

**REZIDOR HOTEL STANSTED AIRPORT
LIMITED**

Report and Financial Statements

Year ended 31 December 2008

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REZIDOR HOTEL STANSTED AIRPORT LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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REZIDOR HOTEL STANSTED AIRPORT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Marianne Ruhngaard (Sweden)
Kevin Greenwood
Knut Kleiven (Norway)
Mark Willis (appointed 1 January 2009)

SECRETARY

Kevin Greenwood

REGISTERED OFFICE

Chicago Avenue
Manchester
M90 3RA

AUDITORS

Deloitte 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 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a hotelier.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company revenues decreased by 9.5% over the previous year. This was a consequence of REVPAR (Rooms Revenue per available Room) decreasing by 9.8% over the previous year and other revenues decreasing by 6.8%.

The gross profit for the Hotel decreased by 9.8% on prior year, due to the reduced overall revenues.

The company has retained a profit for the year of £609,683 (2007 - £1,651,854), 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 (2007 - £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 and thereafter, except where noted, were as follows:

M Ruhngaard
K Greenwood
K J Kleiven
M Willis (appointed 1 January 2009)

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.

GOING CONCERN

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

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

DIRECTORS' REPORT (continued)

AUDITORS

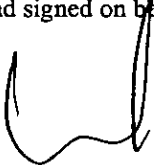
In the case of each of the persons who are directors of the company at the date when this report is approved:

- 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.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. 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 auditors in the absence of an Annual General Meeting.

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



K Greenwood

Secretary

27 October 2009

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 2008 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. 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.

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 2008 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 LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Manchester, United Kingdom

27 October 2009

REZIDOR HOTEL STANSTED AIRPORT LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2008

	Note	2008 £	2007 £
TURNOVER	1	16,871,914	18,641,469
Cost of sales		<u>(1,879,625)</u>	<u>(2,016,992)</u>
GROSS PROFIT		14,992,289	16,624,477
Administrative expenses		<u>(14,145,117)</u>	<u>(14,548,348)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	847,172	2,076,129
Tax on profit on ordinary activities	5	<u>(237,489)</u>	<u>(424,275)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12,13	<u>609,683</u>	<u>1,651,854</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 presented.

All of the activities of the company are continuing.


REZIDOR HOTEL STANSTED AIRPORT LIMITED

BALANCE SHEET 31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	6	300,767	333,934
CURRENT ASSETS			
Stocks	7	97,783	94,323
Debtors	8	5,656,400	5,716,282
Cash at bank and in hand		43,978	162,027
		5,798,161	5,972,632
CREDITORS: amounts falling due within one year	9	(1,604,861)	(2,425,671)
NET CURRENT ASSETS		4,193,300	3,546,961
TOTAL ASSETS LESS CURRENT LIABILITIES		4,494,067	3,880,895
Provisions for liabilities	10	(13,121)	(9,632)
NET ASSETS		4,480,946	3,871,263
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	4,480,945	3,871,262
SHAREHOLDERS' FUNDS	13	4,480,946	3,871,263

These financial statements of Rezidor Hotel Stansted Airport Limited, Registered number 4939075 were approved by the Board of Directors on 27 October 2009

Signed on behalf of the Board of Directors


K Greenwood
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2008

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.

Going concern

The company meets its day to day working capital requirements through its cash reserves and an intergroup pooling account controlled by its parent company, Rezidor Hotels UK Limited. The current economic conditions 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. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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 accounts of Rezidor Hotel Group AB are available to the public (see note 14).

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.

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2008

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

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 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

	2008 No	2007 No
The average number of persons employed by the company, including directors, was as follows:		
Indirect	19	40
Direct	148	161
	<u>167</u>	<u>201</u>

The costs incurred in respect of these employees were as follows:

	£	£
Wages and salaries	2,439,556	2,504,883
Social security costs	253,268	238,929
Pensions	52,064	47,481
	<u>2,744,888</u>	<u>2,791,293</u>

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2008

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2008	2007
	£	£
Depreciation – owned assets	68,129	37,284
Auditors' remuneration		
fee payable for audit of annual accounts	25,194	18,594
Operating lease rentals		
other	5,342	5,444
	<u>68,129</u>	<u>61,322</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008	2007
	£	£
Current tax		
Current year tax charge	242,018	611,656
Adjustment in respect of prior years	(8,018)	(199,084)
	<u>234,000</u>	<u>412,572</u>
Deferred tax		
Current year deferred tax movement	3,489	11,703
	<u>3,489</u>	<u>11,703</u>
Total tax charge on profit	<u>237,489</u>	<u>424,275</u>

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:

	2008	2007
	£	£
Profit on ordinary activities before taxation	847,172	2,076,129
Tax at 28% (2007 – 30%)	237,208	622,839
Expenses not deductible for tax purposes	1,810	1,185
Short term timing differences	-	300
Differences between capital allowances and depreciation	3,000	(12,668)
Under provision in respect of previous years	(8,018)	(199,084)
Current tax charge	<u>234,000</u>	<u>412,572</u>

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **Year ended 31 December 2008**

6. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Fixtures and fittings £	Total £
Cost			
At 1 January 2008	33,999	353,574	387,573
Additions	-	34,962	34,962
At 31 December 2008	<u>33,999</u>	<u>388,536</u>	<u>422,535</u>
Depreciation			
At 1 January 2008	2,487	51,152	53,639
Charge for the year	1,097	67,032	68,129
At 31 December 2008	<u>3,584</u>	<u>118,184</u>	<u>121,768</u>
Net book value			
At 31 December 2008	<u>30,415</u>	<u>270,352</u>	<u>300,767</u>
At 31 December 2007	<u>31,512</u>	<u>302,422</u>	<u>333,934</u>

7. STOCKS

	2008 £	2007 £
Goods for resale	<u>97,783</u>	<u>94,323</u>

8. DEBTORS

	2008 £	2007 £
Trade debtors	580,640	755,843
Amounts owed by group undertakings	4,763,655	4,609,791
Other debtors	19,207	22,825
Prepayments and accrued income	285,987	327,823
Corporation tax	6,911	-
	<u>5,656,400</u>	<u>5,716,282</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	354,448	327,689
Amounts owed to group undertaking	242,018	-
Corporation tax	-	284,597
Other creditors	238,692	554,447
Accruals and deferred income	769,703	1,258,938
	<u>1,604,861</u>	<u>2,425,671</u>

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2008

10. PROVISIONS FOR LIABILITIES

Deferred tax

	2008 £	2007 £
Balance at 1 January	9,632	(2,071)
Charge to the profit and loss account	3,489	11,703
Balance at 31 December	<u>13,121</u>	<u>9,632</u>

Analysis of deferred tax liability

	£	£
Accelerated capital allowances	<u>13,121</u>	<u>9,632</u>

11. CALLED UP SHARE CAPITAL

	2008 £	2007 £
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>

12. RESERVES

	Profit and loss account £
At 1 January 2008	3,871,262
Profit for the year	609,683
At 31 December 2008	<u>4,480,945</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year being net addition to shareholders' funds	609,683	1,651,854
Opening shareholders' funds	<u>3,871,263</u>	<u>2,219,409</u>
Closing shareholders' funds	<u>4,480,946</u>	<u>3,871,263</u>

REZIDOR HOTEL STANSTED AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2008

14. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	Land and building	
	2008	2007
	£	£
Expires after 5 years	5,225	5,220

15. 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 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.

16. 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.