

**SUMMERHILL PROPERTIES LIMITED**

**(Registered Number 3454201)**

**REPORT AND ACCOUNTS**

**31 MARCH 2000**



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**SUMMERHILL PROPERTIES LIMITED**  
**REPORT AND ACCOUNTS**  
**31 MARCH 2000**

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# **SUMMERHILL PROPERTIES LIMITED**

## **DIRECTORS AND ADVISERS**

### **DIRECTORS**

K M Brooks

C F Price

### **SECRETARY**

R C Clifton

### **REGISTERED OFFICE**

159 New Bond Street  
London  
W1S 2UD

## **SUMMERHILL PROPERTIES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000**

The directors present their report and the audited financial statements for the year ended 31 March 2000.

#### **PRINCIPAL ACTIVITY AND RESULTS FOR THE PERIOD**

The principal activity of the Company is the operation of a hotel. The Company officially opened its hotel on 1 October 1999.

#### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The profit and loss account is set out on page 5.

The directors consider that the Company's performance since trading commenced has been satisfactory.

#### **DIRECTORS**

The directors who held office during the year were:

K M Brooks

C F Price

G A Springer (resigned 21 June 1999)

None of the directors held any interest, as defined by the Companies Act 1985, in the shares of the Company at any time during the year. The beneficial interest of the directors holding office at 31 March 2000 in the ordinary shares and options to subscribe for ordinary shares of the Company's ultimate parent company, TBI plc, at 31 March 2000 are set out in the financial report and accounts for TBI plc.

#### **YEAR 2000**

Our response to the millennium date change was initiated with the inception of the hotel development contract that included Year 2000 compliance clauses. However, a formal project was established in November 1997 which formed part of a TBI Group wide programme. The project was sponsored by the TBI Project Development Manager, except for those core systems covered by the TBI project.

By November 1999 all business critical systems had been tested, remedial actions had been taken where necessary and continuity planning had been put in place and tested with the hotel operator.

Year 2000 costs have not been separately monitored by the Company given the integral nature they played within the development project. However, any costs to date are not considered to be material.

## SUMMERHILL PROPERTIES LIMITED

### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2000 (CONTINUED)

#### 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 at the balance sheet date 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;
- 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. 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.

By order of the board



R C Clifton  
Secretary

23rd January 2001

## **AUDITORS' REPORT TO THE MEMBERS OF SUMMERHILL PROPERTIES LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the historical cost convention and the accounting policies set out on page 7.

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

The directors are responsible for preparing the Annual Report. As described on page 3 this includes responsibility for preparing the financial statements. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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 is not disclosed.


### **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 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 31 March 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors

22/12/00

# SUMMERHILL PROPERTIES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

	Notes	Year ended 31 March 2000 £'000	14 months ended 31 March 1999 £'000
Turnover	1	2,668	-
Cost of sales		(755)	-
		<hr/>	<hr/>
Gross profit		1,913	-
Operating costs		(2,378)	-
		<hr/>	<hr/>
Operating loss		(465)	-
Interest payable and similar charges	4	(1,464)	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation	5	(1,929)	-
Taxation on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
Loss for the financial period	14	(1,929)	-
		<hr/>	<hr/>

All activities shown above are wholly derived from continuing operations.

The company made no recognised gains or losses other than as noted above.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

The notes on pages 7 to 12 form an integral part of these financial statements.

# SUMMERHILL PROPERTIES LIMITED

## BALANCE SHEET AS AT 31 MARCH 2000

	<u>Note</u>	<u>2000</u> £'000	<u>2000</u> £'000	<u>1999</u> £'000	<u>1999</u> £'000
<b>FIXED ASSETS</b>					
Intangible assets	7		894		-
Tangible assets	8		28,995		21,986
			<u>29,889</u>		<u>21,986</u>
<b>CURRENT ASSETS</b>					
Stock	9	75		-	
Debtors	10	449		320	
Cash at bank and in hand		<u>1,014</u>		<u>-</u>	
		1,538		320	
<b>CREDITORS - amounts falling due within one year</b>	11	<u>(21,939)</u>		<u>(12,654)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(20,401)</u>		<u>(12,334)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			9,488		9,652
<b>CREDITORS - amounts falling due after more than one year</b>	12		(11,417)		(9,652)
<b>NET LIABILITIES</b>			<u>(1,929)</u>		<u>-</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		-		-
Profit and loss account			(1,929)		-
<b>EQUITY SHAREHOLDERS' FUNDS</b>	14		<u>(1,929)</u>		<u>-</u>

Approved by the Board on  
and signed on its behalf by

23<sup>rd</sup> January 2001



K M Brooks



C F Price

The notes on pages 7 to 12 form an integral part of these financial statements.



## **SUMMERHILL PROPERTIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000**

#### **1 ACCOUNTING POLICIES**

The Company's principal accounting policies, which have been applied consistently, are set out below:

##### **(1) Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

##### **(2) Tangible fixed assets**

The tangible fixed assets of the Company are depreciated on a straight line basis calculated to write down the cost to estimated residual values over their estimated useful economic lives as follows:

Freehold property	50 years
Fixtures, fittings and equipment	3 – 30 years

##### **(3) Intangible assets**

Deferred start up costs are capitalised and amortised on a straight line basis over their useful economic life, which has been assessed by the directors to be 5 years.

##### **(4) Deferred taxation**

Provision for deferred taxation is made using the liability method. Provision is only made to the extent that there is a reasonable probability that a liability will crystallise in the foreseeable future.

##### **(5) Capitalisation of interest**

Interest is capitalised on major development projects and capital works in progress where appropriate. Capitalisation ceases when substantially all the activities necessary to get the asset ready are completed.

##### **(6) Cash flow statement**

The Company has taken advantage of the exemptions contained in Financial Reporting Standard 1 (Revised) not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of TBI plc, in which the Company is included, are publicly available and contain a consolidated cash flow statement.

##### **(7) Turnover**

Turnover comprises amounts invoiced excluding VAT.

# SUMMERHILL PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

### 2 EMPLOYEE INFORMATION

The average weekly number of employees during the year were:

	<b>Year ended 31 March 2000</b>	<b>14 months ended 31 March 1999</b>
	<b>Number</b>	<b>Number</b>
Operations	69	-
Management and administration	20	-
	<hr/>	<hr/>
	89	-
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	<b>Year ended 31 March 2000</b>	<b>14 months ended 31 March 1999</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	1,563	-
Social security costs	159	-
	<hr/>	<hr/>
	1,722	-
Capitalised as deferred start up costs	(388)	-
	<hr/>	<hr/>
	1,334	-
	<hr/>	<hr/>

### 3 DIRECTORS' EMOLUMENTS

None of the directors received any emoluments from the Company during the year.

During the year K M Brooks and C F Price were directors of TBI plc. No management recharges are made by TBI plc in respect of their services to the Company. Their emoluments are disclosed in the financial statements of TBI plc.

### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	<b>Year ended 31 March 2000</b>	<b>14 months ended 31 March 1999</b>
	<b>£'000</b>	<b>£'000</b>
Interest on bank loans and overdrafts	414	-
Interest payable to the parent undertaking	1,050	-
	<hr/>	<hr/>
	1,464	-
	<hr/>	<hr/>

# SUMMERHILL PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

### 5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is arrived at after charging:

	Year ended 31 March 2000 £'000	14 months ended 31 March 1999 £'000
Depreciation of tangible fixed assets	295	-
Amortisation of start up costs	99	-
Auditor's remuneration	10	-
	<hr/>	<hr/>

No non audit fees were payable to the auditors during the year (1999: £Nil).

### 6 TAXATION

Due to the availability of capital allowances in the year, the company has a loss for taxation purposes and, therefore, no corporation tax charge.

The Company's deferred tax liability is set out below:

	2000		1999	
	Provided £'000	Not provided £'000	Provided £'000	Not provided £'000
Accelerated capital allowances	-	1,100	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

### 7 INTANGIBLE FIXED ASSETS

	Deferred start up costs £
<b>Cost</b>	
Additions	993
	<hr/>
<b>At 31 March 2000</b>	<b>993</b>
	<hr/>
<b>Amortisation</b>	
Charge for the year	99
	<hr/>
<b>At 31 March 2000</b>	<b>99</b>
	<hr/>
<b>Net book value</b>	
At 31 March 2000	894
	<hr/>
At 31 March 1999	-
	<hr/>

# SUMMERHILL PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

### 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Surface furnishings £'000	Fixtures, Fittings And equipment £'000	Property under development £'000	Total £'000
<b>Cost</b>					
At 1 April 1999	-	-	-	21,986	21,986
Additions		4,668	2,636	-	7,304
Transfers	21,937	-	49	(21,986)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	21,937	4,668	2,685	-	29,290
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>					
Charge for the year	34	93	168	-	295
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	34	93	168	-	295
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 March 2000	21,903	4,575	2,517	-	28,995
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	-	-	-	21,986	21,986
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included within freehold land and building above is an amount of £670,000 which relates to interest capitalised during the year (1999: included in property under development was interest of £331,000).

### 9 STOCK

	<u>2000</u> £'000	<u>1999</u> £'000
Consumables	75	-
	<hr/>	<hr/>

### 10 DEBTORS

	<u>2000</u> £'000	<u>1999</u> £'000
Trade debtors	304	-
Other debtors and prepayments	145	320
	<hr/>	<hr/>
	449	320
	<hr/>	<hr/>

# SUMMERHILL PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

### 11 CREDITORS - amounts falling due within one year

	<u>2000</u> £'000	<u>1999</u> £'000
Bank loan (secured)	150	-
Amounts owed to parent undertaking	19,435	11,444
Other creditors	1,957	1,190
Accruals and deferred income	397	20
	<u>21,939</u>	<u>12,654</u>

### 12 CREDITORS - amounts falling due after more than one year

	<u>2000</u> £'000	<u>1999</u> £'000
Bank loan (secured)	11,417	9,652
The bank loan is repayable as follows:		
Between one and two years	600	450
Between two and five years	2,075	600
After five years	8,742	8,602
	<u>11,417</u>	<u>9,652</u>

The bank loan is subject to interest at bank base plus 0.7% and is repayable in equal quarterly instalments commencing 30 September 2000. The loan is secured by a legal charge on the hotel property.

### 13 SHARE CAPITAL

	<u>2000</u> £	<u>1999</u> £
Authorised:		
5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2

## SUMMERHILL PROPERTIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

#### 14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2000</u> £'000	<u>1999</u> £'000
Loss for the financial period	(1,929)	-
Opening equity shareholders' funds	-	-
Closing equity shareholders' funds	<u>(1,929)</u>	<u>-</u>

#### 15 CAPITAL COMMITMENTS

At 31 March 2000 the Company had contracted capital commitments of some £Nil (1999: £6 million).

#### 16 RELATED PARTY DISCLOSURES

In accordance with the exemption afforded by FRS8 ("related party transactions") there is no disclosure in these financial statements of transactions with entities that are part of the TBI plc Group.

#### 17 PARENT UNDERTAKING

The Company's ultimate parent undertaking is TBI plc which is registered in England and Wales. This is the only group of which the Company is a member and for which group financial statements are prepared. Copies of the TBI plc financial statements may be obtained from 159 New Bond Street, London W1S 2UD.