

Company registration number 4590301

TLLC LEVPROPCO1 LIMITED

Report and financial statements

For the year ended 31 December 2009



TLLC LEVPROPCO1 LIMITED
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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TLLC LEVPROPCOI LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Grant Hearn
Paul Harvey
Jon Mortimore
Guy Parsons

COMPANY SECRETARIES

Jon Mortimore
A G Secretarial Limited

REGISTERED OFFICE

100 Barbirolli Square
Manchester
M2 3AB

BANKERS

The Royal Bank of Scotland plc
135 Bishopsgate
LONDON
EC2M 3UR

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

TLLC LEVPROPCOI LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

The Company was principally engaged in the ownership and letting of properties to group companies. During the year, the properties were transferred to another Group company at market value.

BUSINESS REVIEW AND FUTURE PROSPECTS

The Company made an operating profit of £4,513,540 for the year ended 31 December 2009 (2008: £327,034), and after taking account of interest payable and tax, a profit/(loss) for the financial year of £4,013,621 (2008: (£341,354)).

DIVIDENDS

During the year ended 31 December 2009, the company made a payment of £3,342,671 being dividends in specie to Travelodge Hotels Limited, another group company (2008: £nil).

DIRECTORS AND THEIR INTERESTS

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

Grant Hearn
Jon Mortimore
Guy Parsons
Paul Harvey

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainty to which the Company is exposed to is as follows:

Interest rate risk: The Company is subject to an interest charge on its intercompany debt. 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 the Group's policy to comply with the terms and conditions stated within its loan facilities.

Group risks are discussed within the Annual Report of the intermediate parent company, Travelodge Limited, which does not form part of this report.

TLLC LEVPROPCO1 LIMITED

DIRECTORS' REPORT (CONTINUED)

GOING CONCERN

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, Travelodge Limited


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/she ought to have taken as a Director in order to make himself / herself 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
4 May 2010

TLLC LEVPROCO1 LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

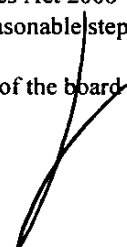
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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
4 May 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLLC LEVPROPCOI LIMITED

We have audited the financial statements of TLLC LevPropCoI Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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 4 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 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.

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 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.

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
4 May 2010

TLLC LEVPROCOI LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2009

	<i>Note</i>	Year ended 31 December 2009 £	Year ended 31 December 2008 £
TURNOVER	2	981,040	1,150,973
Administrative expenses		(736,436)	(823,939)
Exceptional items	8	4,268,936	-
OPERATING PROFIT	4	4,513,540	327,034
Interest payable and similar charges	5	(499,919)	(668,388)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,013,621	(341,354)
Tax on profit / (loss) on ordinary activities	6	-	-
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	12	4,013,621	(341,354)

There were no recognised gains or losses for the years other than as shown above. There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical costs equivalents.

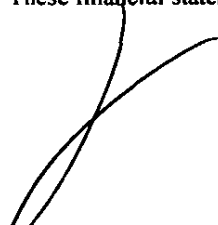
All results are derived from continuing operations.

TLLC LEVPROPCOI LIMITED

BALANCE SHEET
As at 31 December 2009

	<i>Note</i>	Year ended 31 December 2009 £	Year ended 31 December 2008 £
FIXED ASSETS			
Tangible assets	8	-	7,936,659
CURRENT ASSETS			
Debtors	9	1	-
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	-	(8,607,608)
NET CURRENT ASSETS / (LIABILITIES)		<u>1</u>	<u>(8,607,608)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1</u>	<u>(670,949)</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	-	(670,950)
TOTAL SHAREHOLDERS' FUNDS / (DEFICIT)	13	<u>1</u>	<u>(670,949)</u>

These financial statements on pages 6 to 13 were approved by the board of directors and signed on their behalf by


Jon Mortimore
Director
4 May 2010

TLLC LevPropCol Limited

Company registration number

4590301

TLLC LEVPROPCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Accounting policies have been consistently applied throughout the current and preceding years and a summary of the principal accounting policies is set out below.

Accounting convention

These financial statements were prepared under the historical cost convention.

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 ultimate parent company includes the Company's cash flows in its own published consolidated financial statements.

Turnover

Turnover represents the amount receivable property rentals charged to fellow group companies, net of VAT and trade discounts. Turnover is recognised immediately upon the charging of the external rents onto group companies.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, Travelodge Limited.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provision for impairment. Cost is defined to include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation

Fixed assets are written off on a straight line basis over their estimated useful economic lives as follows:

- Leasehold land, buildings and improvements are depreciated to their estimated residual values over the shorter of fifty years and their remaining lease periods.

Leased assets

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease. Incentives received by the Group to enter into leases as a lessee are credited to the profit and loss account on a straight line basis over the lease term or, if shorter, the period to the first review date on which rent is adjusted to the prevailing market rate.

TLLC LEVPROPCOI LIMITED**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2009****2 TURNOVER**

Turnover represents amounts derived from the provision of leased properties which fall within the Company's ordinary activities after deduction of value added tax. The turnover and all of which arises in the United Kingdom, is attributable to one activity, the letting of commercial properties under licence to a fellow group undertaking

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Group undertaking	981,040	1,150,973

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

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

4 OPERATING PROFIT

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Operating profit is stated after charging		
Depreciation	225,080	300,931
Operating lease rentals - Other	511,356	523,008

The audit fee of £3,000 (2008 £3,000) is borne by a fellow group company

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Interest payable to group undertakings	(499,919)	(668,388)

TLLC LEVPROPCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

6 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Current tax		
UK corporation tax on profits/(losses) for the year	-	-
Deferred Tax		
Origination and reversal of timing differences	-	-
Tax charge / (credit) on profit / (loss) on ordinary activities	-	-

The differences between the total current tax shown and the amount calculated by applying the standard rate of tax for the year of 28.0% (2008 28.5%) to the profit before tax are as follows

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Profit / (Loss) on ordinary activities	4,013,621	(341,354)
Tax on ordinary activities at 28.0% (2008 28.5%)	1,123,814	(97,286)
Effects of		
Capital allowances in excess of depreciation	-	(46,921)
Expenses not deductible for tax purposes	63,022	85,765
Non-taxable income	(1,195,302)	-
Tax losses surrendered to group companies for nil consideration	8,466	58,442
Current tax charge for the year	-	-

No provision for UK corporation tax has been made for the year to 31 December 2009 (2008 £nil) due to the availability of capital allowances and tax losses arising in the year. It is anticipated that tax losses and the availability of capital allowances in excess of depreciation will reduce future tax charges.

7 DIVIDEND

During the year ended 31 December 2009, the company made a payment of £3,342,671 being dividends in specie to Travelodge Hotels Limited, another group company (2008 £nil)

TLLC LEVPROPCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

8 TANGIBLE FIXED ASSETS

	Short leasehold improvements £	Total £
Cost		
At 1 January 2009	9,661,000	9,661,000
Disposals	(9,661,000)	(9,661,000)
At 31 December 2009	-	-
Accumulated depreciation		
At 1 January 2009	(1,724,341)	(1,724,341)
Charge for the year	(225,080)	(225,080)
Depreciation on disposals	1,949,421	1,949,421
At 31 December 2009	-	-
Net book value		
At 31 December 2009	-	-
At 31 December 2008	7,936,659	7,936,659

The Company acquired the beneficial ownership of the properties on 17 December 2002 from a fellow group company which retains the legal title. All of the Company's fixed assets are used by a fellow group company under a licence agreement effective from 1 January 2003.

On 30 September 2009, the company transferred all of its assets to Travelodge Hotels Limited, a fellow Group company, at current market value, realising an exceptional gain of £4,268,936.

9 DEBTORS

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Amounts owed by group undertakings	1	-

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Amounts owed to group undertakings	-	8,607,608

TLLC LEVPROPCOI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

11 CALLED UP SHARE CAPITAL

	2009 and 2008 Number of shares	2009 and 2008 £
Authorised:		
Ordinary shares of £1 each	1	1
Allotted and fully paid:		
Ordinary shares of £1 each	1	1

12 RESERVES

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
At 1 January 2009	(670,950)	(329,596)
Profit / (Loss) for the financial year	4,013,621	(341,354)
Dividend paid ¹	(3,342,671)	-
At 31 December 2009	-	(670,950)

1) During the year ended 31 December 2009 the company paid a dividend in specie to another Group company Travelodge Hotels Limited

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Opening equity shareholders' deficit	(670,949)	(329,595)
Profit / (Loss) for the financial year	4,013,621	(341,354)
Dividend paid	(3,342,671)	-
Closing shareholders' funds / (deficit)	1	(670,949)

TLLC LEVPROPCO1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

14 OPERATING LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
After 5 years on Land & Buildings	-	574,334
	-	574,334

15 RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY

As a wholly owned subsidiary of Travelodge Limited, the Company has taken advantage of the exemption in FRS 8 'Related Party disclosures' not to disclose transactions with other members of the Group

The immediate parent company is Travelodge Hotels Limited

The Directors regard Dubai International Capital LLC ("DIC"), a Company incorporated in the United Arab Emirates, as the ultimate controlling party and the ultimate parent company of the largest group of which the Company is a member and for which Group financial statements are drawn up. DIC invested in Travelodge Limited on 5 September 2006. Travelodge Limited is the parent company of the smallest group of which the Company is a member and for which the Group financial statements are drawn up. Copies of the Travelodge Limited Group financial statements are available from its registered office: Sleepy Hollow, Aylesbury Road, Thame, Oxon, OX9 3AT.