
TLLC BRIDGECO3 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

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TLLC BRIDGECO3 LIMITED

COMPANY INFORMATION

DIRECTORS	T J Evans S L Gumm N M Leslau
COMPANY SECRETARY	S L Gumm
REGISTERED NUMBER	4588795
REGISTERED OFFICE	Cavendish House 18 Cavendish Square London W1G 0PJ
INDEPENDENT AUDITORS	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

TLLC BRIDGECO3 LIMITED

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TLLC BRIDGECO3 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

The directors present their report and the financial statements for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the company is that of property investment in the United Kingdom

DIRECTORS

The directors who served during the year were

T J Evans
S L Gumm
N M Leslau

PRINCIPAL RISKS AND UNCERTAINTIES

Market factors

The nature of very long term income streams with upward only rent reviews such as those owned by the company is such that there is a very good chance that any short term valuation or cash flow decreases can be reversed over time

The directors consider the properties owned by the company relatively well placed to withstand market fluctuations over time by virtue of the quality of the assets and, in particular, the longevity of income

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

BDO LLP have expressed their willingness to continue in office

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 13 December 2013 and signed on its behalf



S L Gumm
Director

TLLC BRIDGECO3 LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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.

TLLC BRIDGECO3 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLLC BRIDGECO3 LIMITED

We have audited the financial statements of TLLC Bridgeco3 Limited for the year ended 31 March 2013, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the directors' responsibilities statement, 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 and express an opinion on 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER 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.

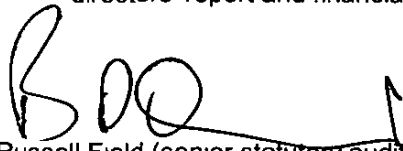
TLLC BRIDGECO3 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLLC BRIDGECO3 LIMITED

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 take advantage of the small companies' exemption in preparing the directors' report and financial statements



Russell Field (senior statutory auditor)

for and on behalf of
BDO LLP

Statutory auditor

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

13 December 2013

TLLC BRIDGECO3 LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	3,845,062	4,023,283
Cost of sales		<u>(640,491)</u>	<u>(643,038)</u>
GROSS PROFIT		3,204,571	3,380,245
Administrative expenses		<u>(164)</u>	<u>(15)</u>
OPERATING PROFIT	3	3,204,407	3,380,230
Interest payable and similar charges	5	<u>(1,139,586)</u>	<u>(1,407,798)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,064,821	1,972,432
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,064,821</u>	<u>1,972,432</u>

All amounts relate to continuing operations

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial years stated above and their historical cost equivalents

The notes on pages 8 to 13 form part of these financial statements

TLLC BRIDGECO3 LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
PROFIT FOR THE FINANCIAL YEAR	12	2,064,821	1,972,432
Unrealised deficit on revaluation of investment properties	12	(15,448,000)	(1,253,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		(13,383,179)	719,432

The notes on pages 8 to 13 form part of these financial statements

TLLC BRIDGECO3 LIMITED
REGISTERED NUMBER: 4588795

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Investment property	7		38,103,000		53,551,000
CURRENT ASSETS					
Debtors	8	245,109		298,481	
CREDITORS amounts falling due within one year	9	(181,695)		(344,186)	
NET CURRENT ASSETS/(LIABILITIES)			63,414		(45,705)
TOTAL ASSETS LESS CURRENT LIABILITIES			38,166,414		53,505,295
CREDITORS: amounts falling due after more than one year	10		(23,240,247)		(25,195,949)
NET ASSETS			14,926,167		28,309,346
CAPITAL AND RESERVES					
Called up share capital	11		1		1
Revaluation reserve	12		6,250,310		21,698,310
Profit and loss account	12		8,675,856		6,611,035
SHAREHOLDERS' FUNDS	13		14,926,167		28,309,346

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2013


S L Gurpin
 Director

The notes on pages 8 to 13 form part of these financial statements

TLLC BRIDGECO3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover represents rents receivable during the year from the letting of commercial properties at invoiced amounts less value added tax

1.4 Operating leases

Annual rentals receivable or payable under operating leases are credited or charged to the profit and loss account on a straight-line basis over the term of the lease

1.5 Investment properties

Investment properties are included in the balance sheet at their open market value at the balance sheet date, on the basis of an annual valuation. Aggregate surpluses or deficits arising on valuation are transferred to the revaluation reserve. Permanent diminutions in the value of the properties are charged directly to the profit and loss account

Additions to investment properties include only costs of a capital nature. Costs such as interest and other property outgoings are treated as revenue expenditure and are written off as incurred

In accordance with SSAP 19 (as amended), no depreciation or amortisation is provided in respect of long leasehold investment properties. This treatment is a departure from the requirements of the Companies Act 2006 concerning depreciation of fixed assets. However, the company's investment properties are held not for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified

TLLC BRIDGECO3 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is unable to utilise existing capital losses within the group of which it is a member. The recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2. TURNOVER

Turnover is wholly attributable to the principal activities undertaken by the company during the year.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging

	2013 £	2012 £
Head lease rentals	<u>636,817</u>	<u>639,361</u>

Head lease rental payments are recoverable from tenants and that recovery is disclosed within turnover.

The auditors' remuneration is borne by the immediate parent company. Fees for the audit of the company were £760 (2012: £760).

4. STAFF COSTS

The company has no employees and no director received any remuneration in the year (2012: £nil).

5. INTEREST PAYABLE

	2013 £	2012 £
On loans from group undertakings	<u>1,139,586</u>	<u>1,407,798</u>

TLLC BRIDGECO3 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

6 TAXATION

	2013 £	2012 £
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	2,064,821	1,972,432
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	495,557	512,832
Effects of:		
Expenses not deductible for tax purposes	36	-
Net movement in losses available to carry forward	(475,069)	79,010
Group relief received	(20,524)	(591,842)
Current tax charge for the year (see note above)	-	-

No provision for UK corporation tax has been made for the year due to the availability of losses and group relief

At present it is not envisaged that any tax will become payable in the foreseeable future, due to the availability of losses within the group of which the company is a member

UNPROVIDED DEFERRED TAX BALANCES

The company has an unprovided deferred tax liability/(asset) which is made up as follows

	2013 £	2012 £
On the inherent capital gain arising on the carrying value of investment properties	6,491,809	10,319,977
Losses available to carry forward	-	(475,068)

The unprovided deferred tax balances have been measured at the tax rates substantively enacted at the balance sheet date

TLLC BRIDGECO3 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

7. INVESTMENT PROPERTY

	Long term leasehold investment property £
Valuation	
At 1 April 2012	53,551,000
Deficit on revaluation	(15,448,000)
At 31 March 2013	<u>38,103,000</u>

The company's investment properties were valued as at 31 March 2013 by N M Leslau BSc (Hons) FRICS, a chartered surveyor and director of the company, on an arm's length open market basis

The historical cost of the company's properties is £35,002,161 (2012 £35,002,161)

A charge over the company's assets, including the above properties, has been granted to the group's lenders as part of the security for bank borrowings provided to Prestbury Hotels Finance Limited, the immediate parent company

8. DEBTORS

	2013 £	2012 £
Trade debtors	38,625	-
Other debtors	94,088	47,262
Prepayments and accrued income	112,396	251,219
	<u>245,109</u>	<u>298,481</u>

**9. CREDITORS:
Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	21,635	176,240
Accruals and deferred income	160,060	167,946
	<u>181,695</u>	<u>344,186</u>

TLLC BRIDGECO3 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

10. CREDITORS:

Amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	23,240,247	25,195,949

The amounts owed to group undertakings are unsecured, bear interest at 8% and have no fixed repayment date. The above amounts include interest accrued of £9,954,340 (2012 £8,814,755)

11. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

12. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 April 2012	21,698,310	6,611,035
Profit for the year	-	2,064,821
Deficit on revaluation of long leasehold property	(15,448,000)	-
At 31 March 2013	6,250,310	8,675,856

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	28,309,346	27,589,914
Profit for the year	2,064,821	1,972,432
Other recognised gains and losses during the year	(15,448,000)	(1,253,000)
Closing shareholders' funds	14,926,167	28,309,346

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of any transactions with entities that are included in the consolidated financial statements of Prestbury Hotel Holdings Limited

TLLC BRIDGECO3 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 March 2013, the company's immediate parent company is Prestbury Hotels Finance Limited and its ultimate parent company is Prestbury Hotel Holdings Limited. Both of these companies are incorporated in England and Wales. The consolidated accounts of Prestbury Hotel Holdings Limited are available to the public and may be obtained from the company secretary, Cavendish House, 18 Cavendish Square, London W1G 0PJ.

Prestbury Hotel Holdings Limited is a joint venture company and is not controlled by any one individual or entity.

16. CONTINGENT LIABILITIES

The company, along with its current fellow group undertakings, has entered into an agreement with the bankers of Prestbury Hotels Finance Limited, the immediate parent company, to cross-guarantee the bank loans made to that company. At 31 March 2013 these bank loans amounted to £113,176,939 (2012 £114,130,877).

17. HEAD LEASE RENTAL COMMITMENTS

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
	£	£
Expiry date.		
After more than 5 years	635,122	633,800

The company has the right to recover the above costs from tenants.