

Registered number 06533950

MREF Bristol Holdings Limited

Directors' report and financial statements

for the year ended 31 December 2013

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MREF Bristol Holdings Limited

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MREF Bristol Holdings Limited

Company information

Directors	Marc Gilbard Nicholas Edwards Charles Ferguson-Davie Heiko Figge Steven Hall
Company number	06533950
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

MREF Bristol Holdings Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements of MREF Bristol Holdings Limited (the "Company") for the year ended 31 December 2013

Principal activity

The Company's principal activity during the year was that of a holding Company

Results

The Company's loss for the financial year is £512,000 (2012 - loss £503,000)

Directors

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

Graham Stanley (resigned 13 December 2013)
Graham Sidwell (resigned 13 December 2013)
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)

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.

MREF Bristol Holdings 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

MREF Bristol Holdings Limited

Independent auditors' report to the members of MREF Bristol Holdings 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 MREF Bristol Holdings 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.

MREF Bristol Holdings Limited

Independent auditors' report to the members of MREF Bristol Holdings 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.

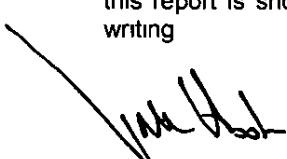
Responsibilities for the financial statements and the audit

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

MREF Bristol Holdings Limited

**Profit and loss account
for the year ended 31 December 2013**

	Note	2013 £000	2012 £000
Interest payable and similar charges	5	<u>(512)</u>	<u>(503)</u>
Loss on ordinary activities before taxation	2	(512)	(503)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss for the financial year	13	<u>(512)</u>	<u>(503)</u>

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 on ordinary activities before taxation and the loss for the financial years stated above, and their historical cost equivalents

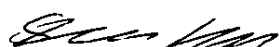
The notes on pages 8 to 12 form part of these financial statements

MREF Bristol Holdings Limited
Registered number 06533950

Balance sheet
as at 31 December 2013

	Note	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Investments	7		19,487		19,487
Current assets					
Debtors	8	950		950	
Creditors: amounts falling due within one year	9	<u>(17,561)</u>		<u>(17,061)</u>	
Net current liabilities			<u>(16,611)</u>		<u>(16,111)</u>
Total assets less current liabilities			<u>2,876</u>		<u>3,376</u>
Creditors: amounts falling due after more than one year	10		<u>(7,614)</u>		<u>(7,602)</u>
Net liabilities			<u><u>(4,738)</u></u>		<u><u>(4,226)</u></u>
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account	13		<u>(4,738)</u>		<u>(4,226)</u>
Total shareholders' deficit	14		<u><u>(4,738)</u></u>		<u><u>(4,226)</u></u>

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 12 form part of these financial statements

MREF Bristol Holdings 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 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 Consolidation

These financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent undertaking of a group. The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, MREF Hotels Limited, a company incorporated in Jersey.

1.3 Going concern

The directors are of the opinion that preparing the financial statements 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.

1.4 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.

1.5 Investments

Fixed asset investments are stated at their purchase cost less any provision for impairment.

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.

1.7 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. Loss on ordinary activities before taxation

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

MREF Bristol Holdings Limited

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

3 Staff costs

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

4 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)

5. Interest payable and similar charges

	2013 £000	2012 £000
Interest payable on bank loans	424	427
Finance fees payable	21	21
Interest payable to group undertakings	67	55
	<u>512</u>	<u>503</u>

6 Tax on loss on ordinary activities

	2013 £000	2012 £000
UK corporation tax charge on loss for the year	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher 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 on ordinary activities before taxation	<u>(512)</u>	<u>(503)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(119)	(123)
Effects of:		
Utilisation of tax losses	119	123
Total current tax	<u>-</u>	<u>-</u>

Factors affecting 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.

MREF Bristol Holdings Limited

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

7. Investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2013 and 31 December 2013	19,487
Net book amount	
At 31 December 2013	19,487
At 31 December 2012	19,487

The Company's principal subsidiary undertaking is

Name	Country of incorporation	Principal activity	Share ownership % class
Holland House Hotels (Bristol) Limited	United Kingdom	Property investment	100 Ordinary

The directors believe that the carrying value of the investments is supported by their underlying net assets

8. Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	950	950

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

9 Creditors: Amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to group undertakings	17,522	17,061
Accruals and deferred income	39	-
	17,561	17,061

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

MREF Bristol Holdings Limited

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

10 Creditors: Amounts falling due after more than one year

	2013 £000	2012 £000
Bank loans - amounts drawn down (note 11)	7,634	7,634
Bank loans - unamortised finance fees	(20)	(32)
	<u>7,614</u>	<u>7,602</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 MREF Bristol Holdings Limited for the year ended 31 December 2013 was £270,000 (2012 - £243,000).

After the balance sheet date and as a result of the refinancing referred to above, MREF Tradeco 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.

11 Loans and other borrowings

	2013 £000	2012 £000
Bank loans	<u>7,634</u>	<u>7,602</u>

Maturity of financial liabilities

In one year or less, or on demand	-	-
In more than one year, but not more than two years	-	7,602
In more than two years, but not more than five years	7,634	-
In more than five years	-	-
	<u>7,634</u>	<u>7,602</u>

MREF Bristol Holdings Limited

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

12 Called up share capital

	2013 £000	2012 £000
Allotted and fully paid		
2 (2012 - 2) ordinary shares of £1 each	-	-

13 Reserves

	Profit and loss account £000
At 1 January 2013	(4,226)
Loss for the financial year	(512)
At 31 December 2013	(4,738)

14 Reconciliation of movements in shareholders' deficit

	2013 £000	2012 £000
Opening shareholders' deficit	(4,226)	(3,723)
Loss for the financial year	(512)	(503)
Closing shareholders' deficit	(4,738)	(4,226)

15. 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

16. Ultimate parent undertaking and ultimate controlling parties

The Company's immediate parent undertaking is MREF Bristol 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