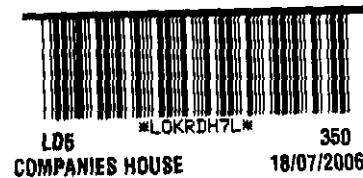


Registered number
4177226

LR (London) Hotels Limited

Report and Accounts

30 September 2005



LR (London) Hotels Limited
Report and accounts
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LR (London) Hotels Limited
Company Information

Director

Mr I M Livingstone

Secretary

Mr R N Luck

Registered Office

St Alphage House
2 Fore Street
London
EC2Y 5DH

Auditors

UHY Hacker Young
168 Church Road
Hove
East Sussex
BN3 2DL

Registered number

4177226

LR (London) Hotels Limited
Director's Report

The director presents his report and accounts for the year ended 30 September 2005.

Principal activities and review of the business

The director considers the financial position at 30 September 2005 to be satisfactory.

Results and dividends

The company did not trade during the period, accordingly no profit and loss account is presented. The director does not recommend the payment of a dividend.

Director

The director who served during the year was:

Mr I M Livingstone

The director had no interest in the ordinary shares of the company at any time during the year.

Auditors

The Company passed an Elective Resolution during the year, pursuant to Section 386 of the Companies Act 1985, electing to dispense with the obligation to re-appoint auditors annually. The resolution remains in force.

This report was approved by the board on 7 June 2006.

Mr R N Luck



Secretary

LR (London) Hotels Limited
Statement of Director's Responsibilities

Company law requires the director 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 for that period. In preparing those accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

LR (London) Hotels Limited

Independent auditors' report to the shareholders of LR (London) Hotels Limited

We have audited the accounts of LR (London) Hotels Limited for the year ended 30 September 2005 which comprise pages 5 to 7. These accounts 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 directors and auditors

As described in the Statement of Director's Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 Director's Report is not consistent with the accounts, 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 Director's 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 accounts. It also includes an assessment of the significant estimates and judgements 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 30 September 2005 and have been properly prepared in accordance with the Companies Act 1985.



UHY Hacker Young
Chartered Accountants & Registered Auditors

168 Church Road
Hove
East Sussex
BN3 2DL

7 June 2006

LR (London) Hotels Limited
Balance Sheet
as at 30 September 2005

	Notes	2005 £	2004 £
Current assets			
Debtors	2	100	100
Net current assets		100	100
		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	3	100	100
Shareholders' funds:			
Equity		<u>100</u>	<u>100</u>
	4	<u>100</u>	<u>100</u>

These Financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Mr I M Livingstone

Director

Approved by the board on 7 June 2006



LR (London) Hotels Limited
Notes to the Accounts
for the year ended 30 September 2005

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies which have been consistently applied are given below.

Accounting convention

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

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard 1, whereby a cash flow statement need not be prepared by a small company as defined in the Companies Act 1985.

Consolidation

The company is exempt from the requirement to prepare consolidated accounts under section 228 of the Companies Act 1985 on the grounds that it is a wholly owned subsidiary.

2 Debtors	2005 £	2004 £
Other debtors	<u>100</u>	<u>100</u>

3 Share capital	2005 £	2004 £
Authorised:		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>

	2005 No	2004 No	2005 £	2004 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100	100	<u>100</u>	<u>100</u>

4 Reconciliation of movement in shareholders' funds	2005 £	2004 £
At 1 October 2004	100	100
At 30 September 2005	<u>100</u>	<u>100</u>

5 Related Party Transactions

The company has taken advantage of the exemption in FRS 8 that transactions do not need to be disclosed with companies 90% or more of whose voting rights are controlled within the group.

LR (London) Hotels Limited
Notes to the Accounts
for the year ended 30 September 2005

6 Parent undertaking

The company is a wholly owned subsidiary of London and Regional Hotel Holdings Limited, a company incorporated and registered in England and Wales. The ultimate parent undertaking is Loopsign Ltd, a company incorporated in England and Wales. The ultimate controlling parties are I M Livingstone and R J Livingstone through their joint ownership of Loopsign Ltd.

7 Investments

The company holds directly 100% of the ordinary share capital of LR (Strand Palace Hotel) Limited, a company incorporated in England and Wales. LR (Strand Palace Hotel) Limited is a dormant company and has no value.