



**REZIDOR HOTEL STANSTED AIRPORT
LIMITED**

Report and Financial Statements

Year ended 31 December 2007

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REZIDOR HOTEL STANSTED AIRPORT LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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REZIDOR HOTEL STANSTED AIRPORT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Marianne Ruhngaard	(Sweden)
Kevin Greenwood	
Christian Gartmann	(Switzerland)
Knut Kleiven	(Norway)

SECRETARY

Kevin Greenwood

REGISTERED OFFICE

Chicago Avenue
Manchester
M90 3RA

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom

REZIDOR HOTEL STANSTED AIRPORT LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 December 2007

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a hotelier

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company increased revenues by 10.5% over the previous year. This was a consequence of REVPAR (Rooms Revenue per available Room) increasing by 8.5% over the previous year and other revenues increasing by 21.9%.

The gross profit for the Hotel increased by 10.5% on prior year, reflecting management's ability to convert the increased revenues into profit.

The company has retained a profit for the year of £1,651,854 (2006 - £1,463,550), which has been transferred to reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in the Travel and Leisure market which can be affected by the cost of travel and by world external events including terrorism and restrictions caused by epidemics on a global scale. The company manages this risk by forecasting business trends in line with United Kingdom and world market trends. In addition, the company is able to adjust its cost base in order to meet any potential downturn in turnover.

The company only trades in the United Kingdom and therefore has no foreign exchange risk exposure.

The company holds no third party loans and therefore has no interest rate exposure.

DIVIDENDS

The directors do not recommend payment of a dividend (2006 - £nil) and consequently the retained profit has been transferred to reserves.

FUTURE PROSPECTS

The directors consider the future prospects of the company to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors, who served throughout the year except where noted were as follows:

M Ruhngaard
K J Greenwood
C Gartmann (resigned 6 June 2007)
K J Kleiven

In accordance with repeals of sections 324-326 and 328-329 and Parts 2 to 4 of Schedule 13 of the Companies Act 1985, no disclosure is prepared in respect of directors' interests in shares of the company or the ultimate parent company.

DIRECTORS' REPORT (continued)

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 each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) 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 s234ZA of the Companies Act 1985

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'K Greenwood', written over a horizontal line.

K Greenwood

Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REZIDOR HOTEL STANSTED AIRPORT LIMITED

We have audited the financial statements of Rezidor Hotel Stansted Airport Limited for the year ended 31 December 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under 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 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

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REZIDOR HOTEL
STANSTED AIRPORT LIMITED (continued)**

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 December 2007 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

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester, United Kingdom

11 July 2008

REZIDOR HOTEL STANSTED AIRPORT LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2007

	Note	2007 £	2006 £
TURNOVER	1	18,641,469	16,874,339
Cost of sales		<u>(2,016,992)</u>	<u>(1,833,587)</u>
GROSS PROFIT		16,624,477	15,040,752
Administrative expenses		<u>(14,548,348)</u>	<u>(12,940,202)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	2,076,129	2,100,550
Tax on profit on ordinary activities	5	<u>(424,275)</u>	<u>(637,000)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12,13	<u><u>1,651,854</u></u>	<u><u>1,463,550</u></u>

There are no gains and losses other than the profit for the year and preceding year and therefore no separate statement of total recognised gains and losses has been prepared

All of the activities of the company are continuing

REZIDOR HOTEL STANSTED AIRPORT LIMITED

BALANCE SHEET 31 December 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	<u>333,934</u>	<u>147,995</u>
CURRENT ASSETS			
Stocks	7	94,323	83,656
Debtors	8	5,716,282	4,335,455
Cash at bank and in hand		<u>162,027</u>	<u>733,884</u>
		5,972,632	5,152,995
CREDITORS: amounts falling due within one year	9	<u>(2,425,671)</u>	<u>(3,081,581)</u>
NET CURRENT ASSETS		3,546,961	2,071,414
Provision for liabilities	10	<u>(9,632)</u>	<u>-</u>
NET ASSETS		<u>3,871,263</u>	<u>2,219,409</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	<u>3,871,262</u>	<u>2,219,408</u>
SHAREHOLDERS' FUNDS	13	<u>3,871,263</u>	<u>2,219,409</u>

These financial statements were approved by the Board of Directors on 14/06 2008

Signed on behalf of the Board of Directors



K Greenwood

- Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. The accounting policies have been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements are prepared under the historical cost convention.

The company is exempt from the requirements of FRS 1 to prepare a cash flow statement because it is a wholly owned subsidiary of a parent undertaking which is established under the law of a member state of the European Community and the accounts of Rezidor Hotel Group AB are available to the public (see note 15).

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services in the United Kingdom to customers during the year. Turnover in respect of accommodation is recognised overnight during each night the customer stays. Other sales, including restaurant and bar revenue, are recognised at the point of purchase.

Pension costs

The amount charged to the profit and loss account in the year represents the contributions paid. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life as follows:

- Leasehold improvements 25 years
- Fixtures and fittings 20 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of materials and net realisable value is based on estimated selling price, less further costs expected to be incurred.

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2007

2. REMUNERATION OF DIRECTORS

The directors received no emoluments during the year from this company as they are directors of other group companies and therefore they received remuneration in respect of services rendered to those companies

3. STAFF NUMBERS AND COSTS

	2007 No	2006 No
The average number of persons employed by the company, including directors, was as follows		
Indirect	40	50
Direct	161	135
	<u>201</u>	<u>185</u>
The costs incurred in respect of these employees were as follows		
	£	£
Wages and salaries	2,504,883	2,366,857
Social security costs	238,929	201,690
Pensions	47,481	35,309
	<u>2,791,293</u>	<u>2,603,856</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging

	2007 £	2006 £
Depreciation - owned	37,284	15,801
Auditors' remuneration - audit fees	18,594	13,000
	<u>55,878</u>	<u>28,801</u>

There are no non-audit fees in the current year (2006 same)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Current tax		
Current year tax charge	611,656	635,000
Adjustment in respect of prior years	(199,084)	(23,000)
	<u>412,572</u>	<u>612,000</u>
Deferred tax		
Current year deferred tax movement	11,703	25,000
	<u>424,275</u>	<u>637,000</u>

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2007**

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the United Kingdom. The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before taxation	2,076,129	2,100,550
Tax at 30% (2006 – 30%)	622,839	630,165
Expenses not deductible for tax purposes	1,185	-
Short term timing differences	300	4,835
Capital allowances in excess of depreciation	(12,668)	-
Under provision in respect of previous years	(199,084)	(23,000)
Current tax charge	412,572	612,000

6. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Fixtures and fittings £	Total £
Cost			
At 1 January 2007	33,999	130,351	164,350
Additions	-	223,223	223,223
At 31 December 2007	33,999	353,574	387,573
Depreciation			
At 1 January 2007	1,390	14,965	16,355
Charge for the year	1,097	36,187	37,284
At 31 December 2007	2,487	51,152	53,639
Net book value			
At 31 December 2007	31,512	302,422	333,934
At 31 December 2006	32,609	115,386	147,995

7. STOCKS

	2007 £	2006 £
Goods for resale	94,323	83,656

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2007

8. DEBTORS

	2007 £	2006 £
Trade debtors	755,843	888,815
Amounts owed by group undertakings	4,609,791	2,900,000
Other debtors	22,825	278,389
Deferred tax (see note 10)	-	2,071
Prepayments and accrued income	327,823	266,180
	<u>5,716,282</u>	<u>4,335,455</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	327,689	689,580
Corporation tax	284,597	622,000
Other creditors	554,447	527,852
Accruals and deferred income	1,258,938	1,242,149
	<u>2,425,671</u>	<u>3,081,581</u>

10. PROVISIONS FOR LIABILITIES

Deferred tax

	2007 £	2006 £
Balance at 1 January - (asset)	(2,071)	(27,071)
Charge to the profit and loss account	11,703	25,000
	<u>9,632</u>	<u>(2,071)</u>

Analysis of deferred liability/(asset)

	£	£
Short term timing differences	<u>9,632</u>	<u>(2,071)</u>

11. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2007**

12. RESERVES

	Profit and loss account £
At 1 January 2007	2,219,408
Profit for the year	1,651,854
At 31 December 2007	<u>3,871,262</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year being net addition to shareholders' funds	1,651,854	1,463,550
Opening shareholders' funds	<u>2,219,409</u>	<u>755,859</u>
Closing shareholders' funds	<u>3,871,263</u>	<u>2,219,409</u>

14. ULTIMATE PARENT COMPANY

The company's immediate parent company is Rezidor Hotels UK Limited, which is registered in England and Wales. The ultimate parent company and controlling party is Rezidor Hotel Group AB, which is incorporated in Sweden.

The largest group in which the results of the company are consolidated is that headed by Rezidor Hotel Group AB. The smallest group in which they are consolidated is headed by Rezidor SAS Hospitality A/S. The consolidated accounts of Rezidor Hotel Group AB are available to the public and may be obtained from Rezidor Hotel Group Corporate office, Avenue de Bourget 44, B-1130 Brussels, Belgium.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" in not disclosing details of transactions with other group companies as it is a 100% subsidiary of Rezidor SAS Hospitality A/S which produces consolidated financial statements.