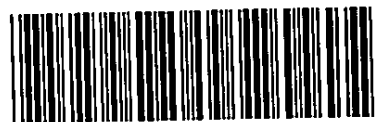


**REZIDOR HOTEL STANSTED AIRPORT
LIMITED**

Annual Report and Financial Statements

Year ended 31 December 2011

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REZIDOR HOTEL STANSTED AIRPORT LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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REZIDOR HOTEL STANSTED AIRPORT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Mahoney	(appointed 23 January 2012)
M Ruhngaard	(Sweden)
K Greenwood	
K Kleiven	(Norway)
M Willis	(resigned 6 January 2012)

SECRETARY

K Greenwood

REGISTERED OFFICE

Chicago Avenue
Manchester
M90 3RA

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
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 auditor's report, for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of an hotelier

The company revenues have decreased by 4.0% over the previous year. This was a consequence of REVPAR (Revenue per Available Room) decreasing by 6.4% to £72.84 (2010 £77.51) counteracted by an increase in occupancy rates from 72.6% up to 74.3%

The gross profit for the hotel has decreased by 4.6% on previous year, due to the decreased overall revenues

The company has retained a loss for the year of £767,179 (2010 £44,879), which has been transferred from 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

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 (2010 £nil)

FUTURE PROSPECTS

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

DIRECTORS

The directors, who served throughout the year and thereafter, unless otherwise stated, are disclosed on page 1

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements

DIRECTORS' REPORT (continued)

AUDITOR

Each of the persons who is a director of the company at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

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



K Greenwood

Secretary

13/7 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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, 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 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.

INDEPENDENT AUDITOR'S 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 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16. 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 auditor's 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 auditor

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

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 annual 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 loss 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.


Timothy Edge BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
13/7/2012

REZIDOR HOTEL STANSTED AIRPORT LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2011**

	Note	2011 £	2010 £
TURNOVER	1	14,623,288	15,226,314
Cost of sales		<u>(1,570,871)</u>	<u>(1,597,357)</u>
GROSS PROFIT		13,052,417	13,628,957
Administrative expenses		<u>(13,819,596)</u>	<u>(13,681,188)</u>
OPERATING LOSS BEING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(767,179)	(52,231)
Tax credit on loss on ordinary activities	5	-	7,352
LOSS FOR THE FINANCIAL YEAR	12,13	<u><u>(767,179)</u></u>	<u><u>(44,879)</u></u>

There are no gains and losses other than the loss for the year and the preceding year shown above and therefore a separate statement of total recognised gains and losses has not been presented

All of the activities of the company are continuing

REZIDOR HOTEL STANSTED AIRPORT LIMITED

BALANCE SHEET As at 31 December 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	6	<u>260,953</u>	<u>238,876</u>
CURRENT ASSETS			
Stocks	7	80,371	75,764
Debtors	8	4,791,187	5,632,173
Cash at bank and in hand		<u>-</u>	<u>64,200</u>
		4,871,558	5,772,137
CREDITORS' amounts falling due within one year	9	<u>(1,774,165)</u>	<u>(1,885,488)</u>
NET CURRENT ASSETS		<u>3,097,393</u>	<u>3,886,649</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		<u>3,358,346</u>	<u>4,125,525</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	<u>3,358,345</u>	<u>4,125,524</u>
SHAREHOLDER'S FUNDS	13	<u>3,358,346</u>	<u>4,125,525</u>

These financial statements of Rezidor Hotel Stansted Airport Limited, Registered number 4939075 were approved by the Board of Directors and authorised for issue on 13/7 2012

Signed on behalf of the Board of Directors



K Greenwood
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

1. ACCOUNTING POLICIES

The principal accounting policies adopted are described below. They have all been applied consistently in the year and preceding year.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

Going concern

The company meets its day to day working capital requirements through an intergroup pooling arrangement controlled by its parent company, Rezidor Hotels UK Limited. The current fragile economic condition continues to create uncertainty particularly over the level of demand for the Hotel.

The company's forecasts and projections taking account of reasonably possible changes in trading performance, together with assurances of available funds from Rezidor Hotels UK Limited show that the company can continue in operational existence for a minimum of 12 months following approval of the financial statements.

After making enquiries the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting preparing the annual financial statements.

Cash flow

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 consolidated financial statements of Rezidor Hotel Group AB are available to the public (see note 16).

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

For defined contribution schemes 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.

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 31 December 2011**

1. ACCOUNTING POLICIES (continued)

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 over the remaining life of the lease
- Fixtures and fittings 15-20% straight line

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. Provision is made for obsolete, slow moving or defective items where appropriate.

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2. REMUNERATION OF DIRECTORS

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

3. STAFF NUMBERS AND COSTS

	2011 No	2010 No
The average number of persons employed by the company, including directors, was as follows:		
Indirect	19	18
Direct	89	87
	<u>108</u>	<u>105</u>
The costs incurred in respect of these employees were as follows:		
	£	£
Wages and salaries	1,908,656	1,856,111
Social security costs	207,866	198,622
Pensions	36,820	32,968
	<u>2,153,342</u>	<u>2,087,701</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2011

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging

	2011	2010
	£	£
Depreciation – owned assets	93,069	84,783
Fees payable to the company's auditor for the audit of the company's annual financial statements	18,403	28,256
Other audit related services	2,500	500
Operating lease rentals – land and building	5,352,770	5,275,187
	<u> </u>	<u> </u>

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2011	2010
	£	£
Current tax		
Current year tax charge	-	-
Adjustment in respect of prior years	-	(7,352)
	<u> </u>	<u> </u>
Total tax credit	-	(7,352)
	<u> </u>	<u> </u>

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

	2011	2010
	£	£
Loss on ordinary activities before taxation	(767,179)	(52,231)
	<u> </u>	<u> </u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 26.5% (2010: 28%)	(203,303)	(14,625)
Expenses not deductible for tax purposes	1,590	760
Tax losses not provided	191,113	1,651
Differences between capital allowances and depreciation	10,600	12,214
Adjustments in provision in respect of previous years	-	(7,352)
	<u> </u>	<u> </u>
Current tax credit	-	(7,352)
	<u> </u>	<u> </u>

Finance Act 2011, which was substantively enacted in July 2011, included provisions to reduce the rate of corporation tax to 26% with effect from 1 April 2011 and 25% with effect from 1 April 2012

On 21 March 2012, the government announced that it intends to further reduce the rate of corporation tax to 24% with effect from 1 April 2012, 23% from 1 April 2013 and 22% from 1 April 2014. As this legislation was not substantively enacted by 31 December 2011, the impact of the anticipated rate changes have not been reflected in the tax provisions reported in these accounts

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 31 December 2011**

6. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Fixtures and fittings £	Total £
Cost			
At 1 January 2011	72,109	453,948	526,057
Additions	-	115,146	115,146
At 31 December 2011	<u>72,109</u>	<u>569,094</u>	<u>641,203</u>
Depreciation			
At 1 January 2011	6,397	280,784	287,181
Charge for the year	3,003	90,066	93,069
At 31 December 2011	<u>9,400</u>	<u>370,850</u>	<u>380,250</u>
Net book value			
At 31 December 2011	<u>62,709</u>	<u>198,244</u>	<u>260,953</u>
At 31 December 2010	<u>65,712</u>	<u>173,164</u>	<u>238,876</u>

7. STOCKS

	2011 £	2010 £
Goods for resale	<u>80,371</u>	<u>75,764</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

8. DEBTORS

	2011 £	2010 £
Trade debtors	504,635	617,113
Amounts owed by group undertakings	3,907,298	4,732,396
Corporation tax	15,000	15,000
Other debtors	30,010	5,576
Prepayments and accrued income	334,244	262,088
	<u>4,791,187</u>	<u>5,632,173</u>

All amounts are due within one year

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2011

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank overdraft	190,168	-
Trade creditors	680,702	691,338
Social security and other taxes	206,937	249,580
Accruals and deferred income	696,358	944,570
	<u>1,774,165</u>	<u>1,885,488</u>

10. DEFERRED TAXATION

Deferred tax

Analysis of deferred tax asset not provided for

	Unprovided 2011 £	2010 £
Accelerated capital allowances	10,120	(577)
Tax losses	252,588	69,488
	<u>262,708</u>	<u>68,911</u>

Deferred tax assets should be recognised to the extent that they are regarded as recoverable. They should be regarded as recoverable to the extent that, 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. The deferred tax asset has not been recognised as the directors believe that it is uncertain whether taxable profit will arise in the foreseeable future.

11. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Called up, allotted and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

12. RESERVES

	Profit and loss account £
At 1 January 2011	4,125,524
Loss for the financial year	(767,179)
At 31 December 2011	<u>3,358,345</u>

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 31 December 2011**

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2011 £	2010 £
Loss for the financial year	(767,179)	(44,879)
Net reduction in shareholder's funds	(767,179)	(44,879)
Opening shareholder's funds	4,125,525	4,170,404
Closing shareholder's funds	<u>3,358,346</u>	<u>4,125,525</u>

14. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	Land and building 2011 £	2010 £
Expires after 5 years	<u>5,390,375</u>	<u>5,233,000</u>

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 wholly owned group companies

16. 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 Hotel Group AB. The consolidated financial statements 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.