

Registered number 06013237

Burford Bridge Hotel Limited

Directors' report and financial statements
for the year ended 31 December 2013

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Burford Bridge Hotel Limited

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Burford Bridge Hotel Limited

Company information

Directors	Marc Gilbard Nicholas Edwards (appointed 13 December 2013) Charles Ferguson-Davie (appointed 13 December 2013) Heiko Figge (appointed 13 December 2013) Steven Hall (appointed 13 December 2013)
Registered number	06013237
Registered office	Nightingale House 65 Curzon Street London W1J 8PE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Lloyds Banking Group London Chief Office PO Box 54873 London SW1Y 5WX

Burford Bridge Hotel Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements of Burford Bridge Hotel Limited (the "Company") for the year ended 31 December 2013

Principal activity

The Company's principal activity during the year was that of property investment

Results

The Company's loss for the financial year is £2,519,000 (2012 - profit £432,000)

Directors

The directors who served during the year and up to the date of signing the financial statements were

Marc Gilbard
Graham Stanley (resigned 13 December 2013)
Graham Sidwell (resigned 13 December 2013)
Nicholas Edwards (appointed 13 December 2013)
Charles Ferguson-Davie (appointed 13 December 2013)
Heiko Figge (appointed 13 December 2013)
Steven Hall (appointed 13 December 2013)

Statement of directors' responsibilities

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 prepared 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,
- 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.

Burford Bridge Hotel Limited

**Directors' report
for the year ended 31 December 2013**

Statement of disclosure of information to auditors

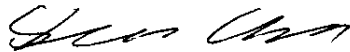
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- 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 relevant audit information and to establish that the Company's auditors are aware of that information

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

This report was approved by the board on 25 September 2014 and signed on its behalf



Steven Hall
Director

Burford Bridge Hotel Limited

Independent auditors' report to the members of Burford Bridge Hotel Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Burford Bridge Hotel Limited, comprise

- the Balance sheet as at 31 December 2013,
- the Profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

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)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") 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 Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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

Burford Bridge Hotel Limited

Independent auditors' report to the members of Burford Bndge Hotel Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

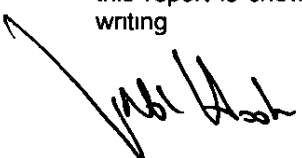
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Jonathan Hook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Date 25/9/14

Burford Bridge Hotel Limited

Profit and loss account for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	1,2	868	834
Administrative expenses		(22)	(21)
Exceptional item - permanent impairment	3	(3,000)	-
Total administrative expenses		(3,022)	(21)
Operating (loss)/profit	4	(2,154)	813
Interest receivable and similar income	7	48	34
Interest payable and similar charges	8	(413)	(415)
(Loss)/profit on ordinary activities before taxation		(2,519)	432
Tax on (loss)/profit on ordinary activities	9	-	-
(Loss)/profit for the financial year	16	(2,519)	432

All amounts above relate to continuing operations

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/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

Burford Bridge Hotel Limited
Registered number 06013237

Balance sheet
as at 31 December 2013

	Note	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	10		8,803		8,803
Current assets					
Debtors	11	5		5	
Creditors amounts falling due within one year	12	(5,554)		(6,048)	
Net current liabilities			(5,549)		(6,043)
Total assets less current liabilities			3,254		2,760
Creditors amounts falling due after more than one year	13		(7,030)		(7,017)
Net liabilities			(3,776)		(4,257)
Capital and reserves					
Called up share capital	15		-		-
Revaluation reserve	16		(1,189)		(4,189)
Profit and loss account	16		(2,587)		(68)
Total shareholders' deficit	17		(3,776)		(4,257)

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

25 September 2014



Steven Hall
Director

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

Burford Bridge Hotel Limited

Notes to the financial statements for the year ended 31 December 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Going concern

The directors are of the opinion that preparing the financial statement on a going concern basis is appropriate due to the continued financial support of the ultimate parent company, MREF Hotels Limited. The directors have received confirmation that MREF Hotels Limited intends to support the Company for at least 12 months from the date of approval of these financial statements.

1.3 Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement contained in FRS 1 "Cash flow statements" on the grounds that it is a small company.

1.4 Turnover

Turnover comprises rental income excluding value added tax. Rentals receivable under operating leases are credited to the profit and loss account on an accruals basis over the term of the lease. Any initial advance receipt in relation to operating leases is treated as part of the rentals receivable and accordingly these receipts are credited to the profit and loss account on a straight line basis over the period of the lease and are classified within deferred income.

1.5 Tangible fixed assets

No depreciation is provided on freehold property. The directors consider that the life of this asset is so long, and residual value is so high, that its depreciation is not material.

Freehold property is subject to annual valuations. The surplus of such value over cost is transferred to the revaluation reserve. Where there is impairment of the value of a building which is deemed to be permanent, a charge is made to the profit and loss account. Where valuations are below cost and the difference is deemed by the directors to be temporary, the deficit is transferred to the revaluation reserve.

Whilst the initial costs incurred on extensive repair and refurbishment programmes are capitalised, those in respect of items subsequently replaced are written off to the profit and loss account as incurred. In accordance with FRS 15 "Tangible Fixed Assets", the directors perform an annual impairment review. Any deficits noted are charged to the profit and loss account.

There are no other fixed assets in the company other than freehold property, therefore there is no depreciation recognised in the financial statements.

1.6 Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

Burford Bridge Hotel Limited

Notes to the financial statements for the year ended 31 December 2013

1. Accounting policies (continued)

1.7 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

The group maintains debt at a fixed rate through interest rate swap and offset against the interest on the related debt instrument.

1.8 Deferred taxation

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. A net deferred tax asset is recognised 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 an undiscounted basis.

2. Turnover

Turnover relates to the Company's main activity which is carried out in the United Kingdom.

3. Exceptional items

	2013	2012
	£000	£000
Permanent property impairment	3,000	-

4. Operating (loss)/profit

Audit fees were borne by a related undertaking in both years.

5. Staff costs

The Company had no employees during the year (2012 - nil).

Burford Bridge Hotel Limited

Notes to the financial statements for the year ended 31 December 2013

6 Directors' remuneration

There was no remuneration paid to the directors by the Company during the year (2012 - £nil) There were no retirement benefits accruing to the directors (2012 - £nil)

7. Interest receivable and similar income

	2013 £000	2012 £000
Interest receivable from group companies	48	34

8. Interest payable and similar charges

	2013 £000	2012 £000
Interest payable on bank loans	392	394
Finance costs	21	21
	413	415

9. Tax on (loss)/profit on ordinary activities

	2013 £000	2012 £000
UK corporation tax charge on (loss)/profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 23 25% (2012 - 24 5%) The differences are explained below

	2013 £000	2012 £000
(Loss)/profit on ordinary activities before taxation	(2,519)	432
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 25% (2012 - 24 5%)	(586)	106
Effects of		
Expenses not deductible and income not taxable	698	-
Utilisation of losses	-	(106)
Group relief claimed and not paid for	(112)	-
Total current tax	-	-

Burford Bridge Hotel Limited

Notes to the financial statements for the year ended 31 December 2013

9. Tax on (loss)/profit on ordinary activities (continued)

Factors that may affect future tax charges

In addition to the changes in rates of Corporation tax disclosed within the note on taxation further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

10. Tangible fixed assets

	Freehold property £000
Valuation	
At 1 January 2013 and 31 December 2013	8,803
Net book amount	
At 31 December 2013	8,803
At 31 December 2012	8,803

Freehold property, including plant and equipment, were valued at £8,803,000 at 31 December 2013 (2012 - £8,803,000) on the basis of a Directors' valuation of all the properties.

If freehold property had not been revalued it would have been included at a cost of £12,992,000 (2012 - £12,992,000).

11. Debtors

	2013 £000	2012 £000
Other debtors	5	5

12. Creditors

Amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	12	12
Amounts owed to group undertakings	5,497	6,027
Other creditors	9	9
Accruals and deferred income	36	-
	5,554	6,048

Amounts owed to group undertakings are subject to interest at 2.5% above Bank of England base rate are unsecured and repayable on demand.

Burford Bridge Hotel Limited

Notes to the financial statements for the year ended 31 December 2013

13. Creditors Amounts falling due after more than one year

	2013 £000	2012 £000
Bank loans - amounts drawn down (note 14)	7,049	7,049
Bank loans - unamortised finance fees (note 14)	(19)	(32)
	<u>7,030</u>	<u>7,017</u>

Bank loan borrowings are secured by fixed charges on group properties and floating charges on certain other group assets. The MREF Hotels group of which the Company is part completed a refinancing exercise with its lender on 31 December 2013 with an extension to the debt term. Bank loans comprise variable rate debt at a margin of 200 basis points over LIBOR and the loan is repayable in full in August 2017.

MREF Tradeco Limited, a fellow group company, has entered into interest rate swap agreements in order to hedge a part of the MREF Hotels group's exposure to interest rates on bank loans. This arrangement enables the Group to manage its interest rate exposure by swapping floating rates on borrowings into fixed rate amounts. Utilising this arrangement the group effectively obtains borrowings at a different rate to those available from borrowing directly at prevailing floating rates. The loans which are being hedged are held in fellow group companies. The cost / gain of the interest rate swap is recharged to these companies in proportion to the value of the loan held within each company. The cost allocated to Burford Bridge Hotel Limited for the year ended 31 December 2013 was £250,000 (2012 - £225,000).

After the balance sheet date and as a result of the refinancing referred to above, MREF Tradeco Limited entered into revised interest rate swap arrangements in order to hedge a portion of the group's exposure on bank loans until 31 August 2017.

14. Loans and other borrowings

	2013 £000	2012 £000
Bank loans	<u>7,030</u>	<u>7,017</u>

Maturity of financial liabilities

	2013 £000	2012 £000
In one year or less, or on demand	-	-
In more than one year, but not more than two years	-	7,017
In more than two years, but not more than five years	7,030	-
In more than five years	-	-
	<u>7,030</u>	<u>7,017</u>

Burford Bridge Hotel Limited

Notes to the financial statements for the year ended 31 December 2013

15 Called up share capital

	2013 £000	2012 £000
Allotted and fully paid		
1 (2012 - 1) ordinary share of £1	-	-

16. Reserves

	Revaluation reserve £000	Profit and loss account £000
At 1 January 2013	(4,189)	(68)
Loss for the financial year	-	(2,519)
Transfer to profit and loss - permanent impairment	3,000	-
At 31 December 2013	(1,189)	(2,587)

17. Reconciliation of movements in shareholders' deficit

	2013 £000	2012 £000
Opening shareholders' deficit	(4,257)	(4,689)
(Loss)/profit for the financial year	(2,519)	432
Transfer to profit and loss - permanent impairment	3,000	-
Closing shareholders' deficit	(3,776)	(4,257)

18. Related party transactions

The Company has taken advantage of the exemptions contained in FRS 8 "Related Party Transactions" not to disclose transactions with related parties as all of the voting rights of the Company are controlled within the group

19. Immediate and ultimate parent undertaking and ultimate controlling parties

The Company's immediate parent undertaking is MREF Hotels Holdings Limited, a company incorporated in Jersey

The Company's ultimate parent entity is MREF Hotels Limited, a company incorporated in Jersey

The smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is MREF Hotels Limited, a company incorporated in Jersey

The Company's ultimate controlling parties are Moorfield Real Estate Fund "A" Limited Partnership and Moorfield Real Estate Fund "B" Limited Partnership