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**Company Registration No. 4290053**

**Jarvis Hotels Gourock Limited**

**Report and Financial Statements**

**for the year ended 31 March 2008**

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**Jarvis Hotels Gourock Limited**  
**Report and financial statements 2008**  
**Officers and professional advisers**

**Directors**

John Jarvis  
Stephen Hebborn

**Secretary**

Duncan Beveridge

**Registered Office**

Castle House  
Desborough Road  
High Wycombe  
HP11 2PR

**Auditors**

KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB

**Jarvis Hotels Gourock Limited**  
**(Company No: 4290053)**

**Directors' Report**

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 March 2008. The directors report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

**Principal activities**

The principal activity of the company during the period was that of a property owning and letting company.

**Review of the business and future prospects**

On 21 October 2007 the hotel ceased trading. The freehold interest was sold on 30 November 2007 for £5.3m after expenses.

**Financial results**

The profit and loss account for the period ended 31 March 2008 is set out on page 5 and shows an operating profit of £0.2m (2007: £0.2m).

**Directors**

The directors of the company at 31 March 2008 and up to the date of this report, all of whom have been directors for the whole of the period ended on that date unless otherwise stated, are shown below:

John Jarvis  
Stephen Hebborn

**Fixed assets**

Fixed assets are included at cost less accumulated depreciation. The directors consider that the market value of the hotel is not less than the book value.

**Principal risks and uncertainties**

The Board is responsible for the company's system of internal control and risk management and for reviewing its effectiveness. In order to discharge that responsibility, the Board has established procedures to identify and manage these risks.

**Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP resigned as auditors on 18 December 2007 and were replaced by KPMG LLP. KPMG LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.



**BY ORDER OF THE BOARD**

D. BEVERIDGE  
COMPANY SECRETARY

26 march 2009

**Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 and applicable law (UK Generally Accepted Accounting Practice). 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that 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 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.

## **Independent Auditors' Report to the Members of Jarvis Hotels Gourrock Limited**

We have audited the financial statements of Jarvis Hotels Gourrock Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet 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 directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**KPMG LLP**  
Chartered Accountants  
Registered Auditors

8 Salisbury Square  
London  
EC4Y 8BB

27 March 2009

**Jarvis Hotels Gourrock Limited**  
**(Company No: 4290053)**

**Profit and loss account**  
**for the year ended 31 March 2008**

	<b>Note</b>	<b>2008 £000's</b>	<b>2007 £000's</b>
<b>Turnover</b>	2	210	225
Cost of sales		(6)	(6)
<b>Operating profit</b>	3	204	219
Profit on disposal of property	4	532	-
<b>Profit before tax</b>		736	219
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		<u>736</u>	<u>219</u>

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 Gourrock Limited**  
(Company No: 4290053)

**Balance sheet**  
**at 31 March 2008**

	Note	2008 £000's	2007 £000's
<b>Fixed assets</b>			
Tangible fixed assets	7	-	4,804
<b>Current assets</b>			
Debtors: amount due from group companies		736	-
<b>Current liabilities</b>			
Creditors: amount due to group companies		-	(4,585)
<b>Net assets</b>		<u>736</u>	<u>219</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	736	219
<b>Total equity shareholders' funds</b>	10	<u><u>736</u></u>	<u><u>219</u></u>

These financial statements were approved by the board of directors on *25<sup>th</sup> March 2007* and were signed on its behalf by:



S Hebborn

Director



## **Notes to the financial statements**

### **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. These have all been applied consistently throughout the current and prior periods.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention. Having reviewed the financial position of the company the Directors have determined that it is appropriate to prepare its financial statements on a going concern basis.

#### **Related parties**

The company has taken advantage of the exemption under paragraph 3(c) of FRS 8 – ‘Related Party Transactions’ 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) No depreciation is provided on freehold land. Depreciation is provided on the fair value and subsequent cost, less residual values of all other tangible fixed assets on a straight line basis over the estimated remaining life as shown below:
  - 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 Limited. The cash flows of the company are included in the consolidated cash flow statement of Kayterm Limited, the accounts of which are publicly available, and consequently, the company is exempt under the terms of FRS 1 Revised 1996 – ‘Cash Flow Statements’ from preparing a cash flow statement.

### **2. Segmental analysis**

The company’s turnover, profit before taxation and net assets are derived from its principal activity within the UK which is the ownership of hotels, and as such no segmental information has been disclosed.

**Jarvis Hotels Gourock Limited**  
(Company No: 4290053)

**Notes to the financial statements (continued)**

**3. Operating profit**

	2008 £000's	2007 £000's
Operating profit is stated after crediting/(charging):		
Auditors' remuneration:		
Audit of these financial statements	3	3
Rental income from operating leases	210	225
Depreciation	(6)	(6)
	<u>          </u>	<u>          </u>

The company had no employees in the period (2007: nil).

**4. Profit on disposal of property**

During the period the Company disposed of its property for a profit of £0.5m. The net proceeds of the disposal were £5.3m. There are sufficient tax losses within the Group to cover any chargeable gains arising.

**5. Directors' emoluments**

The directors did not receive any remuneration during the year (2007: Nil).

**6. Taxation**

	2008 £000's	2007 £000's
United Kingdom corporation tax at 30% (2007: 30%)	<u>-</u>	<u>-</u>

The difference between the current period tax credit for the period and the standard rate of Corporation Tax in the UK (30%) is explained below:

	2008 £000's	2007 £000's
Profit before tax	<u>736</u>	<u>219</u>
Profit before tax multiplied by the standard rate of Corporation Tax in the UK of 30% (2007: 30%)	221	66
Effects of:		
- Depreciation in excess of capital allowances	2	2
- Transfer pricing adjustment on inter company loans	(37)	(36)
- Group relief claimed	(186)	(32)
	<u>          </u>	<u>          </u>
	<u>-</u>	<u>-</u>

**Jarvis Hotels Gourock Limited**  
**(Company No: 4290053)**

**Notes to the financial statements (continued)**

**7. Tangible fixed assets**

	<b>Freehold land and buildings £000's</b>
<b>Cost</b>	
At 1 April 2007	4,810
Disposals	(4,810)
	<hr/>
At 31 March 2008	-
	<hr/>
<b>Depreciation</b>	
At 1 April 2007	6
Charge for the period	6
Disposal	(12)
	<hr/>
At 31 March 2008	-
	<hr/>
<b>Net book value</b>	
At 31 March 2008	-
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At 31 March 2007	4,804
	<hr/>

**8. Called up share capital**

	<b>2008 £</b>	<b>2007 £</b>
<b>Authorised:</b>		
10 Ordinary shares of £1 each	10	10
	<hr/>	<hr/>
<b>Called up, allotted and fully paid</b>		
1 Ordinary share of £1	1	1
	<hr/>	<hr/>

**9. Shareholders' funds**

	<b>Profit and loss account £000's</b>
At 1 April 2007	219
Profit for the financial period	736
Dividends on shares classified in shareholders' funds	(219)
	<hr/>
At 31 March 2008	736
	<hr/>

**Jarvis Hotels Gourrock Limited**  
**(Company No: 4290053)**

**Notes to the financial statements (continued)**

**10. Reconciliation of movement in shareholders' funds**

	<b>2008</b> <b>£000's</b>	<b>2007</b> <b>£000's</b>
Profit for the financial year	736	219
Dividends on shares classified in shareholders' funds	(219)	-
	<hr/>	<hr/>
Retained profit	517	219
Opening equity shareholders' funds	219	-
	<hr/>	<hr/>
Closing equity shareholders' funds	<u>736</u>	<u>219</u>

**11. Parent undertaking**

The company's ultimate parent undertaking and controlling party is Kayterm Limited, being incorporated in Great Britain and registered in England and Wales. The company's immediate parent undertaking is Jarvis Hotels Limited. Group accounts are only prepared at the Kayterm Limited level.

**12. Contingent liabilities**

Jarvis Hotels Gourrock Limited is a guarantor of the Bank Facilities Agreement held by Kayterm Limited and there are fixed and floating charges over all of the assets of Jarvis Hotels Gourrock Limited in favour of the lenders.