

Registered number  
4476411

**London & Regional Hotel Finance Ltd**

**Report and Accounts**

**30 September 2003**



**London & Regional Hotel Finance Ltd**  
**Report and accounts**  
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**London & Regional Hotel Finance Ltd**  
**Company Information**

**Directors**

Mr I M Livingstone

Mr C King

**Secretary**

Mr R N Luck

**Registered Office**

*St Alphage House*

2 Fore Street

London

EC2Y 5DH

**Auditors**

Hacker Young

168 Church Road

Hove

East Sussex

BN3 2DL

**Registered number**

4476411

## **London & Regional Hotel Finance Ltd**

### **Directors' Report**

The directors present their report and accounts from the date of incorporation on 3 July 2002 to 30 September 2003.

#### **Principal activities and review of the business**

From 8 August 2002 the company commenced acting as a treasury company for related undertakings, prior to this date it was inactive. The directors consider the financial position at 30 September 2003 to be satisfactory.

#### **Results and dividends**

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who served during the period were:

CETC (Nominees) Limited (appointed and resigned 3 July 2002)

Mr I M Livingstone (appointed 3 July 2002)

Mr C King (appointed 3 July 2002)

The directors had no interest in the ordinary shares of the company at any time during the period.

#### **Auditors**

The Company passed an Elective Resolution during the period, 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 20 April 2004.

Mr R N Luck



Secretary

## **London & Regional Hotel Finance Ltd**

### **Statement of Directors' Responsibilities**

Company law requires the directors 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 directors are 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 directors are responsible for maintaining 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 accounts 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.

## **London & Regional Hotel Finance Ltd**

### **Independent auditors' report to the shareholder of London & Regional Hotel Finance Ltd**

We have audited the accounts of London & Regional Hotel Finance Ltd for the period from 3 July 2002 to 30 September 2003 which comprise pages 5 to 10. 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 Directors' 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 Directors' 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 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 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 2003 and of its loss for the period from 3 July 2002 to 30 September 2003 and have been properly prepared in accordance with the Companies Act 1985.



Hacker Young

Chartered Accountants and Registered Auditors

168 Church Road  
Hove  
East Sussex  
BN3 2DL

20 April 2004

**London & Regional Hotel Finance Ltd**  
**Profit and Loss Account**  
**for the period from 3 July 2002 to 30 September 2003**

	Notes	Period to 30/09/2003 £
Net operating expenses		(752,189)
<b>Operating loss</b>	2	<u>(752,189)</u>
Interest receivable		9,920,402
Interest payable	3	(10,660,393)
<b>Loss on ordinary activities before taxation</b>		<u>(1,492,180)</u>
Tax on loss on ordinary activities		-
<b>Loss for the period</b>		<u>(1,492,180)</u>
<b>Retained loss for the period</b>	10	<u>(1,492,180)</u>

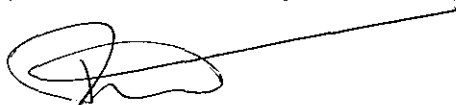
**London & Regional Hotel Finance Ltd**  
**Statement of total recognised gains and losses**  
**for the period from 3 July 2002 to 30 September 2003**

	Notes	Period to 30/09/2003 £
Loss for the period	10	(1,492,180)
Total recognised gains and losses related to the period		<u>(1,492,180)</u>

**London & Regional Hotel Finance Ltd**  
**Balance Sheet**  
**as at 30 September 2003**

	Notes	2003 £
<b>Fixed assets</b>		
Investments	4	145,122,479
<b>Current assets</b>		
Debtors	5	25,374,845
Cash at bank and in hand		2,457,472
		<u>27,832,317</u>
<b>Creditors: amounts falling due within one year</b>	6	(5,564,674)
<b>Net current assets</b>		<u>22,267,643</u>
<b>Total assets less current liabilities</b>		167,390,122
<b>Creditors: amounts falling due after more than one year</b>	7	(168,882,301)
		<u>(1,492,179)</u>
<b>Capital and reserves</b>		
Called up share capital	9	1
Profit and loss account	10	(1,492,180)
<b>Shareholder's funds:</b>		
Equity		<u>(1,492,179)</u>
	11	<u>(1,492,179)</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 20 April 2004

**London & Regional Hotel Finance Ltd**  
**Notes to the Accounts**  
**for the period from 3 July 2002 to 30 September 2003**

**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.

**2 Operating loss** **2003**  
£

Operating loss is stated after charging:

Auditors remuneration	1,600
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**3 Interest payable** **2003**  
£

On borrowings not wholly repayable within five years	10,660,393
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**4 Investments** **2003**  
£

**Cost**

Additions	146,356,231
Loan repayments	(1,233,752)
At 30 September 2003	145,122,479

The company holds senior and mezzanine loan stock instruments issued by Hotel (PL Property) Limited. The senior loan of £140,122,479 is repayable by quarterly instalments and by a final bullet in July 2017. The mezzanine loan of £15,000,000 is repayable by a bullet in June 2008.

**5 Debtors** **2003**  
£

Amounts owed by related undertakings	21,957,243
Prepayments and accrued income	3,417,602
	25,374,845

**London & Regional Hotel Finance Ltd**  
**Notes to the Accounts**  
**for the period from 3 July 2002 to 30 September 2003**

<b>6 Creditors: amounts falling due within one year</b>	<b>2003</b>
	<b>£</b>
Amounts owed to related undertakings	3,353,734
Accruals and deferred income	2,210,940
	<u>5,564,674</u>

<b>7 Creditors: amounts falling due after one year</b>	<b>2003</b>
	<b>£</b>
Bank loan	<u>168,882,301</u>

The bank loan is secured over the investment property and the rental income derived therefrom of a related undertaking and by a fixed and floating charge over the assets of the company. The loan is repayable from surplus rents and by a bullet on 22 January 2018. It bears interest at an effective fixed rate of 6.74% per annum.

<b>8 Loans</b>	<b>2003</b>
	<b>£</b>
Loans not wholly repayable within five years:	
Bank loan (see note 6)	<u>168,882,301</u>
Analysis of maturity of debt:	
Between two and five years	1,004,371
After five years	167,877,930
	<u>168,882,301</u>

<b>9 Share capital</b>	<b>2003</b>
	<b>£</b>
Authorised:	
1,000 Ordinary shares of £1 each	1,000
	<u>1,000</u>

	<b>2003</b>	<b>2003</b>
	<b>No.</b>	<b>£</b>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	1	1
		<u>1</u>

<b>Movement in share capital</b>	<b>2003</b>
	<b>£</b>
Shares issued	1
At 30 September 2003	<u>1</u>

**London & Regional Hotel Finance Ltd**  
**Notes to the Accounts**  
**for the period from 3 July 2002 to 30 September 2003**

<b>10 Profit and loss account</b>	<b>2003</b>
	<b>£</b>
Retained loss	(1,492,180)
At 30 September 2003	<u>(1,492,180)</u>

<b>11 Reconciliation of movement in shareholder's funds</b>	<b>2003</b>
	<b>£</b>
Loss for the financial period	(1,492,180)
Shares issued	1
At 30 September 2003	<u>(1,492,179)</u>

**12 Ultimate parent undertaking**

The company is a subsidiary of London & Regional Group Finance Ltd, a company incorporated and registered in England and Wales. The ultimate parent undertaking is Nutmeg Limited, a company incorporated and registered in Guernsey, Channel Islands.