

Bankside Hotels Limited
Directors' Report and Financial Statements
for the year ended 8 May 2002



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Bankside Hotels Limited

Company Information

Directors	M S Gourgey K Gourgey R J Hodge N J Griffith
Secretary	Nadine 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 year ended 8 May 2002

The directors present their report and financial statements for the year ended 8 May 2002.

Principal activities

The principal activity of the company is that of a lessor of hotels.

Directors

The following directors have held office since 9 May 2001:

M S Gourgey
K Gourgey
R J Hodge
N J Griffith

Directors' interests

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

	Ordinary shares of £ 1 each	
	8 May 2002	9 May 2001
M S Gourgey	-	-
K Gourgey	-	-
R J Hodge	25	25
N J Griffith	25	25

The remaining 50 shares are held by 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 year ended 8 May 2002

Directors' responsibilities

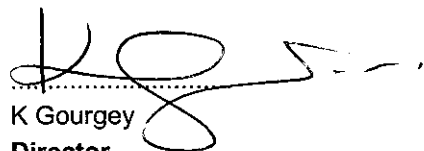
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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



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K Gourgey
Director

18 July 2003
.....

Bankside Hotels Limited

Auditors' Report to the Shareholders of Bankside Hotels Limited

We have audited the financial statements of Bankside Hotels Limited on pages 4 to 12 for the year ended 8 May 2002. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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.

Going concern

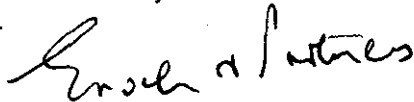
In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the continued support of the company's bankers. In view of the significance of the fact that the preparation of the financial statements on the going concern basis assumes such continued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

Details of the circumstances relating to this uncertainty are described in note 9. 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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Enoch & Partners
Chartered Accountants
Registered Auditor



28 July 2003
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Hillside House
2-6 Friern Park
London
N12 9BY

Bankside Hotels Limited**Profit and Loss Account
for the year ended 8 May 2002**

	Notes	2002 £	2001 £
Turnover		840,443	646,042
Administrative expenses		(817,615)	(861,149)
Operating profit/(loss)	2	<u>22,828</u>	<u>(215,107)</u>
Other interest receivable and similar income		48,240	3,589
Interest payable and similar charges	3	(795,698)	(1,016,347)
Loss on ordinary activities before taxation		<u>(724,630)</u>	<u>(1,227,865)</u>
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	11	<u>(724,630)</u>	<u>(1,227,865)</u>

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 year ended 8 May 2002**

	Notes	2002 £	2001 £
Loss for the financial year		(724,630)	(1,227,865)
Unrealised (deficit)/surplus on revaluation of properties		-	2,712,065
Total recognised gains and losses relating to the year		<u>(724,630)</u>	<u>1,484,200</u>

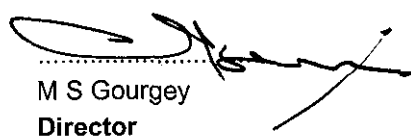
Bankside Hotels Limited

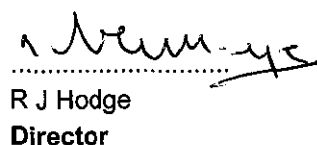
Balance Sheet as at 8 May 2002

	Notes	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	5	16,522,941		16,825,213	
Investments	6		2		2
		16,522,943		16,825,215	
Current assets					
Debtors	7	4,062,600		1,385,117	
Cash at bank and in hand		56,729		286	
		4,119,329		1,385,403	
Creditors: amounts falling due within one year	8	(7,447,521)		(17,381,248)	
Net current liabilities			(3,328,192)		(15,995,845)
Total assets less current liabilities			13,194,751		829,370
Creditors: amounts falling due after more than one year	9	(13,090,011)			-
			104,740		829,370
Capital and reserves					
Called up share capital	10		100		100
Revaluation reserve	11		2,712,065		2,712,065
Profit and loss account	11		(2,607,425)		(1,882,795)
Shareholders' funds			104,740		829,370

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 18.7.03.


M S Gourgey
Director


R J Hodge
Director

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

No depreciation is provided in respect of freehold land.

1.2 Turnover

Turnover represents rents and insurances receivable.

1.3 Tangible fixed assets and depreciation

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

Land and buildings Freehold	Over fifty years
Plant and machinery	10% Reducing balance
Fixtures, fittings & equipment	10% Reducing balance
Motor vehicles	25 % Reducing Balance

The property is shown at purchase cost or revaluation plus subsequent building costs and capitalised interest.

Costs of £470,000 (£270,000 included in freehold buildings and £200,000 included in plant and machinery) that relate to the lease granted to the lessee of the company's freehold are being depreciated over the life of the lease, 15 years.

1.4 Investments

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

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.

2 Operating profit/(loss)	2002	2001
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	507,763	487,096
Auditors' remuneration	4,000	4,000
3 Interest payable	2002	2001
	£	£
On bank loans and overdrafts	795,698	1,016,347

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2002

4 Taxation

Current tax charge

-	-

The company has estimated losses of £ 1,410,636 (2001 : £ 367,892) available for carry forward against future trading profits.

Cumulative losses of over £3,470,000 (2001 : £3,400,000) have been surrendered by way of group relief to the company's subsidiary.

5 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 9 May 2001	14,500,000	2,692,000	612,329	14,500	17,818,829
Additions	205,491	-	-	-	205,491
At 8 May 2002	14,705,491	2,692,000	612,329	14,500	18,024,320
Depreciation					
At 9 May 2001	239,408	624,515	126,068	3,625	993,616
Charge for the year	255,003	201,415	48,626	2,719	507,763
At 8 May 2002	494,411	825,930	174,694	6,344	1,501,379
Net book value					
At 8 May 2002	14,211,080	1,866,070	437,635	8,156	16,522,941
At 8 May 2001	14,260,592	2,067,485	486,261	10,875	16,825,213

Included in land and buildings is £1,714,756 in respect of capitalised interest.

Land and buildings at 9 May 2001 are shown at £14,500,000 following a valuation last year by independent surveyors.

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2002

6 Fixed asset investments

Shares in
group
undertakings
and
participating
interests
£

Cost or valuation

At 9 May 2001 & at 8 May 2002

2

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
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 reserves 2002 £	Profit for the year 2002 £
Riverbank Hotels Limited	3,492,353	70,388

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2002

7 Debtors	2002 £	2001 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	228,528
Other debtors	4,062,600	1,156,589
	<u>4,062,600</u>	<u>1,385,117</u>

Included in other debtors is:

£987,735 (2001 : £1,033,735) owed by Pedersen Leisure Limited in which both M S Gourgey and R J Hodge have an interest.

£138,540 (2001: £121,091) due from Pedersen Caterers Limited, a company in which only M S Gourgey has an interest and £20,000 (2001 : £ Nil) from Pedersen (Duxford) Limited , a wholly owned subsidiary of Pedersen Caterers Limited.

£2,098,736 (2001 : £ Nil) due from Scorebridge Limited, £771,175 (2001 : £ Nil) due from G & G Properties Limited and £20 (2001 : £20) due from G & G Land Limited, companies in which M S Gourgey, R J Hodge and N J Griffith have an interest.

8 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	102,552	16,714,859
Amounts owed to subsidiary undertaking	6,889,853	-
Taxes and social security costs	36,527	45,288
Other creditors	2,000	23,349
Accruals and deferred income	416,589	597,752
	<u>7,447,521</u>	<u>17,381,248</u>

Other creditors of £2,000 (2001 : £ Nil) is an amount due to Pedersen Group Management Limited in which M S Gourgey is a director.

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2002

9 Creditors: amounts falling due after more than one year	2002	2001
	£	£
Bank loans	13,090,011	-
	<u> </u>	<u> </u>
Analysis of loans		
Wholly repayable within five years	13,090,011	16,692,527
Included in current liabilities	-	(16,692,527)
	<u> </u>	<u> </u>
	13,090,011	-
	<u> </u>	<u> </u>

Two new loans were entered into during the year, with agreed redemption dates of 1 January 2006. 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.

The loans are secured by a first legal charge over the properties of Bankside Hotels Limited, and a property held by Scorebridge Limited, a company in which M S Gourgey is a director and R J Hodge and N J Griffith are directors and have an interest. In addition, a corporate guarantee is given by Scorebridge Limited supported by the first legal charge on its property plus a full debenture.

10 Share capital	2002	2001
	£	£
Authorised		
10,000 Ordinary shares of £ 1 each	10,000	10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100
	<u> </u>	<u> </u>

11 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 9 May 2001	2,712,065	(1,882,795)
Retained loss for the year	-	(724,630)
	<u> </u>	<u> </u>
Balance at 8 May 2002	2,712,065	(2,607,425)
	<u> </u>	<u> </u>

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2002

12 Contingent liabilities

A degree of uncertainty remains concerning the final amount payable in respect of the construction of the Company's freehold property. The contractor and professionals have claimed additional payments 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 considered that there is no requirement for the Company to make any provisions in these accounts.

13 Related party transactions

Management charges include £27,000 (2001 : £28,000) paid to Pedersen Group Management Limited and £ Nil (2001: £250,000) to Pedersen Leisure Limited. M S Gourgey has an interest in both these companies, and R J Hodge has an interest in Pedersen Leisure Limited.

Office accommodation costs of £6,000 (2001: £17,250) were paid to Sashden Limited, a company in which M S Gourgey has an interest.