

GUILDFORD HOTELS LIMITED

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2009**

Company Registration No. 04386916

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GUILDFORD HOTELS LIMITED

FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

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GUILDFORD HOTELS LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2009

Principal Activities

The principal activity of the company during the year was that of a property investment company

Directors

The directors who served the company during the year were as follows

Mr J R Morley

Mr J Shahab

Mr J Pattison (Resigned 25 May 2010)

Mr V Wason

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

GUILDFORD HOTELS LIMITED

DIRECTORS' REPORT – 2009 (CONT'D)

Auditor

Shah Dodhia & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006

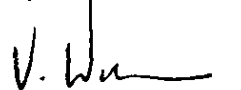
Small company provision

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office:

140 Bath Road
Hayes
Middx
UB3 5AW

By order of the Board



V Wason
Secretary

Date: 05 July 2010

GUILDFORD HOTELS LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF GUILDFORD HOTELS LIMITED

We have audited the financial statements (the "financial statements") of Guildford Hotels Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

GUILDFORD HOTELS LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF GUILDFORD HOTELS LIMITED (CONT'D)

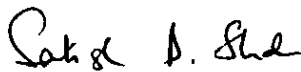
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Satish Shah
Senior Statutory Auditor
for and on behalf of
Shah Dodhia & Co, Statutory Auditors
173 Cleveland Street
London W1T 6QR

Date: 30 July 2010

GUILDFORD HOTELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER		–	–
Administrative expenses		(135,388)	(22,455)
Other operating income	2	16,150	41,531
		<u> </u>	<u> </u>
OPERATING (LOSS)/PROFIT	3	(119,238)	19,076
Attributable to			
Operating (loss)/profit before exceptional items		(6,526)	19,076
Exceptional items	3	(112,712)	–
		<u> </u>	<u> </u>
		(119,238)	19,076
Interest payable and similar charges		(56,888)	(182,144)
		<u> </u>	<u> </u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(176,126)	(163,068)
Tax on loss on ordinary activities		43,667	–
		<u> </u>	<u> </u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION BEING LOSS FOR THE FINANCIAL YEAR		<u>(132,459)</u>	<u>(163,068)</u>

All of the activities of the company are classed as continuing

The notes on pages 7 to 9 form part of these financial statements

GUILDFORD HOTELS LIMITED

BALANCE SHEET AT 31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	4	1,400,000	1,512,712
CURRENT ASSETS			
Debtors	5	43,920	—
Cash at bank		3,992	159
		<u>47,912</u>	<u>159</u>
CREDITORS: Amounts falling due within one year	6	<u>(1,310,550)</u>	<u>(1,319,969)</u>
NET CURRENT LIABILITIES		<u>(1,262,638)</u>	<u>(1,319,810)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		137,362	192,902
CREDITORS: Amounts falling due after more than one year	7	<u>(864,325)</u>	<u>(787,406)</u>
		<u>(726,963)</u>	<u>(594,504)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	2,000	2,000
Profit and loss account	10	<u>(728,963)</u>	<u>(596,504)</u>
DEFICIT		<u>(726,963)</u>	<u>(594,504)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors on **05 July 2010** and are signed on their behalf by


J R Morley (Director)

Company Registration No 04386916

The notes on pages 7 to 9 form part of these financial statements

GUILDFORD HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting and presentation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern

These financial statements have been drawn up on a going concern basis in view of the assurance given by the shareholders to continue to provide financial support for the next twelve months

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings - 25% per annum on a straight line basis

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with FRSSE which, unlike Company Act, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

2. OTHER OPERATING INCOME

	2009	2008
	£	£
Rent receivable	<u>16,150</u>	<u>41,531</u>

GUILDFORD HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 2009 – (CONT'D)

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2009 £	2008 £
Auditor's fees	2,249	2,144
Impairment of investment property	<u>112,712</u>	<u>–</u>

4. TANGIBLE FIXED ASSETS

	Investment Property £	Fixtures & Fittings £	Total £
COST OR VALUATION			
At 1 January 2009	1,512,712	14,376	1,527,088
Revaluation	(112,712)	–	(112,712)
At 31 December 2009	<u>1,400,000</u>	<u>14,376</u>	<u>1,414,376</u>
DEPRECIATION			
At 1 January 2009 and 31 December 2009	–	14,376	14,376
NET BOOK VALUE			
At 31 December 2009	<u>1,400,000</u>	–	<u>1,400,000</u>
At 31 December 2008	<u>1,512,712</u>	–	<u>1,512,712</u>

The hotel was professionally valued as at 22 June 2009 by Messrs Knight Frank in accordance with the requirements of The Royal Institution of Chartered Surveyors Appraisal and Valuation Standards. The valuation as at 22 June 2009 was £1.4 million.

5. DEBTORS

	2009 £	2008 £
Other debtors	34,967	–
Corporation tax	8,953	–
	<u>43,920</u>	<u>–</u>

6. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	1,300,000	1,300,000
Other creditors	10,550	19,969
	<u>1,310,550</u>	<u>1,319,969</u>

The bank loans are repayable on demand and renewed annually.

GUILDFORD HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 2009 – (CONT'D)

7. CREDITORS: Amounts falling due after more than one year

	2009	2008
	£	£
Shareholders loan	<u>864,325</u>	<u>787,406</u>

8. RELATED PARTY TRANSACTIONS

The company has entered into the following agreements with Edwardian Management Services Limited (EMS), which owns 1000B shares in the company, being 50% of the issued share capital

(i) An interest bearing loan agreement under which EMS has granted an initial loan of £310,000 in 2002, to the company and a further loan of £361,455 over the years and interest of £192,870 has been accrued as stated in Note 7

(ii) An agreement under which EMS will enter into an operating agreement with the company

9. SHARE CAPITAL

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary Class A shares of £1 each	1,000	1,000	1,000	1,000
Ordinary Class B shares of £1 each	1,000	1,000	1,000	1,000
	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

10. PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
Balance brought forward	(596,504)	(433,437)
Loss for the financial year	<u>(132,459)</u>	<u>(163,067)</u>
Balance carried forward	<u>(728,963)</u>	<u>(596,504)</u>