

Company Registration No. 03486593 (England and Wales)

**UNILODGE HOLDINGS (UK) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**



# UNI LODGE HOLDINGS (UK) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N A Porter M C Allan
<b>Secretary</b>	A D Reid
<b>Company number</b>	03486593
<b>Registered office</b>	The Core 40 St Thomas Street BRISTOL BS1 6JZ
<b>Auditors</b>	KPMG Audit Plc PO Box 695 8 Salisbury Square LONDON EC4Y 8BB
<b>Business address</b>	The Core 40 St Thomas Street BRISTOL BS1 6JZ

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# UNILOGGE HOLDINGS (UK) LIMITED

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# **UNILODGE HOLDINGS (UK) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

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The directors present their report and financial statements for the year ended 31 December 2005.

### **Principal activities**

The company's principal activity is that of a holding company. The directors do not recommend the payment of a dividend (2004: nil).

### **Directors**

The following directors have held office since 1 January 2005:

N A Porter

M C Allan

Neither of the directors have any interest in the share capital of the company. The interests of NA Porter and MC Allan in the share capital of The UNITE Group plc are disclosed in the accounts of that company.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that KPMG Audit Plc be reappointed as auditors of the company will be put to the Annual General Meeting.

# UNILODGE HOLDINGS (UK) LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

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### Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the 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, the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 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 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.

Under applicable law, the directors are also responsible for preparing a Directors' Report that complies with that law.

By order of the board



A D Reid

Secretary

12 October 2006.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNILODGE HOLDINGS (UK) LIMITED**

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We have audited the financial statements of Unilodge Holdings (UK) Limited on pages 5 to 11 for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies 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 auditors 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 the directors and auditors**

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

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 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 or 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.

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

### **Basis of audit 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.

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.

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE MEMBERS OF UNILODGE HOLDINGS (UK) LIMITED**

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**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 2005 and of its result 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**

*30 October 2006*

PO Box 695  
8 Salisbury Square  
LONDON  
EC4Y 8BB

# UNILODGE HOLDINGS (UK) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

		Year ended 31 December 2005 £	Year ended 31 December 2004 £
	Notes		
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	2	-	-
		<hr/>	<hr/>
Result on ordinary activities after taxation	8	-	-
		<hr/>	<hr/>



# UNILODGE HOLDINGS (UK) LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2005

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	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Result for the financial year	-	-
Unrealised (deficit)/surplus on fixed asset investment	(249)	1,579
<b>Total recognised gains and losses relating to the year</b>	<b>(249)</b>	<b>1,579</b>

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# UNILODGE HOLDINGS (UK) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Investments	3		9,649,110		9,649,359
<b>Current assets</b>					
Debtors	4	21,261,557		21,211,362	
<b>Creditors: amounts falling due within one year</b>	5	(26,332,629)		(26,282,434)	
<b>Net current liabilities</b>			(5,071,072)		(5,071,072)
<b>Net assets</b>			4,578,038		4,578,287
<b>Capital and reserves</b>					
Called up share capital	7		375,000		375,000
Other reserves	8		2,864,206		2,864,455
Profit and loss account	8		1,338,832		1,338,832
<b>Shareholder's funds - equity interests</b>	9		4,578,038		4,578,287

The financial statements were approved by the Board on 12 October 2006.

M C Allan  
Director

# UNILODGE HOLDINGS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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### 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 except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date'
- FRS 28 'Corresponding amounts'

FRS 28 has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

#### 1.1 Basis of preparation

The financial statements are prepared in accordance with applicable standards (UK GAAP) and under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### 1.2 Investment in subsidiary undertakings

The company values its investment in subsidiary undertakings on an underlying net assets basis, whereby the original cost of the investment is adjusted for the movement in underlying assets applicable to the investments since their date of acquisition with an adjustment to the company's investment revaluation reserve.

#### 1.3 Taxation

The charge for taxation is based on the result for the year and takes account of taxation deferred because of timing differences between the treatment of certain items for taxation and 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 FRS19, 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 provided 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 the sale has been recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

#### 1.4 Basis of consolidation

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of The UNITE Group plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

# UNILODGE HOLDINGS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

### 2 Taxation

The company had no liability to taxation in respect of either year.

### 3 Fixed asset investments

	Shares in group undertakings £
<b>Valuation</b>	
At 1 January 2005	9,649,359
Revaluation	(249)
At 31 December 2005	<u>9,649,110</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Unilodge (Salford) Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2005 £	Profit for the year 2005 £
	<b>Principal activity</b>		
Unilodge (Salford) Limited	Investment	<u>9,649,110</u>	<u>(249)</u>

### 4 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	<u>21,261,557</u>	<u>21,211,362</u>

All debtors are due within one year.

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

	2005 £	2004 £
Amounts owed to group undertakings	<u>26,332,629</u>	<u>26,282,434</u>

# **UNILODGE HOLDINGS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2005**

### **6 Provisions for liabilities and charges**

The deferred tax balance at 31 December 2005 was as follows:

	Amount not provided 2005 £
<i>Potential tax on investment revaluation surplus</i>	
Balance at 1 January 2005	859,337
Movement in year	(75)
Balance at 31 December 2005	<u>859,262</u>

No other provisions were made during the year.

<b>7 Share capital</b>	<b>2005</b>	<b>2004</b>
	£	£
<b>Authorised</b>		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>		
375,000 Ordinary shares of £1 each	<u>375,000</u>	<u>375,000</u>

<b>8 Statement of movements on reserves</b>	<b>Investment revaluation reserve £</b>	<b>Profit and loss account £</b>
Balance at 1 January 2005	2,864,455	1,338,832
Movement during the year	<u>(249)</u>	<u>-</u>
Balance at 31 December 2005	<u>2,864,206</u>	<u>1,338,832</u>

# UNILODGE HOLDINGS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

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<b>9</b>	<b>Reconciliation of movements in shareholder's funds</b>	<b>2005</b>	<b>2004</b>
		<b>£</b>	<b>£</b>
	Result for the financial year	-	-
	Movements on other reserves	(249)	1,579
		<hr/>	<hr/>
	Net (depletion in)/addition to shareholder's funds	(249)	1,579
	Opening shareholder's funds	4,578,287	4,576,708
		<hr/>	<hr/>
	Closing shareholder's funds	4,578,038	4,578,287
		<hr/>	<hr/>

### 10 Contingent liabilities

The company had no contingent liabilities at 31 December 2005 (31 December 2004: nil).

### 11 Capital commitments

The company had no capital commitments at 31 December 2005 (31 December 2004: nil).

### 12 Control

The company's immediate parent undertaking is Unilodge Holding Limited, a company registered in Guernsey.

The company's ultimate parent undertaking is The UNITE Group plc. The consolidated accounts of this company are available to the public and can be obtained from The Core, 40 St Thomas Street, BRISTOL, BS1 6JZ.

### 13 Related party transactions

As more than 90% of the company's voting rights are controlled within the group headed by The UNITE Group plc, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group.