

Company Registration No. 3905160 (England and Wales)

**FREE TRADE HALL HOTEL LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2004**



# FREE TRADE HALL HOTEL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Stephen Edmund Barker Margaret Mary Hope
<b>Secretary</b>	Stephen Edmund Barker
<b>Company number</b>	3905160
<b>Registered office</b>	Cardinal House 20 St. Mary's Parsonage Manchester M3 2LG
<b>Auditors</b>	Lopian Gross Barnett & Co. Cardinal House 20 St. Mary's Parsonage Manchester M3 2LG

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# FREE TRADE HALL HOTEL LIMITED

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# FREE TRADE HALL HOTEL LIMITED

## DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2004

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The directors present their report and financial statements for the period ended 31 December 2004.

### Principal activities

The principal activity of the company is hoteliers. The construction of the Radisson Edwardian hotel in Manchester was completed during the year. The accounts cover a 10 month period the first part of which related to the completion of the building, fitting out of the hotel and the incurring of substantial pre opening costs. In accordance with UK Generally Accepted Accounting Principles, these costs have been written off in the year. Without depreciation and the pre opening costs the company generated an operating profit of £419,578 which is considered satisfactory for a new hotel in its opening phase. Occupancy levels have been higher than budget and the directors are confident for the future success of the hotel.

### Directors

The following directors have held office since 1 March 2004:

Stephen Edmund Barker  
Margaret Mary Hope

### Directors' interests

The interests of the directors in the parent company are shown in the parent company's financial statements.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Lopian Gross Barnett & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

### 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 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;
- 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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Stephen Edmund Barker

Director

11 August 2005

# FREE TRADE HALL HOTEL LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FREE TRADE HALL HOTEL LIMITED

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We have audited the financial statements on pages 3 to 11 for the period ended 31 December 2004. These financial statements have been prepared under the historical cost convention and 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 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 the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

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 United Kingdom 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 December 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Lopian Gross Barnett & Co.

Chartered Accountants  
Registered Auditor

11 August 2005

Cardinal House  
20 St. Mary's Parsonage  
Manchester  
M3 2LG

# FREE TRADE HALL HOTEL LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2004

		Period ended 31 December 2004 £	29 February 2004 £
	Notes		
Turnover	2	5,317,134	-
Cost of sales		(2,290,312)	-
<b>Gross profit</b>		<b>3,026,822</b>	<b>-</b>
Distribution costs		(377,486)	-
Administrative expenses		(2,537,152)	(15,430)
<b>Operating profit/(loss)</b>	3	<b>112,184</b>	<b>(15,430)</b>
Start up costs written off		(1,098,258)	-
<b>Loss on ordinary activities before interest</b>		<b>(986,074)</b>	<b>(15,430)</b>
Other interest receivable and similar income		21,665	11,586
Interest payable and similar charges	4	(387)	-
<b>Loss on ordinary activities before taxation</b>		<b>(964,796)</b>	<b>(3,844)</b>
Tax on loss on ordinary activities	5	-	-
<b>Loss on ordinary activities after taxation</b>	12	<b>(964,796)</b>	<b>(3,844)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

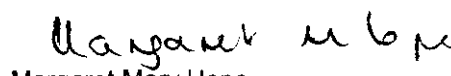
# FREE TRADE HALL HOTEL LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	2004 £
<b>Fixed assets</b>			
Tangible assets	6	43,178,788	33,075,283
<b>Current assets</b>			
Stocks	7	133,658	-
Debtors	8	2,039,892	1,121,149
Cash at bank and in hand		1,334,889	45,411
		<u>3,508,439</u>	<u>1,166,560</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(3,763,199)</u>	<u>(2,403,157)</u>
<b>Net current liabilities</b>		<u>(254,760)</u>	<u>(1,236,597)</u>
<b>Total assets less current liabilities</b>		42,924,028	31,838,686
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(43,910,745)</u>	<u>(31,860,607)</u>
		<u>(986,717)</u>	<u>(21,921)</u>
<b>Capital and reserves</b>			
Called up share capital	11	102	102
Profit and loss account	12	<u>(986,819)</u>	<u>(22,023)</u>
<b>Shareholders' funds - equity interests</b>	13	<u>(986,717)</u>	<u>(21,921)</u>

The financial statements were approved by the Board on 11 August 2005

  
Stephen Edmund Barker  
Director

  
Margaret Mary Hope  
Director

# FREE TRADE HALL HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.3 Tangible fixed assets and depreciation

The long leasehold property is stated at cost of construction to date. Depreciation is charged as follows:

Leasehold property	Over the term of the lease
Computer equipment	33% p.a. straight line from the period when brought into use.
Fixtures, fittings & equipment	20% p.a. straight line from the period when brought into use.

The long lease hold property is included in the balance sheet at its original cost being depreciated over the term of the lease. The property has been split into two classes, the shell of the building and the interior fixtures and fittings as an adapted property in accordance with FRS 15. The interior is depreciated over its useful life at 20% straight line per year. The shell of the property is an asset used in trade which will be maintained to a high standard due the nature of the business as a 5 star hotel and accordingly it is depreciated over the term of the lease of 150 years. Gross Interest and finance incurred on the financing of the property are capitalised until the time that they are first available for use.

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.7 Start Up Costs

The start up costs, including advertising, marketing, promotion, pretrade salary costs and other overhead expenditure arising up to the commencement of trade have been written off to the profit and loss account in the period they were incurred in accordance with UITF 24.

### 2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.



# FREE TRADE HALL HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2004

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	31 December 2004 £	29 February 2004 £
<b>3 Operating profit/(loss)</b>		
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	308,595	-
Operating lease rentals	21,216	-
Auditors' remuneration	22,000	8,000
	<u>          </u>	<u>          </u>

The operating loss is stated after charging start up costs of £1,098,258.

	31 December 2004 £	29 February 2004 £
<b>4 Interest payable</b>		
Included in interest payable is the following amount:		
Hire purchase interest	387	-
	<u>          </u>	<u>          </u>

### **5 Taxation**

These losses are available to carry forward against future profits.

# FREE TRADE HALL HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2004

### 6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 March 2004	33,075,284	-	33,075,284
Additions	8,810,864	1,601,235	10,412,099
	<u>41,886,148</u>	<u>1,601,235</u>	<u>43,487,383</u>
At 31 December 2004			
<b>Depreciation</b>			
At 1 March 2004	-	-	-
Charge for the period	135,971	172,624	308,595
	<u>135,971</u>	<u>172,624</u>	<u>308,595</u>
At 31 December 2004			
<b>Net book value</b>			
At 31 December 2004	<u>41,750,177</u>	<u>1,428,611</u>	<u>43,178,788</u>
At 29 February 2004	<u>33,075,283</u>	<u>-</u>	<u>33,075,283</u>

The net book value of other tangible fixed assets includes £39,113 (2004- £-) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £3,911 (2004- £-) for the period.

The net book value of the leasehold includes £4,700,000 for the grant of a long lease. Also included is £3,046,831 finance and gross interest costs incurred to the date of completion.

7 Stocks	2004 £	2004 £
Finished goods and goods for resale	<u>133,658</u>	<u>-</u>

# FREE TRADE HALL HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2004

8 Debtors	31 December 2004 £	29 February 2004 £
Trade debtors	1,052,798	-
Amounts owed by group undertakings and undertakings in which the company has a participating interest	68,175	66,800
Other debtors (of which £350,000 is due after 12 months)	918,919	1,054,349
	<u>2,039,892</u>	<u>1,121,149</u>

9 Creditors: amounts falling due within one year	31 December 2004 £	29 February 2004 £
Bank loans and overdrafts	687,994	219,444
Net obligations under hire purchase contracts	12,975	-
Trade creditors	1,544,800	1,543,845
Taxation and social security	258,095	-
Other creditors	1,259,335	639,868
	<u>3,763,199</u>	<u>2,403,157</u>

# FREE TRADE HALL HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2004

10 Creditors: amounts falling due after more than one year	31 December	29 February
	2004 £	2004 £
Bank loans	33,137,266	21,209,546
Net obligations under hire purchase contracts	18,420	-
Other creditors	10,755,059	10,651,061
	<u>43,910,745</u>	<u>31,860,607</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	36,704,825	24,494,952
Wholly repayable within five years	7,893,420	7,585,099
	<u>44,598,245</u>	<u>32,080,051</u>
Included in current liabilities	(687,500)	(219,444)
	<u>43,910,745</u>	<u>31,860,607</u>

The Bank of Scotland loan of £33,824,767 has the following securities: A legal charge over the assets and the contracts of the company and an all sums debenture granted by all of the group companies. Security ranking behind the bank has been provided to certain other fund providers.

11 Share capital	31 December	29 February
	2004 £	2004 £
<b>Authorised</b>		
3 Shares of £1 each	3	3
997,000 Shares of 0.1p each	997	997
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
3 Ordinary shares of £1 each	3	3
99,000 Ordinary shares of 0.1p each	99	99
	<u>102</u>	<u>102</u>

# FREE TRADE HALL HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2004

### 12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 March 2004	(22,023)
Retained loss for the period	(964,796)
Balance at 31 December 2004	<u>(986,819)</u>

### 13 Reconciliation of movements in shareholders' funds

	31 December 2004 £	29 February 2004 £
Loss for the financial period	(964,796)	(3,844)
Opening shareholders' funds	<u>(21,921)</u>	<u>(18,077)</u>
Closing shareholders' funds	<u>(986,717)</u>	<u>(21,921)</u>

### 14 Capital commitments

	31 December 2004 £	29 February 2004 £
At 31 December 2004 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	<u>-</u>	<u>8,323,023</u>

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the period was:

	2004 Number	2004 Number
	<u>150</u>	<u>-</u>
<b>Employment costs</b>		
	£	£
Wages and salaries	1,495,019	0
Social security costs	<u>109,583</u>	<u>0</u>

# **FREE TRADE HALL HOTEL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE PERIOD ENDED 31 DECEMBER 2004**

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### **16 Control**

The company was controlled at the end of the current period by its director Mr S E Barker who owns 100% of the company's ordinary share capital through his holding in the ultimate parent company, Peterloo Hotels Limited.

### **17 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company