

***Bankside Hotels Limited***  
***Directors' Report and Financial Statements***  
***for the Period ended 8 May 2000***



***Company Registration No. 03214521 (England and Wales)***

# ***Bankside Hotels Limited***

## ***Company Information***

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### **Directors**

M S Gourgey  
K Gourgey  
R J Hodge  
N J Griffith

### **Secretary**

N Gourgey

### **Company number**

03214521

### **Registered office**

Hillside House  
2-6 Friern Park  
London  
N12 9BY

### **Auditors**

Enoch & Partners  
Hillside House  
2-6 Friern Park  
London  
N12 9BY

# ***Bankside Hotels Limited***

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# **Bankside Hotels Limited**

## **Directors' Report for the period ended 8 May 2000**

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The directors present their report and financial statements for the period ended 8 May 2000.

### **Principal activities**

The principal activities of the company are that of a lessor of hotels.

### **Business Review**

During the period an adjacent property at 71/73 Southwark Street was purchased and the hotel extended. The hotel was let to a third party after the balance sheet date.

### **Directors**

The following directors have held office since 1 September 1999:

M S Gourgey  
K Gourgey  
R J Hodge  
N J Griffith

### **Directors' interests**

The directors' beneficial interests in the shares of the company were as stated below:

|              | Ordinary shares of £ 1 each |                  |
|--------------|-----------------------------|------------------|
|              | 8 May 2000                  | 1 September 1999 |
| M S Gourgey  | -                           | -                |
| K Gourgey    | -                           | -                |
| R J Hodge    | 25                          | 25               |
| N J Griffith | 25                          | 25               |

The remaining 50 shares are held in a trust in which M S Gourgey and K Gourgey have a beneficial interest.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Enoch & Partners be reappointed as auditors of the company will be put to the Annual General Meeting.

## **Bankside Hotels Limited**

### **Directors' Report for the period ended 8 May 2000**

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#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

  
N Gourgey  
Secretary

27/09/01

## **Bankside Hotels Limited**

### **Auditors' Report to the Shareholders of Bankside Hotels Limited**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Depreciation of freehold buildings**

As explained in note 1 no provision has been made for depreciation of freehold buildings. Under Financial Reporting Standard 15 a provision of £131,141 should have been made for the depreciation of freehold buildings, increasing the loss before tax and reducing net assets by that amount. Our opinion is not qualified in this respect.

The cumulative depreciation amounts to £393,808.

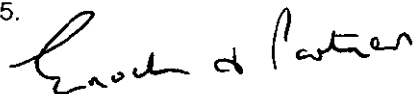
#### **Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the continued support of the company's bankers. In view of the significance of the fact that the preparation of the financial statements on the going concern basis assumes such continued support, we consider that these disclosures should be brought to your attention.

Details of the circumstances relating to this uncertainty are described in note 8. Our opinion is also not qualified in this respect.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 8 May 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Enoch & Partners**

Chartered Accountants  
Registered Auditor

11<sup>th</sup> October 2000,  
.....

Hillside House  
2-6 Friern Park  
London  
N12 9BY

**Bankside Hotels Limited****Profit and Loss Account  
for the Period ended 8 May 2000**

|                                                        |           | Period<br>ended<br>8 May<br>2000<br>£ | 31 August<br>1999<br>£ |
|--------------------------------------------------------|-----------|---------------------------------------|------------------------|
|                                                        | Notes     |                                       |                        |
| Administrative expenses                                |           | (261,343)                             | (334,472)              |
| <b>Operating loss</b>                                  | <b>2</b>  | (261,343)                             | (334,472)              |
| Other interest receivable and similar<br>income        |           | 3,058                                 | 1,133                  |
| Interest payable and similar charges                   | <b>3</b>  | (2,844)                               | (4,666)                |
| <b>Loss on ordinary activities before<br/>taxation</b> |           | (261,129)                             | (338,005)              |
| Tax on loss on ordinary activities                     | <b>4</b>  | -                                     | -                      |
| <b>Loss on ordinary activities after<br/>taxation</b>  | <b>11</b> | (261,129)                             | (338,005)              |

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

***Bankside Hotels Limited***

***Statement of Total Recognised Gains and Losses  
for the period ended 8 May 2000***

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|                                                                      | Period<br>ended<br>8 May<br>2000<br>£ | 31 August<br>1999<br>£ |
|----------------------------------------------------------------------|---------------------------------------|------------------------|
| Notes                                                                |                                       |                        |
| Loss for the financial period                                        | (261,129)                             | (338,005)              |
| Prior year adjustment                                                | -                                     | 52,404                 |
|                                                                      | <hr/>                                 | <hr/>                  |
| Total gains and losses recognised since last<br>financial statements | (261,129)                             | (285,601)              |
|                                                                      | <hr/>                                 | <hr/>                  |

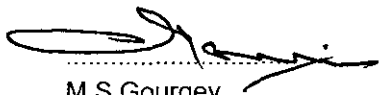
# Bankside Hotels Limited

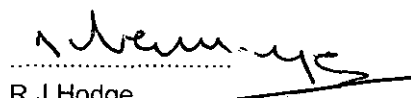
## Balance Sheet as at 8 May 2000

|                                                                | Notes | 2000<br>£        | £                | 1999<br>£        | £                |
|----------------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
| <b>Fixed assets</b>                                            |       |                  |                  |                  |                  |
| Tangible assets                                                | 5     | 12,371,606       |                  | 8,896,575        |                  |
| Investments                                                    | 6     |                  | 2                |                  | 2                |
|                                                                |       |                  | <u>2</u>         |                  | <u>2</u>         |
|                                                                |       | 12,371,608       |                  | 8,896,577        |                  |
| <b>Current assets</b>                                          |       |                  |                  |                  |                  |
| Debtors                                                        | 7     | 1,740,433        |                  | 1,225,600        |                  |
| Cash at bank and in hand                                       |       | 54,965           |                  | 146,017          |                  |
|                                                                |       | <u>1,795,398</u> |                  | <u>1,371,617</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 8     | (9,032,913)      |                  | (1,197,733)      |                  |
| <b>Net current (liabilities)/assets</b>                        |       |                  | (7,237,515)      |                  | 173,884          |
| <b>Total assets less current liabilities</b>                   |       |                  | <u>5,134,093</u> |                  | <u>9,070,461</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 9     |                  | (5,788,923)      |                  | (9,464,162)      |
|                                                                |       |                  | <u>(654,830)</u> |                  | <u>(393,701)</u> |
| <b>Capital and reserves</b>                                    |       |                  |                  |                  |                  |
| Called up share capital                                        | 10    |                  | 100              |                  | 100              |
| Profit and loss account                                        | 11    |                  | (654,930)        |                  | (393,801)        |
| <b>Shareholders' funds - equity interests</b>                  | 12    |                  | <u>(654,830)</u> |                  | <u>(393,701)</u> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 27-9-01.

  
M S Gourgey  
Director

  
R J Hodge  
Director

# **Bankside Hotels Limited**

## **Notes to the Financial Statements for the Period ended 8 May2000**

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

No depreciation is provided in respect of freehold land.

#### **1.2 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                                |                                               |
|--------------------------------|-----------------------------------------------|
| Land and buildings Leasehold   | Over life of lease (15 years) on commencement |
| Plant and machinery            | 10% Reducing balance                          |
| Fixtures, fittings & equipment | 10% Reducing balance                          |

The property is shown at purchase cost plus subsequent building costs and capitalised interest. As the property was still under development at the year end, the directors have decided that depreciation of the property should not commence until the development was completed. The directors believe that this policy results in the financial statements giving a true and fair view.

Costs of £470,000 relating to the lease of the freehold subsequent to the period end have been capitalised and will be depreciated over the lease term from commencement.

#### **1.3 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.4 Deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### **1.5 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

|                                          |                   |                   |
|------------------------------------------|-------------------|-------------------|
| <b>2 Operating loss</b>                  | <b>2000</b>       | <b>1999</b>       |
|                                          | £                 | £                 |
| Operating loss is stated after charging: |                   |                   |
| Depreciation of tangible assets          | 202,058           | 304,362           |
| Auditors' remuneration                   | 3,000             | 1,750             |
|                                          | <u>          </u> | <u>          </u> |
| <b>3 Interest payable</b>                | <b>2000</b>       | <b>1999</b>       |
|                                          | £                 | £                 |
| On bank loans and overdrafts             | 2,844             | 4,666             |
|                                          | <u>          </u> | <u>          </u> |

## **Bankside Hotels Limited**

### **Notes to the Financial Statements for the Period ended 8 May 2000**

#### **4 Taxation**

In addition to interest paid on bank finance allowable for tax purposes on commencement of letting of the hotel of approximately £1.4 million there is qualifying expenditure for capital and industrial building allowance purposes totalling in excess of ten million pounds.

#### **5 Tangible fixed assets**

|                       | <b>Land and<br/>buildings<br/>Freehold</b> | <b>Plant and<br/>machinery</b> | <b>Fixtures,<br/>fittings &amp;<br/>equipment</b> | <b>Total</b> |
|-----------------------|--------------------------------------------|--------------------------------|---------------------------------------------------|--------------|
|                       | <b>£</b>                                   | <b>£</b>                       | <b>£</b>                                          | <b>£</b>     |
| <b>Cost</b>           |                                            |                                |                                                   |              |
| At 1 September 1999   | 6,157,335                                  | 2,692,000                      | 351,702                                           | 9,201,037    |
| Additions             | 3,454,429                                  | -                              | 222,660                                           | 3,677,089    |
|                       | <hr/>                                      | <hr/>                          | <hr/>                                             | <hr/>        |
| At 8 May 2000         | 9,611,764                                  | 2,692,000                      | 574,362                                           | 12,878,126   |
|                       | <hr/>                                      | <hr/>                          | <hr/>                                             | <hr/>        |
| <b>Depreciation</b>   |                                            |                                |                                                   |              |
| At 1 September 1999   | -                                          | 269,200                        | 35,262                                            | 304,462      |
| Charge for the period | -                                          | 165,281                        | 36,777                                            | 202,058      |
|                       | <hr/>                                      | <hr/>                          | <hr/>                                             | <hr/>        |
| At 8 May 2000         | -                                          | 434,481                        | 72,039                                            | 506,520      |
|                       | <hr/>                                      | <hr/>                          | <hr/>                                             | <hr/>        |
| <b>Net book value</b> |                                            |                                |                                                   |              |
| At 8 May 2000         | 9,611,764                                  | 2,257,519                      | 502,323                                           | 12,371,606   |
|                       | <hr/>                                      | <hr/>                          | <hr/>                                             | <hr/>        |
| At 31 August 1999     | 6,157,335                                  | 2,422,800                      | 316,440                                           | 8,896,575    |
|                       | <hr/>                                      | <hr/>                          | <hr/>                                             | <hr/>        |

Included in additions to land and buildings is £1,464,928 in respect of capitalised interest. As the property was still under development at the period end the directors decided that depreciation of the property should not commence until the development was completed.

## **Bankside Hotels Limited**

### **Notes to the Financial Statements for the Period ended 8 May2000**

#### **6 Fixed asset investments**

|                                     | Shares in<br>group<br>undertakings<br>and<br>participating<br>interests<br>£ |
|-------------------------------------|------------------------------------------------------------------------------|
| <b>Cost</b>                         |                                                                              |
| At 1 September 1999 & at 8 May 2000 | <u>2</u>                                                                     |

#### **Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies:

| Company                        | Country of registration or<br>incorporation | Class    | Shares held<br>% |
|--------------------------------|---------------------------------------------|----------|------------------|
| <b>Subsidiary undertakings</b> |                                             |          |                  |
| Riverbank Hotels Limited       | England                                     | Ordinary | 100              |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

|                          | Capital and<br>reserves | Profit for the<br>year |
|--------------------------|-------------------------|------------------------|
| Riverbank Hotels Limited | <u>(563,810)</u>        | <u>(530,984)</u>       |

| <b>7 Debtors</b>                        | <b>2000</b>      | <b>1999</b>      |
|-----------------------------------------|------------------|------------------|
|                                         | £                | £                |
| Amounts owed by subsidiary undertakings | 815,281          | 631,063          |
| Other debtors                           | 924,807          | 593,383          |
| Prepayments and accrued income          | 345              | 1,154            |
|                                         | <u>1,740,433</u> | <u>1,225,600</u> |

Included in other debtors is £768,735 (1999 : £504,552) owed by companies in which both M Gourgey and R J Hodge have an interest.

# **Bankside Hotels Limited**

## **Notes to the Financial Statements for the Period ended 8 May2000**

| <b>8 Creditors: amounts falling due within one year</b> | <b>2000</b>      | <b>1999</b>      |
|---------------------------------------------------------|------------------|------------------|
|                                                         | <b>£</b>         | <b>£</b>         |
| Bank loans and overdrafts                               | 7,817,461        | 11,276           |
| Other creditors                                         | 955,712          | 323,384          |
| Accruals and deferred income                            | 259,740          | 863,073          |
|                                                         | <u>9,032,913</u> | <u>1,197,733</u> |

The company is dependent on its bankers continuing to provide the necessary facilities to enable the company to continue in operation for the foreseeable future.

Included in other creditors is £161,479 due to a company in which M Gourgey has an interest and £323,349 to another company in which R J Hodge has an interest.

| <b>9 Creditors: amounts falling due after more than one year</b> | <b>2000</b>      | <b>1999</b>      |
|------------------------------------------------------------------|------------------|------------------|
|                                                                  | <b>£</b>         | <b>£</b>         |
| Bank loans                                                       | <u>5,788,923</u> | <u>9,464,162</u> |
| <b>Analysis of loans</b>                                         |                  |                  |
| Total loans                                                      | 13,472,056       | 9,464,162        |
| Included in current liabilities                                  | (7,683,133)      | -                |
|                                                                  | <u>5,788,923</u> | <u>9,464,162</u> |

The company has a mortgage secured on its freehold property. The advance of £5,800,000 was made on 1 May 1998 for a term of 18 years and it is repayable by 60 quarterly instalments commencing 1 July 2001. The amount outstanding at the balance sheet date was £5,788,923.

The rest of the companys borrowing is renewed on a yearly basis and has been shown under current liabilities. These loans are unsecured and the drawdown balance at the balance sheet date was £7,683,133.

| <b>10 Share capital</b>                   | <b>2000</b>   | <b>1999</b>   |
|-------------------------------------------|---------------|---------------|
|                                           | <b>£</b>      | <b>£</b>      |
| <b>Authorised</b>                         |               |               |
| 10,000 Ordinary shares of £ 1 each        | <u>10,000</u> | <u>10,000</u> |
| <b>Allotted, called up and fully paid</b> |               |               |
| 100 Ordinary shares of £ 1 each           | <u>100</u>    | <u>100</u>    |

## **Bankside Hotels Limited**

### **Notes to the Financial Statements for the Period ended 8 May 2000**

#### **11 Statement of movements on profit and loss account**

|                              | Profit and<br>loss account<br>£ |
|------------------------------|---------------------------------|
| Balance at 1 September 1999  | (393,801)                       |
| Retained loss for the period | (261,129)                       |
|                              | <hr/>                           |
| Balance at 8 May 2000        | (654,930)                       |
|                              | <hr/>                           |

#### **12 Reconciliation of movements in shareholders' funds**

|                                                    | 2000<br>£ | 1999<br>£   |
|----------------------------------------------------|-----------|-------------|
| Loss for the financial period                      | (261,129) | (338,005)   |
| Other recognised gains and losses                  | -         | 1,263,487   |
|                                                    | <hr/>     | <hr/>       |
| Net (depletion in)/addition to shareholders' funds | (261,129) | 925,482     |
| Opening shareholders' funds                        | (393,701) | (1,319,183) |
|                                                    | <hr/>     | <hr/>       |
| Closing shareholders' funds                        | (654,830) | (393,701)   |
|                                                    | <hr/>     | <hr/>       |

#### **13 Contingent liabilities**

There is still a degree of uncertainty concerning the final amount that is payable as regards capital commitments. The contractor has claimed an additional final payment which the directors consider to be without foundation and it is anticipated that the matter will be resolved on terms that are acceptable to the company.

In view of the aforementioned it is not considered realistic to make any estimate of the settlement figure at this stage.

#### **14 Capital commitments**

|                                                               | 2000<br>£ | 1999<br>£ |
|---------------------------------------------------------------|-----------|-----------|
| At 8 May 2000 the company had capital commitments as follows: |           |           |
| Contracted for but not provided in the financial statements   | 500,000   | 4,000,000 |
|                                                               | <hr/>     | <hr/>     |