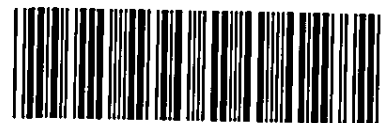


**REZIDOR HOTEL STANSTED AIRPORT  
LIMITED**

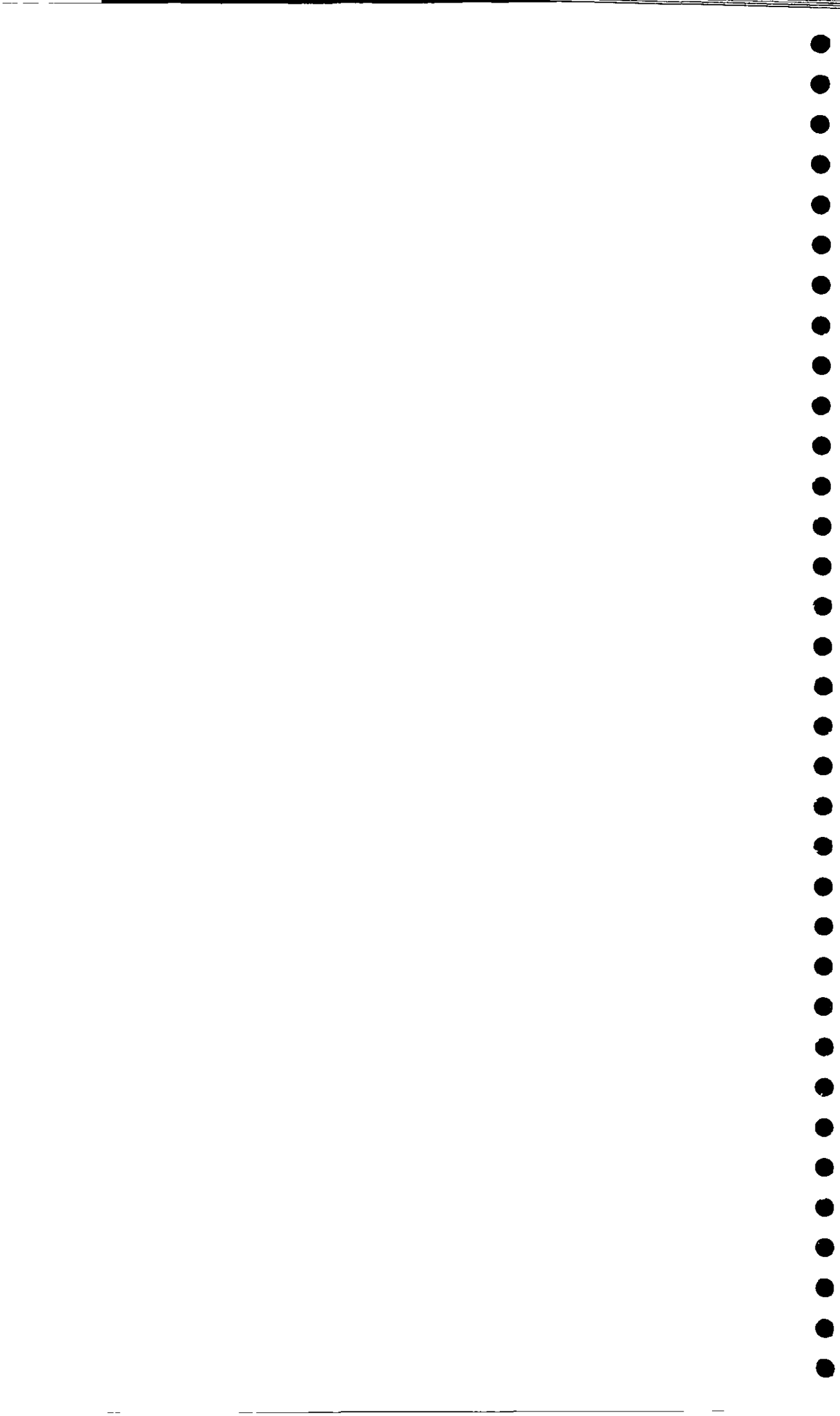
**Report and Financial Statements**

**Year ended 31 December 2009**

WEDNESDAY



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# REZIDOR HOTEL STANSTED AIRPORT LIMITED

## REPORT AND FINANCIAL STATEMENTS 2009

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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 Statutory Auditors  
Manchester  
United Kingdom

## **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 2009

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is that of a hotelier

The company revenues decreased by 12.8% over the previous year. This was a consequence of REVPAR (Rooms Revenue per Available Room) decreasing by 11.7% over the previous year and other revenues decreasing by 23.5%.

The fall in turnover and the change from an operating profit to a loss are due to the effect of the economic downturn on the hospitality market especially on the demand for conferences and meetings. Management are closely monitoring costs and are introducing incentives to increase occupancy and room rates.

The gross profit for the Hotel decreased by 12.9% on prior year, due to the reduced overall revenues.

The company has retained loss for the year of £310,542 (2008 profit of £609,683), which has been transferred from (2008 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 (2008 £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)

### **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**

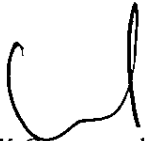
In the case of each of the persons who are directors of the company at the date when this report is approved

- 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 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 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

20 April 2010

**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). 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 judgments 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.





## **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 2009 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 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**

As explained more fully in the Statement of Directors' Responsibilities, 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 (APB'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.

### **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 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 (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Manchester, United Kingdom

30 April 2010



# REZIDOR HOTEL STANSTED AIRPORT LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2009

	Note	2009 £	2008 £
<b>TURNOVER</b>	1	14,707,722	16,871,914
Cost of sales		(1,645,612)	(1,879,625)
<b>GROSS PROFIT</b>		13,062,110	14,992,289
Administrative expenses		(13,381,518)	(14,145,117)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	(319,408)	847,172
Tax credit/(charge) on (loss)/profit on ordinary activities	5	8,866	(237,489)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	12,13	(310,542)	609,683

There are no gains and losses other than the loss for the year and profit for the preceding year 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 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	6	229,665	300,767
<b>CURRENT ASSETS</b>			
Stocks	7	77,962	97,783
Debtors	8	5,578,146	5,656,400
Cash at bank and in hand		49,241	43,978
		5,705,349	5,798,161
<b>CREDITORS: amounts falling due within one year</b>	9	(1,764,610)	(1,604,861)
<b>NET CURRENT ASSETS</b>		3,940,739	4,193,300
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,170,404	4,494,067
Provisions for liabilities	10	-	(13,121)
<b>NET ASSETS</b>		4,170,404	4,480,946
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1	1
Profit and loss account	12	4,170,403	4,480,945
<b>SHAREHOLDERS' FUNDS</b>	13	4,170,404	4,480,946

These financial statements of Rezidor Hotel Stansted Airport Limited, Registered number 4939075 were approved by the Board of Directors on 20 April 2010

Signed on behalf of the Board of Directors

  
K Greenwood  
Director



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2009

### 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. Thus, they continue to adopt the going concern basis of accounting 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.

#### **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.





**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 December 2009**

**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.

**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**

	2009 No	2008 No
The average number of persons employed by the company, including directors, was as follows:		
Indirect	18	27
Direct	132	140
	<u>150</u>	<u>167</u>
The costs incurred in respect of these employees were as follows:		
	£	£
Wages and salaries	2,092,786	2,439,556
Social security costs	233,570	253,268
Pensions	44,788	52,064
	<u>2,371,134</u>	<u>2,744,888</u>



# REZIDOR HOTEL STANSTED AIRPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2009

### 4 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging

	2009 £	2008 £
Depreciation – owned assets	80,630	68,129
Auditors' remuneration		
fee payable for audit of annual accounts	24,328	25,194
other audit related services	500	1,750
Operating lease rentals		
other	5,233	5,342
	<u>80,630</u>	<u>68,129</u>

### 5. TAX CREDIT/(CHARGE) ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2009 £	2008 £
<b>Current tax</b>		
Current year tax charge	-	242,018
Adjustment in respect of prior years	4,255	(8,018)
	<u>4,255</u>	<u>234,000</u>
<b>Deferred tax</b>		
Current year deferred tax movement	(19,982)	3,489
Adjustment in respect of tax	6,861	-
	<u>(13,121)</u>	<u>3,489</u>
Total tax (credit)/charge on (loss)/profit	<u>(8,866)</u>	<u>237,489</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

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	<u>(319,408)</u>	<u>847,172</u>
Tax at 28% (2008 28%)	<u>(89,434)</u>	<u>237,208</u>
Expenses not deductible for tax purposes	1,000	1,810
Tax losses not provided	77,234	-
Differences between capital allowances and depreciation	11,200	3,000
Over/(under) provision in respect of previous years	4,255	(8,018)
Current tax charge	<u>4,255</u>	<u>234,000</u>

# **REZIDOR HOTEL STANSTED AIRPORT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)** **Year ended 31 December 2009**

### **6. TANGIBLE FIXED ASSETS**

	<b>Leasehold improve- ments £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2009	33,999	388,536	422,535
Additions	-	9,528	9,528
At 31 December 2009	<u>33,999</u>	<u>398,064</u>	<u>432,063</u>
<b>Depreciation</b>			
At 1 January 2009	3,584	118,184	121,768
Charge for the year	1,097	79,533	80,630
At 31 December 2009	<u>4,681</u>	<u>197,717</u>	<u>202,398</u>
<b>Net book value</b>			
At 31 December 2009	<u>29,318</u>	<u>200,347</u>	<u>229,665</u>
At 31 December 2008	<u>30,415</u>	<u>270,352</u>	<u>300,767</u>

### **7. STOCKS**

	<b>2009 £</b>	<b>2008 £</b>
Goods for resale	<u>77,962</u>	<u>97,783</u>

### **8. DEBTORS**

	<b>2009 £</b>	<b>2008 £</b>
Trade debtors	578,091	580,640
Amounts owed by group undertakings	4,678,165	4,763,655
Other debtors	21,334	19,207
Prepayments and accrued income	300,556	285,987
Corporation tax	-	6,911
	<u>5,578,146</u>	<u>5,656,400</u>

### **9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEA**

	<b>2009 £</b>	<b>2008 £</b>
Trade creditors	605,765	354,448
Amounts owed to group undertaking	238,000	242,018
Social security and other taxes	146,205	238,692
Accruals and deferred income	774,640	769,703
	<u>1,764,610</u>	<u>1,604,861</u>



# **REZIDOR HOTEL STANSTED AIRPORT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)** **Year ended 31 December 2009**

### **10. PROVISIONS FOR LIABILITIES**

#### **Deferred tax**

	2009 £	2008 £
Balance at 1 January	13,121	9,632
(Credit)/charge to the profit and loss account	(13,121)	3,489
Balance at 31 December	<u>-</u>	<u>13,121</u>

#### **Analysis of deferred tax asset/(liability)**

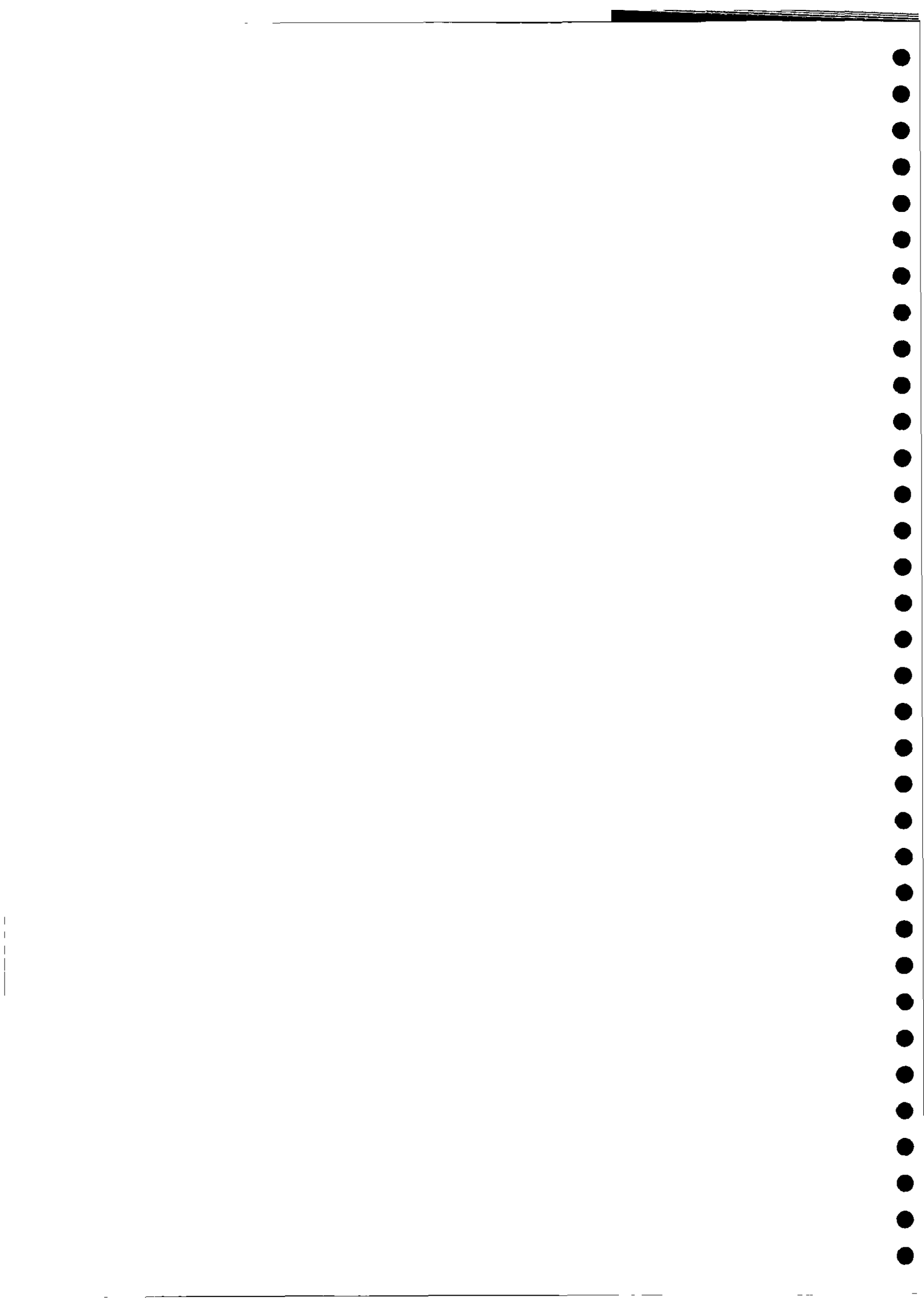
	Unprovided 2009 £	Provided 2008 £
Accelerated capital allowances	(8,489)	(1,321)
Tax losses	77,616	-
	<u>69,127</u>	<u>(1,321)</u>

### **11. CALLED UP SHARE CAPITAL**

	2009 £	2008 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### **12. RESERVES**

	Profit and loss account £
At 1 January 2009	4,480,945
Loss for the year	<u>(310,542)</u>
At 31 December 2009	<u>4,170,403</u>





# **REZIDOR HOTEL STANSTED AIRPORT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year ended 31 December 2009**

### **13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the financial year	(310,542)	609,683
Net (reduction in)/addition to shareholders' funds	(310,542)	609,683
Opening shareholders' funds	4,480,946	3,871,263
Closing shareholders' funds	<u>4,170,404</u>	<u>4,480,946</u>

### **14. FINANCIAL COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows

	<b>Land and building</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Expires after 5 years	<u>5,225</u>	<u>5,225</u>

### **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.

