

**Company Registration No. 4290029**

**Jarvis Hotels East Grinstead Limited**

**Report and Financial Statements**

**For the 52 week period ended 26 March 2005**



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# **Jarvis Hotels East Grinstead Limited**

## **Report and financial statements 2005**

| <b>Contents</b>                                 | <b>Page</b> |
|---|-------------|
| <b>Officers and professional advisers</b>       |             |
| <b>Directors' report</b>                        | <b>1</b>    |
| <b>Statement of directors' responsibilities</b> | <b>2</b>    |
| <b>Independent auditors' report</b>             | <b>3</b>    |
| <b><i>Profit and loss account</i></b>           | <b>4</b>    |
| <b>Balance sheet</b>                            | <b>5</b>    |
| <b>Notes to the accounts</b>                    | <b>6</b>    |

# **Jarvis Hotels East Grinstead Limited**

## **Report and financial statements 2005**

### **Officers and professional advisers**

#### **Directors**

John Jarvis  
Richard Thomason

#### **Secretary**

Duncan Beveridge

#### **Registered Office**

Castle House  
Desborough Road  
High Wycombe  
HP11 2PR

#### **Auditors**

Deloitte & Touche LLP  
London

# Jarvis Hotels East Grinstead Limited

## Directors' report

The directors have pleasure in presenting their report and the audited financial statements for the 52 week period ended 26 March 2005.

### Principal activities

The principal activity of the company during the period was that of an hotel property company.

### Review of the business and future prospects

During the period the company received rental income from its hotel property. In February 2005, the assets of Jarvis Hotels East Grinstead Limited were transferred to Jarvis Hotels – Creating the Difference Limited and the occupational lease surrendered. The company is not expected to trade for the foreseeable future.

### Financial results and dividends

The profit and loss account for the 52 week period ended 26 March 2005 is set out on page 4 and shows a profit on ordinary activities before tax of £225,000 (2004: £287,000) and retained profit of £225,000 (2004: £287,000). The directors do not recommend the payment of a dividend for the period (2004: £nil).

### Directors and their interests

The directors of the company at 26 March 2005, all of whom have been directors for the whole of the period ended on that date unless otherwise stated, are shown below:

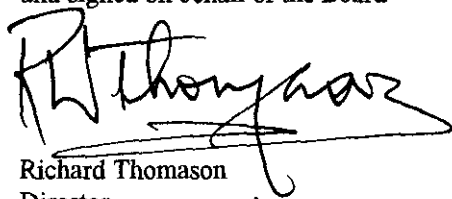
John Jarvis  
David Thomas (resigned 21 July 2004)  
Richard Thomason

John Jarvis and Richard Thomason are also directors of Kayterm plc, and their interests are disclosed in the consolidated accounts of Kayterm plc.

### Auditors

PricewaterhouseCoopers LLP resigned as auditors on 17 March 2005 and were replaced by Deloitte & Touche LLP. Deloitte & Touche LLP have indicated their willingness to be re-appointed as auditors and a resolution to re-appoint them as auditors of the Company will be proposed at the Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Richard Thomason  
Director

27 July 2005

## **Jarvis Hotels East Grinstead Limited**

### **Statement of directors' responsibilities**

United Kingdom 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 as at the end of the financial year 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; and
- 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Jarvis Hotels East Grinstead Limited**

We have audited the financial statements of Jarvis Hotels East Grinstead Limited for the 52 week period ended 26 March 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above period and consider the implications for our report if we become aware of any apparent misstatements.

### **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 26 March 2005 and of the profit of the company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London

24 July 2005

## Jarvis Hotels East Grinstead Limited

### Profit and loss account

52 week period ended 26 March 2005

|  | Note | 2005<br>£'000 | 2004<br>£'000 |
|--|------|---------------|---------------|
| Turnover   | 2    | 400           | 470           |
| Cost of sales  |      | (175)         | (183)         |
| <b>Profit on ordinary activities before taxation</b> | 3    | <b>225</b>    | <b>287</b>    |
| Tax on profit on ordinary activities                 | 5    | -             | -             |
| <b>Retained profit carried forward</b>               |      | <b>225</b>    | <b>287</b>    |

The activities of the company all relate to continuing operations.

The company had no recognised gains or losses other than those included above, and therefore no separate statement of recognised gains or losses has been presented.

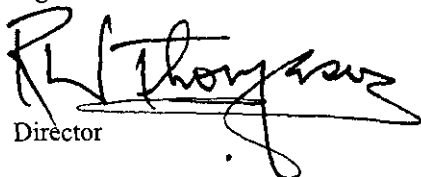
# Jarvis Hotels East Grinstead Limited

## Balance sheet 26 March 2005

|  | Note | 2005<br>£'000 | 2004<br>£'000 |
|--|------|---------------|---------------|
| <b>Fixed assets</b>                      |      |               |               |
| Tangible fixed assets                    | 6    | -             | 2,827         |
| <b>Current assets</b>                    |      |               |               |
| Debtors: amount due from group companies |      | 3,786         | 734           |
| <b>Net assets</b>                        |      | <u>3,786</u>  | <u>3,561</u>  |
| <b>Capital and reserves</b>              |      |               |               |
| Called up share capital                  | 7    | -             | -             |
| Capital contribution                     | 8    | 3,040         | 3,040         |
| Profit and loss account                  | 8    | 746           | 521           |
| <b>Total equity shareholders' funds</b>  |      | <u>3,786</u>  | <u>3,561</u>  |

These financial statements were approved by the Board of Directors on 27 July 2005.

Signed on behalf of the Board of Directors

  
Director



# Jarvis Hotels East Grinstead Limited

## Notes to the accounts

52 week period ended 26 March 2005

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the current and prior period.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Related parties

The company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8 – 'Related Party Disclosures' not to disclose transactions or balances with other Group companies which are more than 90% owned within the Group.

#### Turnover

Turnover represents rental income from hotel properties, excluding VAT.

#### Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### Fixed assets

- a) All tangible fixed assets are included in the balance sheet at cost plus subsequent additions at cost less accumulated depreciation and any impairment.
- b) Depreciation is provided on tangible fixed assets on a straight line basis as follows:
  - Long leasehold properties:
    - Core (structure) – 2% p.a.;
    - Non Core (surface finishes and services) – 4% p.a.
  - Fixtures, fittings and equipment – between 7.5% p.a. and 10% p.a.

#### Cash flow statement

The company is a wholly owned subsidiary of Kayterm plc. The cash flows of the company are included in the consolidated cash flow of Kayterm plc, the accounts of which are publicly available, and consequently, the company is exempt under the terms of Financial Reporting Standard 1 (as revised) – 'Cash flow' from preparing a cash flow statement.

### 2. Segmental analysis

The company's turnover, profit before taxation and net assets are derived entirely from its principal activity within the UK which is the ownership of hotels, and as such no segmental information has been disclosed. The fixed assets were transferred to Jarvis Hotels – Creating the Difference Limited at their net book value.

# Jarvis Hotels East Grinstead Limited

## Notes to the accounts

52 week period ended 26 March 2005

### 3. Operating profit

|  | 2005<br>£'000 | 2004<br>£'000 |
|--|---------------|---------------|
| Operating profit is stated after (crediting)/charging: |               |               |
| Rental income from operating leases                    | (400)         | (470)         |
| Depreciation   | 175           | 183           |

Auditors' remuneration has been borne by Jarvis Hotels Ltd, a fellow Group company.

The company had no employees in the period (2004: nil).

### 4. Directors' emoluments

The remuneration of the directors is borne by Jarvis Hotels Ltd, the parent company.

### 5. Taxation

|   | 2005<br>£'000 | 2004<br>£'000 |
|---|---------------|---------------|
| United Kingdom corporation tax at 30% (2004: 30%) | -             | -             |

The difference between the current period tax charge for the period and the standard rate of Corporation Tax in the UK (30%) applied to the profit before tax is £67,500 (2004: £86,100) which comprises £52,500 (£54,900) of non-deductible depreciation and £120,000 (2004: £141,000) of group relief claimed.

### 6. Tangible fixed assets

|                       | Long<br>leasehold<br>£'000 | Fixtures,<br>fittings,<br>tools and<br>equipment<br>£'000 | Total<br>£'000 |
|-----------------------|----------------------------|---|----------------|
| <b>Cost</b>           |                            |   |                |
| As at 28 March 2004   | 2,295                      | 1,582   | 3,877          |
| Additions             | 125                        | 16  | 141            |
| Disposal              | (2,420)                    | (1,598)   | (4,018)        |
| At 26 March 2005      | -                          | -   | -              |
| <b>Depreciation</b>   |                            |   |                |
| As at 28 March 2004   | 267                        | 783   | 1,050          |
| Charge for the period | 38                         | 137   | 175            |
| Disposal              | (305)                      | (920)   | (1,225)        |
| At 26 March 2005      | -                          | -   | -              |
| <b>Net book value</b> |                            |   |                |
| At 26 March 2005      | -                          | -   | -              |
| At 27 March 2004      | 2,028                      | 799   | 2,827          |

All tangible fixed assets are held for use in operating leases.

# Jarvis Hotels East Grinstead Limited

## Notes to the accounts

52 week period ended 26 March 2005

### 7. Called up share capital

|   | 2005<br>£ | 2004<br>£ |
|---|-----------|-----------|
| <b>Authorised:</b>                        |           |           |
| 10 Ordinary shares of £1 each             | 10        | 10        |
| <b>Called up, allotted and fully paid</b> |           |           |
| 1 Ordinary share of £1 each               | 1         | 1         |

### 8. Shareholders' funds

|                                | Capital<br>contribution<br>£'000 | Profit and<br>loss<br>account<br>£'000 | Total<br>£'000 |
|--------------------------------|----------------------------------|--|----------------|
| As at 28 March 2004            | 3,040                            | 521                                    | 3,561          |
| Retained profit for the period | -                                | 225                                    | 225            |
| At 26 March 2005               | 3,040                            | 746                                    | 3,786          |

### 9. Reconciliation of movement in shareholders' funds

|                                    | 2005<br>£'000 | 2004<br>£'000 |
|------------------------------------|---------------|---------------|
| Profit for the period              | 225           | 287           |
| Opening equity shareholders' funds | 3,561         | 3,274         |
| Closing equity shareholders' funds | 3,786         | 3,561         |

### 10. Parent undertaking

The company's ultimate parent undertaking and controlling party is Kayterm plc, being incorporated in the United Kingdom and registered in England and Wales. Its immediate parent undertaking is Jarvis Hotels Limited. Group accounts are only prepared at the Kayterm plc level and are available from its registered office at Castle House, Desborough Road, High Wycombe, HP11 2PR.

### 11. Contingent liabilities

Jarvis Hotels East Grinstead Limited is a guarantor of the Bank Facilities Agreement held by Kayterm plc and there are fixed and floating charges over all of the assets of Jarvis Hotels East Grinstead Limited in favour of Royal Bank of Scotland.