

**Company registration number      04588799**

**TLLC PROPHOLDCO1 LIMITED**

**Report and financial statements**

**For the Year ended 31 December 2011**

**TUESDAY**



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**COMPANIES HOUSE**

**TLLC PROPHOLDCO1 LIMITED**  
**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2011**

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## **TLLC PROPHOLDCOI LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Paul Harvey  
Grant Hearn  
Jon Mortimore  
Guy Parsons (resigned 20th April 2012)

#### **COMPANY SECRETARIES**

Jon Mortimore  
AG Secretarial Limited

#### **REGISTERED OFFICE**

100 Barbirolli Square  
Manchester  
M2 3AB

#### **BANKERS**

The Royal Bank of Scotland PLC  
135 Bishopsgate  
London  
EC2M 3UR

Barclays Bank PLC  
5 The North Colonnade  
Canary Wharf  
London  
E14 4BB

#### **SOLICITORS**

Addleshaw Goddard  
Milton Gate  
60 Chiswell Street  
London  
EC1Y 4AG

#### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

## **ILLC PROPHOLDCO LIMITED**

### **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011

### **PRINCIPAL ACTIVITIES**

The Company is principally engaged in financing the Travelodge Group

### **BUSINESS REVIEW AND FUTURE PROSPECTS**

The Company made an operating result for the year ended 31 December 2011 of £nil (2010 £nil) and after taking account of interest receivable and interest payable a result for the financial year £4,092,219 (2010 £4,092,219). The Directors expect the general level of activity to remain the same in 2012. The Company is a holding company within the Group and as such it is not considered that there are any key performance indicators.

### **DIVIDENDS**

No dividends were paid or proposed during the year ended 31 December 2011 (2010 £nil).

### **DIRECTORS**

The Directors who served throughout the year and up to the date of signing the financial statements were as follows:

Paul Harvey  
Grant Hearn  
Jon Mortimore  
Guy Parsons (resigned 20th April 2012)

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties to which the company is exposed to are as follows:

**Interest rate risk** The Company charges interest on amounts owed to fellow group companies. This charge reflects the cost to the Group of the external debt held. In order to mitigate the risk of changes in interest rates, the Group borrows at fixed and floating rates, and uses interest rate swaps to generate the desired interest profile. It is Group policy to comply with the terms and conditions stated within its loan facilities.

The Group maintains qualifying third party indemnity insurance in respect of directors and officers against any such liabilities as referred to in Section 234 of the Companies Act 2006.

### **STATEMENT OF PROVISION OF INFORMATION TO AUDITORS**

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware;
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself 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 section 418 of the Companies Act 2006.

Approved by the Board of Directors and signed by order of the Board

Jon Mortimore  
Company secretary  
28 January 2013

## **TLLC PROPHOLDCOI LIMITED**

### **STATEMENT OF 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 these financial statements, the Directors are required to

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

By order of the board



Jon Mortimore  
Company Secretary  
28 January 2013

## **TLLC PROPHOLDCO 1 LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLLC PROPHOLDCO1 LIMITED**

We have audited the financial statements of TLLC Propholdco1 Limited for the year ended 31 December 2011 which comprise the profit and loss account the balance sheet the accounting policies 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)

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 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

This report including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

#### **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 the directors and the overall presentation of the financial statements In addition we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

#### **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 2011 and of its result 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

#### **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



John Ellis (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
28 January 2013

**TLLC PROPHOLDCOI LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2011**

	<i>Note</i>	<b>Year ended 31 December 2011 £</b>	<b>Year ended 31 December 2010 £</b>
<b>OPERATING PROFIT</b>	<i>3</i>	<u>-</u>	<u>-</u>
Interest receivable and similar income	<i>4</i>	4,092,219	4,092,219
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>4,092,219</u>	<u>4,092,219</u>
Tax on profit on ordinary activities	<i>5</i>	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<i>9</i>	<u>4,092,219</u>	<u>4,092,219</u>

There were no recognised gains or losses for either the current or preceding financial year other than as shown above. There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

All results are derived from continuing operations.

**FLLC PROPHOLDCO 1 LIMITED**

**BALANCE SHEET**

**As at 31 December 2011**

	<i>Note</i>	<b>Year ended 31 December 2011 £</b>	<b>Year ended 31 December 2010 £</b>
<b>CURRENT ASSETS</b>			
Debtors	6	60,664,543	56,572,324
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	7	(13,199,216)	(13,199,216)
<b>NET CURRENT ASSETS</b>		<u>47,465,327</u>	<u>43,373,108</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	31	31
Profit and loss account	9	47,465,296	43,373,077
<b>TOTAL SHAREHOLDERS' FUNDS</b>	10	<u>47,465,327</u>	<u>43,373,108</u>

These financial statements on pages 5 to 10 were approved by the board of directors and signed on their behalf by

Jon Mortimore  
Director  
28 January 2013

FLLC PropHoldCo 1 Limited

Company registration number

04588799



## **TLLC PROPHOLDCO 1 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2011**

#### **1 ACCOUNTING POLICIES**

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##### **Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

##### **Accounting convention**

These financial statements were prepared under the historical cost convention.

##### **Group financial statements**

As permitted by section 400 of the Companies Act 2006, Group financial statements have not been prepared as the results and balances of this Company are included in the consolidated financial statements of Full Moon HoldCo 2 Limited. These financial statements present financial information about the Company as an individual undertaking and not about the Group it heads. The company is a wholly owned subsidiary of Full Moon HoldCo 2 Limited.

##### **Cash flow statement**

Under Financial Reporting Standard 1 "Cash flow statement" (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent company Full Moon HoldCo 2 Limited includes the Company's cash flows in its own published consolidated financial statements.

##### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

#### **2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

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Information regarding Directors' emoluments is disclosed in the financial statements of Full Moon HoldCo 2 Limited, the intermediate parent company. Directors of the Company received no remuneration for services provided to this Company in the current or preceding year. There were no employees in the current or preceding year.

#### **3 OPERATING RESULT**

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The audit fee of £3,000 (2010: £3,000) is borne by a fellow group company.

**TLLC PROPHOLDCO 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2011**

**4 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Year ended 31 December 2011</b>	<b>Year ended 31 December 2010</b>
	<b>£</b>	<b>£</b>
Interest receivable from group undertakings	4,092,219	4,092,219

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>Year ended 31 December 2011</b>	<b>Year ended 31 December 2010</b>
	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax on profit of the year	-	-
<b>Total tax on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

The differences between the total current tax shown and the amount calculated by applying the standard rate of tax for the year of 26.5% (2010: 28.0%) to the profit before tax are as follows

	<b>Year ended 31 December 2011</b>	<b>Year ended 31 December 2010</b>
	<b>£</b>	<b>£</b>
<b>2011 on ordinary activities before taxation</b>	<b>4,092,219</b>	<b>4,092,219</b>
Tax on ordinary activities at 26.5% (2010: 28.0%)	1,084,438	1,145,821
Effects of		
Tax relieved by group losses for nil consideration	(1,084,438)	(1,145,821)
<b>Current tax (credit)/charge for the year</b>	<b>-</b>	<b>-</b>

No provision for UK corporation tax has been made for the year ended 31 December 2011 (2010: £nil) since the profit for the year will be sheltered by group relief expected to be made available to the Company by other Companies in the Full Moon Holdco 2 Limited Group. No charge will be made by these companies for the surrender of group relief. It is anticipated that the availability of group tax losses will reduce any future tax charges. There is no unprovided deferred tax (2010: £nil).

From April 2012 the headline rate of corporation tax reduces from 26% to 24%, with further reductions expected each year until a rate of 21% is in place by April 2014, as declared in the 2012 Autumn Statement. Such changes had not been substantively enacted at the balance sheet date and accordingly the above disclosures do not reflect these announcements.

**TLLC PROPHOLDCO 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2011**

**6 DEBTORS**

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Amounts owed by group undertakings	60,664,543	56,572,324

Amounts owed by Group undertakings are unsecured, repayable on demand and bear interest between 0% and 8% (2010 0% and 8%)

**7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Amounts owed to group undertakings	13,199,216	13,199,216

Amounts owed to Group undertakings are unsecured, repayable on demand and do not bear interest

**8 CALLED UP SHARE CAPITAL**

	2011 and 2010 Number of shares	2011 and 2010 £
<b>Authorised:</b>		
Ordinary shares of £1 each	31	31
<b>Allotted and fully paid</b>		
Ordinary shares of £1 each	31	31

**9 RESERVES**

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
At 1 January	43,373,077	39,280,858
Profit for the financial year	4,092,219	4,092,219
At 31 December	47,465,296	43,373,077

**TLLC PROPHOLDCO 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2011**

**10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Opening shareholders' funds	43,373,108	39,280,889
Profit for the financial year	4,092,219	4,092,219
Closing shareholders' funds	47,465,327	43,373,108

**11 RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY**

The intermediate parent company is Travelodge Hotels Limited

On 12 October 2012, the shares of Full Moon HoldCo 4 Limited were sold to UK BidCo Limited for a consideration of £1

The Company has taken advantage of the exemption in FRS 8 'Related party disclosures' not to disclose transactions with other members of the Group

From 12 October 2012, the Directors regard UK BidCo Limited as the ultimate controlling party and the largest group of which the Company is a member and for which Group financial statements are drawn up