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**TLLC BRIDGESUBCO6 LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**TLLC BRIDGESUBCO6 LIMITED**

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**COMPANY INFORMATION**

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

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**TLLC BRIDGESUBCO6 LIMITED**

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**TLLC BRIDGESUBCO6 LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2013**

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The directors present their report and the financial statements for the year ended 31 March 2013

**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 13 December 2013 and signed on its behalf



S L Gumm  
Director

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**TLLC BRIDGESUBCO6 LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2013**

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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 accounting 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.

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## **TLLC BRIDGESUBCO6 LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLLC BRIDGESUBCO6 LIMITED**

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We have audited the financial statements of TLLC Bridgesubco6 Limited for the year ended 31 March 2013, 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 2013 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.

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**TLLC BRIDGESUBCO6 LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TLLC BRIDGESUBCO6 LIMITED**

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**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)

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

13 December 2013

**TLLC BRIDGESUBCO6 LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>	1,2	<b>215,719</b>	271,227
Cost of sales		<u>(283)</u>	<u>(270)</u>
<b>GROSS PROFIT</b>		<b>215,436</b>	270,957
Administrative expenses		<u>(162)</u>	<u>(15)</u>
<b>OPERATING PROFIT</b>		<b>215,274</b>	270,942
Interest receivable and similar income		-	37
Interest payable and similar charges	5	<u>(49,464)</u>	<u>(70,677)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>165,810</b>	200,302
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>165,810</b></u>	<u>200,302</u>

All amounts relate to continuing operations

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial years stated above and their historical cost equivalents

The notes on pages 8 to 13 form part of these financial statements



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**TLLC BRIDGESUBCO6 LIMITED**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2013**

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	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12	<b>165,810</b>	200,302
Unrealised deficit on revaluation of investment properties	12	<u>(2,933,000)</u>	<u>(138,000)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u><b>(2,767,190)</b></u>	<u><b>62,302</b></u>

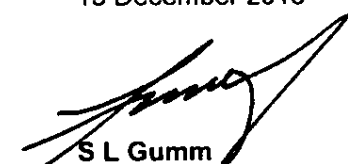
The notes on pages 8 to 13 form part of these financial statements

**TLLC BRIDGESUBCO6 LIMITED**  
**REGISTERED NUMBER 5173934**

**BALANCE SHEET**  
**AS AT 31 MARCH 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Investment property	7		1,680,000		4,613,000
<b>CURRENT ASSETS</b>					
Debtors	8	2,153		1,271	
<b>CREDITORS</b> amounts falling due within one year	9	(42,447)		(91,118)	
<b>NET CURRENT LIABILITIES</b>			(40,294)		(89,847)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,639,706		4,523,153
<b>CREDITORS</b> amounts falling due after more than one year	10		(1,591,004)		(1,707,261)
<b>NET ASSETS</b>			48,702		2,815,892
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		1		1
Revaluation reserve	12		(943,724)		1,989,276
Profit and loss account	12		992,425		826,615
<b>SHAREHOLDERS' FUNDS</b>	13		48,702		2,815,892

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2013

  
**S L Gumm**  
 Director

The notes on pages 8 to 13 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**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 Operating leases**

Annual rentals receivable under operating leases are credited or charged to the profit and loss account on a straight-line basis over the term of the lease

**1.5 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.

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**TLLC BRIDGESUBCO6 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 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. 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.

**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 (2012: £760).

**4. STAFF COSTS**

The company has no employees and no director received any remuneration in the year (2012: £nil).

**5. INTEREST PAYABLE**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
On loans from group undertakings	<b>49,464</b>	<b>70,677</b>

**6. TAXATION**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
UK corporation tax charge on profit for the year	<b>-</b>	<b>-</b>

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**TLLC BRIDGESUBCO6 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**6. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>165,810</u>	<u>200,302</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	39,794	52,079
<b>Effects of</b>		
Expenses not deductible for tax purposes	36	-
Net movement in losses available to carry forward	(15,030)	18,366
Group relief received	(24,800)	(70,445)
<b>Current tax charge for the year (see note above)</b>	<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

**UNPROVIDED DEFERRED TAX BALANCES**

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

	2013 £	2012 £
On the inherent capital gain arising on the carrying value of investment properties	<u>(175,934)</u>	<u>321,808</u>
Losses available to carry forward	<u>(1,844)</u>	<u>(16,954)</u>

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

**TLLC BRIDGESUBCO6 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**7. INVESTMENT PROPERTY**

	Long term leasehold investment property £
<b>Valuation</b>	
At 1 April 2012	4,613,000
Deficit on revaluation	(2,933,000)
At 31 March 2013	<u>1,680,000</u>

The company's investment property was valued as at 31 March 2013 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 (2012 £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**

	2013 £	2012 £
Trade debtors	2,153	-
Other debtors	-	1,271
	<u>2,153</u>	<u>1,271</u>

**9 CREDITORS:  
Amounts falling due within one year**

	2013 £	2012 £
Social security and other taxes	6,802	15,461
Other creditors	3,413	-
Accruals and deferred income	32,232	75,657
	<u>42,447</u>	<u>91,118</u>

**TLLC BRIDGESUBCO6 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

**10. CREDITORS:**

**Amounts falling due after more than one year**

	2013 £	2012 £
Amounts owed to group undertakings	<u>1,591,004</u>	<u>1,707,261</u>

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 £1,046,511 (2012: £997,048).

**11. SHARE CAPITAL**

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

**12. RESERVES**

	Revaluation reserve £	Profit and loss account £
At 1 April 2012	1,989,276	826,615
Profit for the year	-	165,810
Deficit on revaluation of long leasehold property	(2,933,000)	-
At 31 March 2013	<u>(943,724)</u>	<u>992,425</u>

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

	2013 £	2012 £
Opening shareholders' funds	2,815,892	2,753,590
Profit for the year	165,810	200,302
Other recognised gains and losses during the year	(2,933,000)	(138,000)
Closing shareholders' funds	<u>48,702</u>	<u>2,815,892</u>

**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.

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**TLLC BRIDGESUBCO6 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

At 31 March 2013, 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 Prestbury Hotels Limited, an intermediate parent company, to cross-guarantee the bank loans made to that company. At 31 March 2013 these bank loans amounted to £419,339,955 (2012 £421,129,761).