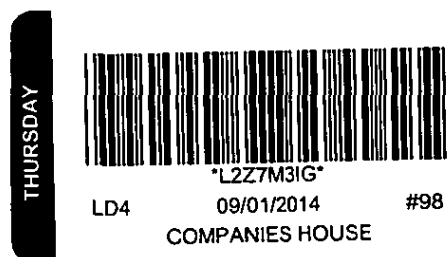


VR Hotel (Wrexham) Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2013



Company Registration No 03450295

VR Hotel (Wrexham) Limited
COMPANY INFORMATION

DIRECTORS	V A Ichenguiz R Ichenguiz
COMPANY NUMBER	03450295 (England & Wales)
REGISTERED OFFICE	5th Floor Leconfield House Curzon Street London W1J 5JA
AUDITOR	Baker Tilly UK Audit LLP 3rd Floor One London Square Cross Lanes Guildford Surrey GU1 1UN
SOLICITORS	Osborne Clarke One London Wall London EC2Y 5EB

VR Hotel (Wrexham) Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of VR Hotel (Wrexham) Limited for the year ended 31 May 2013

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity is the letting of investment property. There were no additions or disposals of investment property during the year.

The investment property held at 31 May 2013 was valued as at that date at £5 143 000 by the directors. The decrease in value during the year amounted to £78 000 as set out in note 7.

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2013 were satisfactory.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS

The following directors have held office since 1 June 2012:

V A Tchenguiz
R Tchenguiz

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

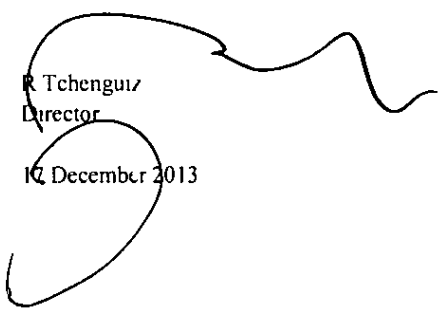
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



R Tchenguiz
Director

12 December 2013

VR Hotel (Wrexham) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements the directors are required to

- a select suitable accounting policies and then apply them consistently
- b make judgements and accounting estimates that are reasonable and prudent
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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.

VR Hotel (Wrexham) Limited

INDEPENDENT AUDITOR'S REPORT

To The Members Of VR Hotel (Wrexham) Limited

We have audited the financial statements on pages 4 to 12. 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 auditor's 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 auditor

As more fully explained 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 (APB'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 [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

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 May 2013 and of its result 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.

Baker Tilly UK Audit LLP

Christopher Hurren FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor,
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

17 December 2013

VR Hotel (Wrexham) Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2013

	Notes	2013 £	2012 £
RENT RECEIVABLE		285,193	285,193
Other operating expenses	1	(3,000)	(3,000)
OPERATING PROFIT		282,193	282,193
Investment income	2	16	16
Interest payable and similar charges	3	(285,193)	(285,207)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(2,984)	(2,998)
Taxation	6	-	319
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	14	(2,984)	(2,679)

All amounts derive from continuing activities

VR Hotel (Wrexham) Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 May 2013

	Notes	2013 £	2012 £
Loss for the financial year		(2 984)	(2,679)
Unrealised deficit on revaluation of properties	7	(78 000)	(238 000)
Total recognised gains and losses relating to the year		<u>(80 984)</u>	<u>(240 679)</u>

VR Hotel (Wrexham) Limited

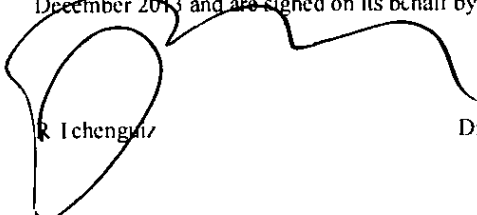
BALANCE SHEET

As at 31 May 2013

Company registration No 03450295

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	5 143,000	5 221,000
CURRENT ASSETS			
Debtors	8	1 167 701	1,170,701
Cash at bank and in hand	9	26 296	26,280
		1 193 997	1,196 981
CREDITORS Amounts falling due within one year	10	(43 095)	(43 095)
NET CURRENT ASSETS		1 150 902	1 153 886
TOTAL ASSETS LESS CURRENT LIABILITIES		6,293,902	6 374 886
CREDITORS Amounts falling due after more than one year	11	(3 817 604)	(3 817 604)
NET ASSETS		2 476 298	2 557 282
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Revaluation reserve	14	2 519 661	2,597 661
Profit and loss account	14	(43 364)	(40 380)
SHAREHOLDERS' FUNDS	15	2,476 298	2,557,282

The financial statements on pages 4 to 12 were approved by the board of directors and authorised for issue on 17 December 2013 and are signed on its behalf by

 R. I. Cheng
Director

VR Hotel (Wrexham) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards

The financial statements have been prepared under the historical cost convention with the exception of investment properties which are stated at revalued amounts

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

INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No 19 investment properties are revalued annually on an open market basis and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment is a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

No provision is made for deferred tax on unrealised gains recognised on revaluing property to its market value.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax is measured on a non-discounted basis.

CASH FLOW STATEMENT

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS 1.

RENT RECEIVABLE

Rental income from investment properties leased out under operating leases is recognised in the profit and loss account on an accruals basis over the term of the lease. The effect of rent reviews is only recognised when such reviews have been agreed with tenants. Where rents are subject to fixed indexation in lieu of rent reviews, the rents are recognised on a systemic basis as income in the periods in which they are earned.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

VR Hotel (Wrexham) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2013

1	OTHER OPERATING EXPENSES	2013	2012
		£	£
	Administrative expenses	<u>3 000</u>	<u>3,000</u>
2	INVESTMENT INCOME	2013	2012
		£	£
	Bank interest	<u>16</u>	<u>16</u>
3	INTEREST PAYABLE AND SIMILAR CHARGES	2013	2012
		£	£
	Bank loan interest	285 193	285 193
	Other interest	-	14
		<u>285 193</u>	<u>285 207</u>
4	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2013	2012
		£	£
	Loss is stated after charging		
	Auditor's remuneration	<u>3,000</u>	<u>3,000</u>
5	EMPLOYEES		

There were no employees during the year apart from the directors who received no emoluments

VR Hotel (Wrexham) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

6 TAXATION	2013 £	2012 £
UK Corporation tax	-	-
Current tax charge	-	(319)
Adjustment for prior years	-	(319)
Current tax charge/ (credit)	-	(319)
Tax on loss on ordinary activities	-	(319)
Factors affecting the tax charge for the year	(2,984)	(2,998)
Loss on ordinary activities before taxation	(686)	(720)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2012 - 24.00%)	3,971	4,162
Effects of	-	(319)
UK transfer pricing	(3,285)	(3,442)
Adjustment for prior years	686	401
Group relief	-	(319)
Current tax charge/ (credit)	-	(319)

7 INTANGIBLE FIXED ASSETS

	Investment properties £
Valuation	
At 1 June 2012	5,221,000
Revaluation deficit	(78,000)
At 31 May 2013	5,143,000

The property was valued as at 31 May 2013 at £5,143,000 (2012: £5,221,000) by the directors based on reports provided to them by Chartered Surveyors employed by the group's in-house management company.

The original cost of the property was £2,623,339 (2012: £2,623,339).

Investment property at net book value comprises	2013 £	2012 £
Freehold	5,143,000	5,221,000

VR Hotel (Wrexham) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

8 DEBTORS	2013 £	2012 £
Amounts owed by group undertakings	1 149 681	1,152,681
Prepayments and accrued income	18,020	18 020
	<u>1,167 701</u>	<u>1 170 701</u>

9 BANK

Included in the company's cash at bank is £26 296 (2012 £26,280) of funds lodged with financial institutions as part of the security arrangements for the borrowings from those institutions and which are not otherwise freely available for use

10 CREDITORS amounts falling due within one year	2013 £	2012 £
Other creditors	25 075	25 075
Accruals and deferred income	18 020	18 020
	<u>43 095</u>	<u>43,095</u>

11 CREDITORS amounts falling due after more than one year	2013 £	2012 £
Bank loan	<u>3 817,604</u>	<u>3 817 604</u>
Loan maturity analysis		
In more than five years	<u>3 817 604</u>	<u>3 817,604</u>

The bank loan is repayable in January 2048. Under the terms of the loan agreement the interest payable on the loan for its term is equal to the rent receivable on the property. The loan is secured by a fixed and floating charge over the whole assets of the company.

The loan is subject to cross-guarantees and cross-collateralisation of the underlying properties used as security with other group loans. The total value of the loans subject to the cross-collateralisation including the company's loan is £24 578,000 (2012 £24 578,000). Under the security arrangements the company is also exposed to any shortfall in the bank's internal swap arrangements if the loan is repaid early. At the year end the fair value of the company's exposure to those internal financial instruments was estimated by the directors at £18,000 000 (2012 £20 000 000).

12 DEFERRED TAXATION

No provision for deferred taxation has been made in respect of the property held as an investment which is included in these financial statements at a valuation of £5 143 000 (2012 £5 221 000). It is estimated that if this property were to be sold at that valuation the tax liability would amount to £239 826 (2012 £299,194).

VR Hotel (Wrexham) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

13 SHARE CAPITAL	2013 £	2012 £
Allotted issued and fully paid		
Equity		
1 Ordinary share of £1	1	1

14 RESERVES	Revaluation reserve £	Profit and loss account £
Balance at 1 June 2012	2,597 661	(40 380)
Loss for the year	-	(2 984)
Revaluation during the year	(78,000)	-
Balance at 31 May 2013	2 519 661	(43 364)

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2013 £	2012 £
Loss for the financial year	(2 984)	(2,679)
Other recognised gains and losses	(78 000)	(238 000)
Net depletion in shareholders' funds	(80 984)	(240 679)
Opening shareholders' funds	2 557 282	2 797 961
Closing shareholders' funds	2 476 298	2,557 282

16 CONTROL

The company's immediate holding company is VR Hotel Holdings Limited

The directors regard the ultimate holding company to be Sunnymist Limited a company incorporated in the British Virgin Islands

The ultimate controlling party is the Ichenguiz Family Trust

VR Hotel (Wrexham) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2013

17 RELATED PARTY TRANSACTIONS

The company is related to other companies ultimately controlled by the Tchenguiz Family Trust and with whom in many cases it has directors in common. At the balance sheet date and included within amounts owed by group undertakings £1,149,681 (2012: £1,152,681) was due from one such company, Rotch Property Group Limited.

No interest accrues on this balance (2012: £Nil).

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.