

Hotel du Vin (Tunbridge Wells) Limited

**Directors' report and financial
statements**

Registered number 3346172

30 September 2004



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2004.

Principal activities

The Company is engaged in the management of a hotel and restaurant.

Results and Dividends

The results for the year ended 30 September 2004 are set out on page 4. The directors do not recommend the payment of a dividend (2003: £296,716).

Directors and directors' interests

The directors who have held office since 1 October 2003 were as follows:

RG Balfour-Lynn (appointed 12/01/05)
AF Blurton (appointed 01/10/04)
RC Hutson (resigned 01/10/04)
RC Niddrie (resigned 01/10/04)

JW Harrison (appointed 12/01/05)
MA Bibring (appointed 12/01/05)
PH Chittick (resigned 01/10/04)
GF Basset (resigned 01/10/04)

J Singh (appointed 01/10/04)
JS Shashou (appointed 12/01/05)
CM Morgan (resigned 01/10/04)

None of the directors who held office at 30 September 2004 had any interest in the share capital of the Company. The interests of the current directors in the share capital of the ultimate holding company, Marylebone Warwick Balfour Group Plc, are disclosed in the financial statements of that company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Gail Robson
Company Secretary

1 West Garden Place
Kendal Street
London
W2 2AQ



2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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.

KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Report of the independent auditors to the members of Hotel du Vin (Tunbridge Wells) Limited

We have audited the financial statements on pages 4 to 11.

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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

Basis of audit 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

21 July 2005

Profit and loss account
for the year ended 30 September 2004

	<i>Note</i>	Year ended 30 September 2004 £	Year ended 30 September 2003 £
Turnover	<i>2</i>	3,356,394	3,205,685
Cost of sales		(768,656)	(758,037)
Gross profit		2,587,738	2,447,648
Administrative expenses		(2,481,427)	(2,147,184)
Operating profit		106,311	300,464
Interest payable and similar charges	<i>4</i>	(1,642)	(3,748)
Profit on ordinary activities before taxation	<i>5</i>	104,669	296,716
Tax on profit on ordinary activities	<i>6</i>	(32,018)	-
Profit on ordinary activities after taxation		72,651	296,716
Dividends	<i>7</i>	-	(296,716)
Retained profit for the year	<i>14</i>	72,651	-

All activities are continuing.

There are no recognised gains or losses other than those passing through the profit and loss account.

Balance sheet
at 30 September 2004

	<i>Note</i>	2004 £	2003 £
Fixed assets			
Tangible assets	8	566,477	500,900
Current assets			
Stocks		130,076	115,958
Debtors	9	202,285	453,431
Cash at bank and in hand		14,510	49,051
		<hr/>	<hr/>
		346,871	618,440
Creditors: amounts falling due within one year	10	(408,679)	(708,282)
		<hr/>	<hr/>
Net current assets/(liabilities)		(61,808)	(89,842)
		<hr/>	<hr/>
Total assets less current liabilities		504,669	411,058
Creditors: amounts falling due after more than one year	11	-	(11,058)
Provision for liabilities and charges	12	(32,018)	-
		<hr/>	<hr/>
Net assets		472,651	400,000
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	400,000	400,000
Profit and loss account	14	72,651	-
		<hr/>	<hr/>
Equity shareholders' funds	14	472,651	400,000
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 7th July 2005 and were signed on its behalf by:


AF Blurton
Director


J Singh
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of land and buildings.

Under FRS 1 (Revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Hotel du Vin Limited, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Depreciation

Depreciation is provided on tangible fixed assets on a straight line basis in order to write off the cost less residual value over their expected useful lives:

Furniture, fittings and equipment

4-20 years

Deferred taxation

The charge for taxation is based on the result for the year, which takes account of taxation deferred because of timing differences between the treatment of certain items for taxation purposes and the treatment under the Company's accounting policies.

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

In accordance with FRS 19, Deferred Tax is provided in respect of all timing differences that have originated, but not reversed at the balance sheet date that may give rise to an obligation to pay more or less tax in the future except as otherwise required by FRS19. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

Notes (continued)

2 Turnover

Turnover, which is wholly generated within the United Kingdom, represents the sales value of work done in respect of hotel management during the period and is exclusive of value added tax.

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was:

	Year ended 30 September 2004	Year ended 30 September 2003
Directors	5	5
Hotel administration	58	51
	<hr/>	<hr/>
	63	56
	<hr/>	<hr/>

	Year ended 30 September 2004 £	Year ended 30 September 2003 £
Salaries	946,446	881,161
Social security costs	94,764	66,926
Pension contributions	1,875	1,883
	<hr/>	<hr/>
	1,043,085	949,970
	<hr/>	<hr/>

4 Interest payable and similar charges

	Year ended 30 September 2004 £	Year ended 30 September 2003 £
Hire purchase interest	1,642	3,748
	<hr/>	<hr/>

Notes (continued)

5 Profit on ordinary activities before taxation

	2004 £	2003 £
This is stated after charging the following:		
Auditor's remuneration for:		
Audit	2,850	2,850
Depreciation and other amounts written off tangible fixed assets:		
Owned	91,918	78,117
	<u> </u>	<u> </u>

6 Tax on profit on ordinary activities

The tax charge on the profits on ordinary activities has been reduced from the amount that would arise from applying the prevailing corporation tax rate to the company's profits as follows:-

	2004 £	2003 £
UK Corporation tax at 30% on company profits before tax	31,401	89,015
Non-deductible expenses	5,326	105
Excess of capital allowances over depreciation	27,575	(6,037)
Group relief claimed from other group companies for no consideration	(64,302)	(83,083)
Deferred tax provided	32,018	-
	<u> </u>	<u> </u>
Total corporation tax charged in the profit and loss account	32,018	-
	<u> </u>	<u> </u>

7 Dividends

	2004 £	2003 £
Ordinary final proposed	-	296,716
	<u> </u>	<u> </u>

Notes (continued)

8 Tangible fixed assets

	Fixtures and Fittings £
<i>Cost or valuation</i>	
As at 1 October 2003	802,986
Additions	157,495
Disposals	-
	<hr/>
As at 30 September 2004	960,481
	<hr/>
<i>Depreciation</i>	
As at 1 October 2003	302,086
Charge for year	91,918
On disposals	-
	<hr/>
As at 30 September 2004	394,004
	<hr/>
Net book value at 30 September 2004	566,477
	<hr/> <hr/>
Net book value at 30 September 2003	500,900
	<hr/> <hr/>

9 Debtors

	2004 £	2003 £
Trade debtors	55,498	78,869
Amounts owed by group undertakings	102,015	332,258
Other debtors	7,959	12,106
Prepayments and accrued income	36,813	30,198
	<hr/>	<hr/>
	202,285	453,431
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2004 £	2003 £
Net obligations under hire purchase contracts	11,058	14,884
Trade creditors	203,982	251,121
Taxes and social security costs	153,282	118,967
Other creditors	11,720	10,656
Accruals and deferred income	28,637	12,938
Proposed dividend	-	296,716
	<u>408,679</u>	<u>708,282</u>

11 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Net obligations under hire purchase contracts	-	11,058
	<u>-</u>	<u>11,058</u>

12 Deferred taxation

The deferred tax balance at 30 September 2004 arose as follows:-

	Amount provided 2004 £	Amount not provided 2004 £	Amount provided 2003 £	Amount not provided 2003 £
Accelerated capital allowances	32,018	-	-	59,594
	<u>32,018</u>	<u>-</u>	<u>-</u>	<u>59,594</u>

Notes (continued)

13 Called up share capital

	2004 £	2003 £
<i>Authorised</i>		
400,000 Ordinary shares of £1 each	400,000	400,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
400,000 Ordinary shares of £1 each	400,000	400,000
	<hr/>	<hr/>

14 Reconciliation of movements in shareholders' funds

	Share capital £	Profit and Loss account £	Shareholders' funds £
As at 1 October 2003	400,000	-	400,000
Profit for the year	-	72,651	72,651
	<hr/>	<hr/>	<hr/>
As at 30 September 2004	400,000	72,651	472,651
	<hr/>	<hr/>	<hr/>

15 Immediate and ultimate parent companies

The immediate parent company is Hotel du Vin Limited. On 1st October 2004, the entire share capital of Hotel du Vin Limited was purchased by MWB Malmaison Holdings Limited. From this date the ultimate parent company is Marylebone Warwick Balfour Group Plc. All companies are registered in England and Wales.

The only group in which the results of the Company are consolidated is that headed by Hotel du Vin Limited and from 1st October 2004 that headed by Marylebone Warwick Balfour Group Plc. The consolidated financial statements are available to the public and may be obtained from the Company Secretary, 179 Great Portland Street, London, W1W 5LS.

16 Contingencies

The company is registered with HM Revenue and Customs as a member of a Group for VAT purposes. As a result, it is jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of unpaid VAT.