

TLLC BRIDGECO2 LIMITED

Company Registration No: 4588943

Report and Financial Statements

Year Ended 31 March 2009

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TLLC Bridgeco2 Limited

Report and financial statements for the year ended 31 March 2009

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Company information

Directors

S L Gumm
N M Leslau

Secretary and registered office

S L Gumm, Cavendish House, 18 Cavendish Square, London, W1G 0PJ

Company number

4588943

Auditors

BDO LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

TLLC Bridgeco2 Limited

Report of the directors for the year ended 31 March 2009

The directors present their report together with the audited financial statements for the year ended 31 March 2009.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year of £24,810 (2008: £24,880).

The directors do not recommend payment of a final dividend (2008: £nil).

Principal activities

The principal activity of the company is an intermediate holding company within a property investment group operating in the United Kingdom.

Directors

The directors of the company who held office during the year were as follows:

S L Gumm
N M Leslau

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements 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 of the company for that year. 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; 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

TLLC Bridgeco2 Limited

Report of the directors for the year ended 31 March 2009 (*Continued*)

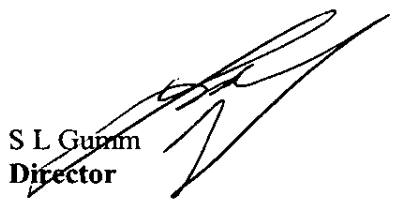
Auditors

The current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information which has not been brought to the attention of the auditors.

BDO LLP have expressed their willingness to continue in office.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



S L Gumm
Director

14 December 2009

TLLC Bridgeco2 Limited

Report of the independent auditors to the shareholders of TLLC Bridgeco2 Limited

We have audited the financial statements of TLLC Bridgeco2 Limited for the year ended 31 March 2009 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.

Respective responsibilities of directors and auditors

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

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 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.

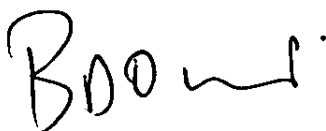
TLLC Bridgeco2 Limited

Report of the independent auditors to the shareholders of TLLC Bridgeco2 Limited (*Continued*)

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The group of which the company is a member is currently negotiating with its lender over either the extension, repayment or refinancing of certain of its debt arrangements. While the directors have a reasonable expectation that these negotiations will be satisfactorily concluded, there are no binding agreements yet in place.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.



BDO LLP

Chartered Accountants and Registered Auditors

Epsom

United Kingdom

14 December 2009

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

TLLC Bridgeco2 Limited

Profit and loss account for the year ended 31 March 2009

	Note	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Administrative expenses		(15)	(15)
Loss on ordinary activities before net financing income		(15)	(15)
Net financing income	5	24,825	24,895
Profit on ordinary activities before taxation		24,810	24,880
Taxation on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation and retained profit for the year	11	24,810	24,880

All amounts relate to continuing activities.

There were no recognised gains or losses for either year other than the profit for that year.

There was no difference between the historical cost result and the reported result on ordinary activities for the current year or preceding year.

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

Balance sheet at 31 March 2009

	Note	31 March 2009 £	31 March 2009 £	31 March 2008 £	31 March 2008 £
Fixed assets					
Investment in subsidiary undertaking	7		1		1
Current assets					
Debtors due after more than one year	8	5,294,142		5,414,231	
Net current assets			5,294,142		5,414,231
Total assets less current liabilities			5,294,143		5,414,232
Creditors: amounts falling due after more than one year	9		(4,873,375)		(5,018,274)
Net assets			420,768		395,958
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		420,767		395,957
Shareholders' funds	12		420,768		395,958

The financial statements were approved by the Board of Directors and authorised for issue on 14 December 2009.

S L Gumma
Director

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

TLLC Bridgeco2 Limited

Notes forming part of the financial statements for the year ended 31 March 2009

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.

Basis of preparation

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

These financial statements have been prepared on a going concern basis, which assumes that the company will continue to meet its liabilities as they fall due, for the foreseeable future. The directors have prepared cash flow forecasts which indicate, subject to the uncertainty noted below, that the company can continue as a going concern.

The company is a member of the group headed by Prestbury Hotels Limited ("the group"). At 31 March 2009, £61,382,873 of the group's total banking facilities of £428,113,872, which are secured on the group's assets, including the assets of the company, are due to expire in December 2009. In order to continue as a going concern for the foreseeable future, the company requires either the term of this facility to be extended or the relevant loan to be repaid or refinanced. The directors of the group are currently in negotiations with the lender regarding the various options, including but not limited to the extension of this facility to October 2014, so that it expires at the same time as the rest of the group's borrowing facilities. While the directors have a reasonable expectation that these negotiations will be satisfactorily concluded, there are, as yet, no binding agreements in place.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the group's, and therefore the company's, ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Basis of non-consolidation

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group. The consolidated financial statements of Prestbury Hotel Holdings Limited, within which this company is included, can be obtained from the address given in the "Controlling party information" note to these financial statements.

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 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 any underlying timing differences.

Deferred tax balances are not discounted.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for diminution in value, which is written off to the profit and loss account.

TLLC Bridgeco2 Limited

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

2 Employees

The average number of employees, excluding directors, during the year was nil (2008: nil).

3 Directors

No director received any emoluments from the company during the year (2008: £nil).

4 Auditors' remuneration

The auditors' remuneration is borne by the ultimate parent company. Fees for the audit of the company were £760 (2008: £760).

The consolidated accounts of Prestbury Hotel Holdings Limited disclose details of non-audit fees that were paid to the company's auditors in the prior year.

5 Net financing income

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Interest receivable on loans to group undertakings	305,728	339,075
Interest payable on loans from group undertakings	(280,903)	(314,180)
Net financing income	24,825	24,895

TLLC Bridgeco2 Limited

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

6 Taxation on profit on ordinary activities

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
<i>UK corporation tax</i>		
Current tax on profits of the year	-	-

The tax assessed for the year varies from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Profit on ordinary activities before tax	24,810	24,880
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 – 30%)	6,947	7,464
Effects of: Group relief claimed	(6,947)	(7,464)
Current tax charge for year	-	-

No provision for UK corporation tax has been made for the year due to the availability of 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.

There is no provided or unprovided deferred taxation.

TLLC Bridgeco2 Limited

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

7 Investment in subsidiary undertaking

	Investment in subsidiary undertaking £
<i>Cost and net book value:</i>	
At 1 April 2008 and 31 March 2009	1

The company owns the entire issued share capital of TLLC Bridgesubco2 Limited, a company incorporated in England and Wales that undertakes property investment activities.

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

8 Debtors

	31 March 2009 £	31 March 2008 £
Amounts due from group undertakings	5,294,142	5,414,231

The amounts due from group undertakings are unsecured, bear interest at 8% and have no fixed repayment date. The above amounts include interest accrued of £1,608,406 (2008: £1,302,678).

9 Creditors: amounts falling due after more than one year

	31 March 2009 £	31 March 2008 £
Amounts due to group undertakings	4,873,375	5,018,274

The amounts due to group undertakings are unsecured, bear interest at 8% and have no fixed repayment date. The above amounts include interest accrued of £1,497,943 (2008: £1,217,040).

TLLC Bridgeco2 Limited

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

10 Share capital

	31 March 2009 Number	31 March 2008 Number	31 March 2009 £	31 March 2008 £
<i>Authorised:</i>				
Ordinary shares of £1 each	100	100	100	100
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of £1 each	1	1	1	1

11 Reserves

	Profit and loss account £
At 1 April 2008	395,957
Retained profit for the year	24,810
At 31 March 2009	420,767

12 Reconciliation of movement in shareholders' funds

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Profit for the year and net additions to shareholders' funds	24,810	24,880
Opening shareholders' funds	395,958	371,078
Closing shareholders' funds	420,768	395,958

13 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 Bridgeco2 Limited

Notes forming part of the financial statements for the year ended 31 March 2009 (Continued)

14 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of its ultimate parent company.

15 Commitments and contingencies

The company, along with its current fellow group undertakings, has entered into an agreement with the bankers of the immediate parent company to cross-guarantee the bank loans made to that company. At 31 March 2009 these bank loans amounted to £428,113,872 (2008: £425,037,400).

16 Controlling party information

At 31 March 2009, the company's immediate parent company is Prestbury Hotels Limited. The ultimate parent company is Prestbury Hotel Holdings Limited. Both of these companies are incorporated in England and Wales. The consolidated accounts of the ultimate parent company 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.