
TLLC BRIDGESUBCO6 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

THURSDAY



LD3 *L218P5VC* #96
31/01/2013
COMPANIES HOUSE

TLLC BRIDGESUBCO6 LIMITED

COMPANY INFORMATION

DIRECTORS	S L Gumm N M Leslau
COMPANY SECRETARY	S L Gumm
COMPANY NUMBER	5173934
REGISTERED OFFICE	Cavendish House 18 Cavendish Square London W1G 0PJ
AUDITORS	BDO LLP 2nd Floor 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

TLLC BRIDGESUBCO6 LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 12

TLLC BRIDGESUBCO6 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

The directors present their report and the financial statements for the year ended 31 March 2012

PRINCIPAL ACTIVITIES

The principal activity of the company is that of property investment in the United Kingdom

DIRECTORS

The directors who served during the year were

S L Gumm
N M Leslau

PRINCIPAL RISKS AND UNCERTAINTIES

Market factors

The nature of very long term income streams with upward only rent reviews such as those owned by the company is such that there is a very good chance that any short term valuation or cash flow decreases can be reversed over time

The directors consider the property owned by the company relatively well placed to withstand market fluctuations over time by virtue of the quality of the assets and, in particular, the longevity of income

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

BDO LLP have expressed their willingness to continue in office

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 30 January 2013 and signed on its behalf



S L Gumm
Director

TLLC BRIDGESUBCO6 LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

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 judgments and estimates that are reasonable and prudent,
- 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.

TLLC BRIDGESUBCO6 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLLC BRIDGESUBCO6 LIMITED

We have audited the financial statements of TLLC Bridgesubco6 Limited for the year ended 31 March 2012, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. 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 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 March 2012 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.

TLLC BRIDGESUBCO6 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLLC BRIDGESUBCO6 LIMITED

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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and financial statements



Russell Field (Senior statutory auditor)

for and on behalf of
BDO LLP

Statutory auditor

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

2nd Floor
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

30 January 2013

TLLC BRIDGESUBCO6 LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	271,227	239,886
Cost of sales		(270)	(249)
GROSS PROFIT		270,957	239,637
Administrative expenses		(15)	(15)
OPERATING PROFIT		270,942	239,622
Interest receivable and similar income		37	-
Interest payable and similar charges	5	(70,677)	(92,301)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		200,302	147,321
Tax on profit on ordinary activities	6	-	-
PROFIT FOR THE FINANCIAL YEAR		200,302	147,321

All amounts relate to continuing operations

The notes on pages 8 to 12 form part of these financial statements

There were no differences between historical cost profit and reported profit on ordinary activities for either year

TLLC BRIDGESUBCO6 LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
PROFIT FOR THE FINANCIAL YEAR	12	200,302	147,321
Unrealised (deficit)/surplus on revaluation of investment properties	12	<u>(138,000)</u>	<u>806,000</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>62,302</u>	<u>953,321</u>

The notes on pages 8 to 12 form part of these financial statements

TLLC BRIDGESUBCO6 LIMITED
REGISTERED NUMBER 5173934

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investment property	7		4,613,000		4,751,000
CURRENT ASSETS					
Debtors	8	1,271		-	
CREDITORS: amounts falling due within one year	9	(91,118)		(1,736)	
NET CURRENT LIABILITIES			(89,847)		(1,736)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,523,153		4,749,264
CREDITORS: amounts falling due after more than one year	10		(1,707,261)		(1,995,674)
NET ASSETS			2,815,892		2,753,590
CAPITAL AND RESERVES					
Called up share capital	11		1		1
Revaluation reserve	12		1,989,276		2,127,276
Profit and loss account	12		826,615		626,313
SHAREHOLDERS' FUNDS	13		2,815,892		2,753,590

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 January 2013


S L Gumm
 Director

The notes on pages 8 to 12 form part of these financial statements

TLLC BRIDGESUBCO6 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover represents rents receivable during the year from the letting of commercial properties at invoiced amounts less value added tax

1.4 Investment properties

Investment properties are included in the balance sheet at their open market value at the balance sheet date, on the basis of an annual valuation. Aggregate surpluses or deficits arising on valuation are transferred to the revaluation reserve. Permanent diminutions in the value of the properties are charged directly to the profit and loss account.

Additions to investment properties include only costs of a capital nature. Costs such as interest and other property outgoings are treated as revenue expenditure and are written off as incurred.

In accordance with SSAP 19 (as amended), no depreciation or amortisation is provided in respect of long leasehold investment properties. This treatment is a departure from the requirements of the Companies Act 2006 concerning depreciation of fixed assets. However, the company's investment properties are held not for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.5 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- Deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is unable to utilise existing capital losses within the group of which it is a member, and
- The recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted

TLLC BRIDGESUBCO6 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

2. TURNOVER

Turnover is wholly attributable to the principal activities undertaken by the company during the year

All turnover arose within the United Kingdom

3. AUDITORS' REMUNERATION

The auditors' remuneration is borne by Prestbury Hotels Limited, an intermediate parent company. Fees for the audit of the company were £760 (2011 - £760)

4. STAFF COSTS

The company has no employees and no director received any remuneration in the year (2011 - £nil)

5. INTEREST PAYABLE

	2012 £	2011 £
On loans from group undertakings	<u>70,677</u>	<u>92,301</u>

6. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>200,302</u>	<u>147,321</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	52,079	41,250
Effects of		
Net movement in losses available to carry forward	18,366	-
Group relief received	(70,445)	(41,250)
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

No provision for UK corporation tax has been made for the year due to the availability of group relief and losses

At present it is not envisaged that any tax will become payable in the foreseeable future, due to the availability of losses within the group of which the company is a member

TLLC BRIDGESUBCO6 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

6. TAXATION (continued)

UNPROVIDED DEFERRED TAX LIABILITY/(ASSET)

The company has an unprovided deferred tax liability/(asset) which is made up as follows

	2012 £	2011 £
On the inherent capital gain arising on the carrying value of investment properties	<u>321,808</u>	<u>413,819</u>
Losses available to carry forward	<u>(16,954)</u>	<u>-</u>

The unprovided deferred tax balances have been measured at the tax rates substantively enacted at the balance sheet date

7. INVESTMENT PROPERTY

	Long term leasehold investment property £
At valuation	
At 1 April 2011	4,751,000
Deficit on revaluation	<u>(138,000)</u>
At 31 March 2012	<u>4,613,000</u>

The company's investment property was valued as at 31 March 2012 by N M Leslau BSc (Hons) FRICS, a chartered surveyor and director of the company, on an arm's length open market value basis

The historical cost of the company's property is £2,623,724 (2011 £2,623,724)

A charge over the company's assets, including the above property, has been granted to the group's lenders as part of the security for bank borrowings provided to Prestbury Hotels Limited, an intermediate parent company

8 DEBTORS

	2012 £	2011 £
Other debtors	<u>1,271</u>	<u>-</u>

TLLC BRIDGESUBCO6 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

9 CREDITORS:
Amounts falling due within one year

	2012 £	2011 £
Social security and other taxes	15,461	305
Other creditors	-	1,431
Accruals and deferred income	75,657	-
	<u>91,118</u>	<u>1,736</u>

10. CREDITORS:
Amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	1,707,261	1,995,674

The amounts owed to group undertakings are unsecured, bear interest at 8% and have no fixed repayment date. The above amounts include interest accrued of £997,048 (2011: £926,370).

11. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

12. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 April 2011	2,127,276	626,313
Profit for the year	-	200,302
Deficit on revaluation of long leasehold property	(138,000)	-
At 31 March 2012	<u>1,989,276</u>	<u>826,615</u>

TLLC BRIDGESUBCO6 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Opening shareholders' funds	2,753,590	1,800,269
Profit for the year	200,302	147,321
Other recognised gains and losses during the year	(138,000)	806,000
Closing shareholders' funds	2,815,892	2,753,590

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of any transactions with entities that are included in the consolidated financial statements of Prestbury Hotel Holdings Limited

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 March 2012, the company's immediate parent company was TLLC Bridgeco6 Limited and its ultimate parent company was Prestbury Hotel Holdings Limited. Both of these companies are incorporated in England and Wales. The consolidated accounts of Prestbury Hotel Holdings Limited are available to the public and may be obtained from the company secretary, Cavendish House, 18 Cavendish Square, London W1G 0PJ.

Prestbury Hotel Holdings Limited is a joint venture company and is not controlled by any one individual or entity.

16. CONTINGENT LIABILITIES

The company, along with its current fellow group undertakings, has entered into an agreement with the bankers of Presbury Hotels Limited, an intermediate parent company, to cross-guarantee the bank loans made to that company. At 31 March 2012 these bank loans amounted to £421,129,761 (2011 £425,639,802).

17. POST BALANCE SHEET EVENTS

After the balance sheet date, a technical breach of this credit agreement occurred. This did not include any breach of financial covenants and the breach was waived by the lenders after amendment of certain terms of the credit agreement. The CVA led to a reduction in rent of £174,000 per annum from the rent passing as at the balance sheet date.