>108,427</b>

### 13 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 2009 this deficit, calculated in accordance with FRS 17, amounted to £0.6 million (31 December 2008: £3.2 million). Full details of the schemes are disclosed in the consolidated financial statements of the company's ultimate parent, Vesway Limited.

The total pension charge for the year amounted to £62,803 (2008: £67,988).

### 14 Commitments

At 31 December 2009, the Company had capital commitments of £Nil (2008: £Nil).

### 15 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.



## Chamberlain Hotels Limited

### Notes *(continued)*

#### **16 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

#### **17 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 16

#### **18 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

#### **19 Approval of financial statements**

The financial statements were approved by the Directors on 12 August 2010