

# ARTHUR ANDERSEN

ARTHUR ANDERSEN & CO, SC

## IHC May Fair Hotel Limited

Accounts 31 December 1994

together with directors' and auditors' reports

Registered number: 2323039



## Directors' report

For the year ended 31 December 1994

The directors present their annual report on the affairs of the company together with the accounts and auditors' report for the year ended 31 December 1994.

### Principal activity

The company's principal activity was that of a holding company until 21 October 1993 when its interests in The Mayfair Hotel Company Ltd were disposed of, and has since been that of an investment company.

### Results and dividends

The company made a profit for the financial year of £2,795,000 (1993 - £1,905,000).

The directors propose that no dividend be paid in respect of the year (1993 - £nil).

In November 1994, the court approved a capital reduction of the other paid in capital account of the company of £85,269,960, to enable the adverse balance on the profit and loss account as at 31 December 1993 to be eliminated.

### Directors and their interests

The directors who served during the year are as follows:

W.W. Bartle	(resigned 16 June 1995)
R. Watanabe	(resigned 16 June 1995)
Y. Fukumoto	(resigned 16 June 1995)
P. Travers	(appointed 16 June 1995)
A. Pucciarelli	(appointed 16 June 1995)

None of the directors had an interest in the shares of the company.

### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year 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 that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Directors' report (continued)

### Directors' responsibilities (continued)

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 accounts 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.

### Auditors

The directors of the company elect, under Section 386 of the Companies Act 1985, to dispense with the obligation to appoint auditors annually and accordingly the company's auditors, Arthur Andersen, shall remain in office until the company or the auditors otherwise determine.

Devonshire House  
Mayfair Place  
London  
W1X 5FH

By order of the Board,

A handwritten signature in black ink, appearing to be 'P. Travers', written over a horizontal line.

P. Travers

Director

29 September 1995

## Auditors' report

London

To the Shareholders of IHC May Fair Hotel Limited:

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

As described on pages 1 and 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on the accounts and to report our opinion to you.

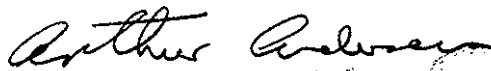
### **Basis of opinion**

We conducted our audit 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants and Registered Auditors

1 Surrey Street  
London  
WC2R 2PS

29 September 1995

## Profit and loss account

For the year ended 31 December 1994

	Notes	1994 £'000	1993 £'000
Investment income	2	2,795	513
Adjustment for the movement in net assets of subsidiary undertaking		-	1,392
Retained profit for the financial year	3	2,795	1,905
Accumulated deficit, beginning of year		(85,270)	(87,175)
Transfer from share premium account	8	85,270	-
Accumulated profit/(deficit), end of year		2,795	(85,270)

The current year results have been derived wholly from continuing operations.

The company has no recognised gains or losses other than the profit for the year.

The reported profit for the financial year is not materially different from the historical cost profit.

The reconciliation of movements in shareholders' funds is included as note 8.

The accompanying notes are an integral part of these statements.

# Balance sheet

31 December 1994

	Notes	1994 £'000	1993 £'000
<b>Current assets</b>			
Debtors			
- amounts falling due within one year	6a)	636	514
- amounts falling due after more than one year	6b)	44,148	41,475
<b>Net current assets</b>		<u>44,784</u>	<u>41,989</u>
<b>Net assets</b>		<u>44,784</u>	<u>41,989</u>
<b>Capital and reserves</b>			
Called-up equity share capital	7a)	1	1
Called-up non-equity share capital	7b)	-	-
Other paid-in capital	8	41,988	127,258
Profit and loss account	8	2,795	(85,270)
<b>Shareholders' funds</b>	8	<u>44,784</u>	<u>41,989</u>

Signed on behalf of the Board

P. Travers

Director



29 September 1995

The accompanying notes are an integral part of this balance sheet.

## Notes to accounts

31 December 1994

### 1 Accounting policies

A summary of the principal accounting policies is set out below. These have been applied consistently throughout the year and the preceding year.

#### *a) Basis of accounting*

The accounts are prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

#### *b) Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

The taxation liabilities of certain group companies are reduced wholly or in part by the surrender of losses by fellow group companies. The tax benefits arising from group relief are recognised in the accounts of the surrendering and recipient companies, being paid at up to one pound for every one pound of loss surrendered.

Deferred taxation, which arises from differences in the timing of the recognition of certain items, in the accounts and by the tax authorities, has been calculated on the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

#### *c) Foreign currencies*

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### *d) Cash flow statement*

Under the provisions of Financial Reporting Standard No.1, the company has not prepared a cash flow statement because its ultimate parent company, Saison Holdings B.V., which is incorporated within the European Union, has prepared consolidated accounts which include the accounts of the company for the period and which contain an appropriate cash flow statement.

### 2 Investment income

Investment income comprises interest receivable from the company's immediate parent, IHC May Fair (Holdings) Limited.

	1994 £'000	1993 £'000
Investment income	<u>2,795</u>	<u>513</u>

## Notes to accounts (continued)

### 3 Profit for the financial year

Auditors' remuneration has been borne by a fellow group undertaking.

### 4 Staff costs

The company did not employ any persons during the year (1993 - £nil)

Directors' remuneration:

The directors received no emoluments in respect of services to the company during the year (1993 - £nil).

### 5 Deferred tax

Had the company recognised the full amount of potential deferred taxation, the deferred tax liability would have been as follows:

	1994 £'000	1993 £'000
Other timing differences	<u>(1,100)</u>	<u>-</u>

### 6 Debtors

The following are included in the net book value of debtors:

	1994 £'000	1993 £'000
a) Amounts falling due within one year:		
Amounts owed by fellow group undertaking	-	514
Amounts owed by parent company	<u>636</u>	<u>-</u>
b) Amounts falling due after more than one year:		
Amounts owed by parent company	<u>44,148</u>	<u>41,475</u>



## Notes to accounts (continued)

### 7a) Called-up equity share capital

	1994 £	1993 £
<i>Authorised</i>		
99,999,900 ordinary shares of £1 each	<u>99,999,900</u>	<u>99,999,900</u>
<i>Allotted, called-up and fully-paid</i>		
1,093 ordinary shares of £1 each	<u>1,093</u>	<u>1,093</u>

### 7b) Called-up non-equity share capital

	1994 £	1993 £
<i>Authorised</i>		
100 10% cumulative preference shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called-up and fully-paid</i>		
100 10% cumulative preference shares of £1 each	<u>100</u>	<u>100</u>

### 8 Reconciliation of movement in shareholders' funds

	Share capital £'000	Other paid in capital £'000	Profit and loss account £'000	Total £'000
Beginning of the year	1	127,258	(85,270)	41,989
Retained profit for the year	-	-	2,795	2,795
Capital reduction	-	(85,270)	85,270	-
End of year	<u>1</u>	<u>41,988</u>	<u>2,795</u>	<u>44,784</u>

In November 1994, the court approved a reduction of the other paid in capital account of the company of £85,269,960, to enable the adverse balance on the profit and loss account as at 31 December 1993 to be eliminated.

### 9 Ultimate parent company

The ultimate parent company in the UK is IHC Britannia (Holdings) Limited. The ultimate parent company is Saison Holdings B.V., incorporated in The Netherlands. The smallest and largest group in which the results of the company are consolidated is that headed by Saison Holdings B.V.

The consolidated accounts of Saison Holdings B.V. are filed in the Trade Register of the Chamber of Commerce in the Netherlands and are available for inspection there.