

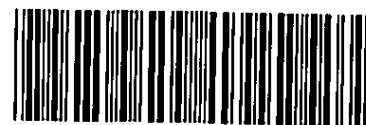
**General Portfolio Hotels Thainstone Limited**

**Report and financial statements**

**31 December 2010**

Company Registration No 06011188  
(England and Wales)

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**General Portfolio Hotels Thainstone Limited**  
**Report and financial statements**  
**For the year ended 31 December 2010**

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**Company information**

<b>Directors</b>	R J H Randall I D Blake
<b>Secretary</b>	Matrix Registrars Limited
<b>Company number</b>	06011188
<b>Registered office</b>	One Vine Street London W1J 0AH
<b>Auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

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**General Portfolio Hotels Thainstone Limited**  
**Report and financial statements**  
**For the year ended 31 December 2010**

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# **General Portfolio Hotels Thainstone Limited**

## **Directors' report**

**For the year ended 31 December 2010**

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The directors present their report and financial statements for the year ended 31 December 2010

### **Principal activities and review of the business**

The company operates as a member of the General Portfolio Hotels group

The company's principal activity is hotel operations. There have not been any significant changes in the company's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The company focuses on marketing the hotel.

As shown in the company's profit and loss account on page 5, the company has sales of £1,678,554 (2009 - £1,728,264) with a loss after tax of £410,460 (2009 - £324,718).

The balance sheet on page 6 of the financial statements shows that the company's financial position at the year end is of net liabilities of £709,419 (2009 - £298,959) and a stable cash position.

There have been no significant events since the balance sheet date.

The General Portfolio Hotels group manages its operations on a company basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development of the business. The performance of the hotel group is discussed in the Annual Report of Matrix No 1 Unit Trust which does not form part of this Report.

### **Principal risks and uncertainties**

Competitive pressure in mid-market UK hotels is an ongoing risk and will continue to challenge the performance of the company. The management contractor continues to establish a market presence through a pro-active management strategy for each hotel and a strong marketing campaign. There is open dialogue with and support from the ultimate parent to stabilise the business and the forthcoming financial year suggests an improved period of trading.

The company makes sales only in sterling so is not exposed to exchange rate risk.

The company is funded by its parent and has no third party debt. It therefore has no interest rate exposure.

Group risks are discussed in the Annual Report of the parent which does not form part of this Report.

### **Environment**

The General Portfolio Hotels group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. Initiatives designed to minimise the company's impact on the environment include safe disposal of hotel waste, recycling and reducing energy consumption.

### **Results and dividends**

The results for the year are set out on page 5.

The directors recommend no final ordinary dividend be paid in respect of the year.

# **General Portfolio Hotels Thainstone Limited**

## **Directors' report**

**For the year ended 31 December 2010**

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### **Directors**

The following directors have held office since 1 January 2010

R J H Randall

I D Blake

### **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 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 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.

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the board

  
I D Blake  
Director

28 September 2011

# **General Portfolio Hotels Thainstone Limited**

## **Independent auditors' report**

### **To the members of General Portfolio Hotels Thainstone Limited**

#### **For the year ended 31 December 2010**

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We have audited the financial statements of General Portfolio Hotels Thainstone Limited for the year ended 31 December 2010 which comprise the profit and loss account, 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 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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 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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://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 December 2010 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.

#### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on the continuing support of its parent who in turn is reliant on the continuing support of its bankers and the renewal of its bank facilities. The parent's bank loans expired in July 2010 and are subject to review by the bankers. Although the directors expect the parent entity to be able to extend the facility on similar terms, they have no binding agreement from the bankers. In the event the bank do not renew the facility, the parent entity may not be able to provide financial support to the company and the company in turn may not be able to operate as a going concern.

These conditions along with other matters disclosed in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

#### **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.

## **General Portfolio Hotels Thainstone Limited**

### **Independent auditors' report**

**To the members of General Portfolio Hotels Thainstone Limited**

**For the year ended 31 December 2010**

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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

*BDO LLP*

**Geraint Jones (senior statutory auditor)**

**For and on behalf of BDO LLP, statutory auditor**

**London**

**Date.**

*30 September 2011*

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

**General Portfolio Hotels Thainstone Limited**  
**Profit and loss account**  
**For the year ended 31 December 2010**

	Notes	2010 £	2009 £
<b>Turnover</b>	<b>2</b>	1,678,554	1,728,264
Cost of sales		(1,017,796)	(1,006,866)
<b>Gross profit</b>		660,758	721,398
Administrative expenses		(1,071,546)	(1,046,627)
<b>Operating loss</b>	<b>3</b>	(410,788)	(325,229)
Other interest receivable and similar income	<b>4</b>	328	511
<b>Loss on ordinary activities before taxation</b>		(410,460)	(324,718)
Tax on loss on ordinary activities	<b>5</b>	-	-
<b>Loss for the year</b>	<b>12</b>	(410,460)	(324,718)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 7 to 13 form part of these financial statements



# General Portfolio Hotels Thainstone Limited

## Balance sheet

As at 31 December 2010

	Notes	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	7		119,369		98,002
<b>Current assets</b>					
Stocks	8	13,828		18,008	
Debtors	9	307,127		421,771	
Cash at bank and in hand		87,027		114,226	
		407,982		554,005	
<b>Creditors amounts falling due within one year</b>	10	(1,236,770)		(950,966)	
<b>Net current liabilities</b>			(828,788)		(396,961)
<b>Total assets less current liabilities</b>			(709,419)		(298,959)
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Profit and loss account	12		(709,420)		(298,960)
<b>Shareholders' funds</b>	13		(709,419)		(298,959)

Approved by the Board and authorised for issue on 28 September 2011

  
I D Blake  
Director

Company Registration No 06011188

The notes on pages 7 to 13 form part of these financial statements

# General Portfolio Hotels Thainstone Limited

## Notes to the financial statements

For the year ended 31 December 2010

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

##### Going Concern

The financial statements have been prepared on a going concern basis

The company is dependent on the continuing support of its parent entity, Matrix General Portfolio Limited Partnership. The parent's bank loans of £112.8m were due for repayment in July 2010 and are subject to review by the loan provider. The directors expect the parent entity to be able to renew the facility on similar terms. In the directors' view, constructive discussions between the parent entity with relevant lenders are ongoing. Based on these discussions and the projected trading for the parent company, the directors are of the view that the loan facility will be renewed and are therefore confident that the parent company will have adequate resources to continue in operational existence. For this reason, the directors continue to adopt the going concern basis in preparing these financial statements.

However, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

##### Cashflow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 "Cash Flow Statements", not to prepare a cash flow statement as it is included in the consolidated financial statements prepared by its ultimate parent company.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents invoiced sales of services, net of value added tax.

#### 1.4 Tangible fixed assets and depreciation

Fixed assets, which comprise furniture, fixtures and fittings and equipment utilised by the company, are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Fixtures, fittings & equipment	25% per annum
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#### 1.5 Leasing

The annual rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### 1.6 Stock

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price.

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# General Portfolio Hotels Thainstone Limited

## Notes to the financial statements

For the year ended 31 December 2010

### 1 Accounting policies

#### 1.7 Pensions

Contributions to the company's defined contributions pension scheme are charged to the profit and loss account in the period in which they become fully payable. The assets of the scheme are held separately in an independently administered fund.

#### 1.8 Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating loss

	2010	2009
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	62,001	31,166
Auditors' remuneration	7,290	9,148

### 4 Interest receivable and similar income

	2010	2009
	£	£
Bank interest	328	511
	328	511

# General Portfolio Hotels Thainstone Limited

## Notes to the financial statements

For the year ended 31 December 2010

5	Taxation	2010	2009
	Total current tax	-	-
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(410,460)	(324,718)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2009 - 28 00%)	(114,929)	(90,921)
	Effects of		
	Depreciation add backTax losses brought forward to offset against current profits	-	(275)
	Group relief	-	1,938
	Tax losses carried forward to set off against future profits	114,929	89,258
		114,929	90,921
	<b>Current tax charge for the year</b>	-	-

No deferred tax asset has been recognised for losses due to uncertainty over the timing and quantum of their recovery

## 6 Dividends

Equity dividends are recognised when they become legally payable

**General Portfolio Hotels Thainstone Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2010**

**7 Tangible fixed assets**

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 January 2010	159,990
Additions	83,368
	<u>243,358</u>
At 31 December 2010	<u>243,358</u>
<b>Depreciation</b>	
At 1 January 2010	61,988
Charge for the year	62,001
	<u>123,989</u>
At 31 December 2010	<u>123,989</u>
<b>Net book value</b>	
At 31 December 2010	<u>119,369</u>
At 31 December 2009	<u>98,002</u>

**8 Stocks**

	2010 £	2009 £
Finished goods and goods for resale	<u>13,828</u>	<u>18,008</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

**9 Debtors**

	2010 £	2009 £
Trade debtors	30,138	51,466
Amounts owed by group undertakings	258,424	360,792
Prepayments	18,565	9,513
	<u>307,127</u>	<u>421,771</u>

# General Portfolio Hotels Thainstone Limited

## Notes to the financial statements

For the year ended 31 December 2010

10 Creditors amounts falling due within one year	2010 £	2009 £
Inter-company accruals	-	3,398
Trade creditors	-	47,612
Amounts owed to group undertakings	1,078,141	778,141
Taxes and social security costs	41,856	38,263
Other creditors & accruals	116,773	83,552
	<u>1,236,770</u>	<u>950,966</u>

11 Share capital	2010 £	2009 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

12 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 January 2010	(298,960)
Loss for the year	(410,460)
Balance at 31 December 2010	<u>(709,420)</u>

13 Reconciliation of movements in shareholders' funds	2010 £	2009 £
Loss for the financial year	(410,460)	(324,718)
Opening shareholders' funds	(298,959)	25,759
Closing shareholders' funds	<u>(709,419)</u>	<u>(298,959)</u>

# General Portfolio Hotels Thainstone Limited

## Notes to the financial statements

For the year ended 31 December 2010

### 14 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire in over five years	500,000	500,000

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2010	2009
	Number	Number
Management	2	2
Hotel operations	44	43
Administration	8	10
	54	55

#### Employment costs

	2010	2009
	£	£
Wages and salaries	628,697	647,023
Social security costs	48,199	50,073
Other staff costs	1,640	0
	678,536	697,096

### 16 Control

The immediate parent company is General Portfolio Hotels No 1 Limited incorporated in the United Kingdom. The smallest and largest group for which consolidated financial statements are publically available is headed by Matrix No 1 Unit Trust. Copies of the financial statements of Matrix No 1 Unit Trust are available from One Vine Street, London W1J 0AH. The ultimate parent company and controlling party, is Matrix No 1 Unit Trust, a Guernsey Trust.

## **General Portfolio Hotels Thainstone Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2010**

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#### **17 Related party relationships and transactions**

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related party disclosures", not to disclose any transactions with members of the group headed Matrix No 1 Unit Trust on the grounds that all of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

Company accounts can be requested from the following address Matrix Property Management Limited, One Vine Street, London W1J 0AH