

Bankside Hotels Limited
Directors' Report and Financial Statements
for the year ended 8 May 2004

Company Registration No. 03214521
England and Wales

Enoch & Partners
Chartered Accountants



Bankside Hotels Limited

Company Information

Directors	M S Gourgey K Gourgey R J Hodge N J Griffith
Secretary	N J 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 2004

The directors present their report and financial statements for the year ended 8 May 2004.

Principal activities

The principal activity of the company is that of a lessor of hotels and its wholly owned subsidiary is a property dealer and developer.

Directors

The following directors have held office since 9 May 2003:

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 2004	9 May 2003
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 but the disposition of the Trust was varied subsequent to the balance sheet date.

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 2004

Directors' responsibilities

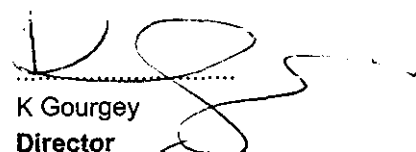
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

On behalf of the board


K Gourgey
Director
21.02.05

Bankside Hotels Limited

Independent Auditors' Report to the Shareholders of Bankside Hotels Limited

We have audited the financial statements of Bankside Hotels Limited on pages 5 to 13 for the year ended 8 May 2004. 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the 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 audit 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 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.

Bankside Hotels Limited

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

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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Enoch & Partners



3 March 2005

Chartered Accountants

Registered Auditor

Hillside House
2-6 Friern Park
London
N12 9BY

Bankside Hotels Limited**Profit and Loss Account
for the year ended 8 May 2004**

	Notes	2004 £	2003 £
Turnover		1,104,214	1,095,212
Administrative expenses		(702,598)	(1,050,729)
Operating profit	2	<u>401,616</u>	<u>44,483</u>
Other interest receivable and similar income		128,043	118,987
Interest payable and similar charges	3	(808,618)	(777,575)
Loss on ordinary activities before taxation		<u>(278,959)</u>	<u>(614,105)</u>
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	11	<u>(278,959)</u>	<u>(614,105)</u>

Bankside Hotels Limited

***Statement of Total Recognised Gains and Losses
for the year ended 8 May 2004***

	2004 £	2003 £
Loss for the financial year	(278,959)	(614,105)
Unrealised surplus on revaluation of properties	18,375	4,257,639
Total recognised gains and losses relating to the year	<u>(260,584)</u>	<u>3,643,534</u>

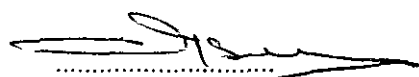
Bankside Hotels Limited

**Balance Sheet
as at 8 May 2004**

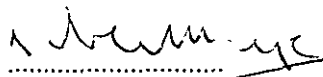
	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	5	19,698,241		20,249,280	
Investments	6		2		2
		<u>19,698,243</u>		<u>20,249,282</u>	
Current assets					
Debtors	7	6,020,010		4,209,619	
Cash at bank and in hand		-		57,095	
		<u>6,020,010</u>		<u>4,266,714</u>	
Creditors: amounts falling due within one year	8	<u>(7,403,312)</u>		<u>(7,704,011)</u>	
Net current liabilities		<u>(1,383,302)</u>		<u>(3,437,297)</u>	
Total assets less current liabilities		<u>18,314,941</u>		<u>16,811,985</u>	
Creditors: amounts falling due after more than one year	9	<u>(14,827,251)</u>		<u>(13,063,711)</u>	
		<u>3,487,690</u>		<u>3,748,274</u>	
Capital and reserves					
Called up share capital	10	100		100	
Revaluation reserve	11	6,988,079		6,969,704	
Profit and loss account	11	<u>(3,500,489)</u>		<u>(3,221,530)</u>	
Shareholders' funds		<u>3,487,690</u>		<u>3,748,274</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 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 28-2-05



M S Gourgey
Director



R J Hodge
Director

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2004

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 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:

Freehold buildings	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) relate to the lease granted to the lessee of the company's freehold and 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

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	551,039	575,014
Auditors' remuneration	4,000	4,000
Directors' emoluments	5,000	-
	<u>560,039</u>	<u>579,014</u>

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2004

3	Interest payable	2004	2003
		£	£
	On bank overdrafts	2,671	5,020
	On loans repayable after 5 years	805,947	764,641
	Other interest	-	7,914
		<u>808,618</u>	<u>777,575</u>
4	Taxation		
	Current tax charge	-	-

The company has estimated losses of £ 2,500,888 (2003: £ 2,176,010) available for carry forward against future trading profits.

Cumulative losses of £3,532,922 (2003 : £3,511,934) have been surrendered by way of group relief to the company's subsidiary.

5	Tangible fixed assets	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
		£	£	£	£	£
	Cost or valuation					
	At 9 May 2003	19,000,000	2,692,000	612,329	15,000	22,319,329
	Additions	(18,375)	-	-	-	(18,375)
	Revaluation	18,375	-	-	-	18,375
	At 8 May 2004	<u>19,000,000</u>	<u>2,692,000</u>	<u>612,329</u>	<u>15,000</u>	<u>22,319,329</u>
	Depreciation					
	At 9 May 2003	835,304	1,012,537	218,458	3,750	2,070,049
	Charge for the year	340,893	167,946	39,387	2,813	551,039
	At 8 May 2004	<u>1,176,197</u>	<u>1,180,483</u>	<u>257,845</u>	<u>6,563</u>	<u>2,621,088</u>
	Net book value					
	At 8 May 2004	<u>17,823,803</u>	<u>1,511,517</u>	<u>354,484</u>	<u>8,437</u>	<u>19,698,241</u>
	At 8 May 2003	<u>18,164,696</u>	<u>1,679,463</u>	<u>393,871</u>	<u>11,250</u>	<u>20,249,280</u>

Land and buildings were revalued at £19,000,000 by independent surveyors on the 14th January 2004. Included in land and buildings is £1,714,756 in respect of capitalised interest.

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2004

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 9 May 2003 & at 8 May 2004	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	Class	Shares held %
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 2004 £	Profit for the year 2004 £
Riverbank Hotels Limited	3,529,424	19,988

7 Debtors	2004 £	2003 £
Other debtors	5,892,063	4,090,933
Prepayments and accrued income	127,947	118,686
	<u>6,020,010</u>	<u>4,209,619</u>

Included in other debtors are sums due from companies which are considered related by virtue of directorships and/or shareholdings. Full details are set out in note 12.

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2004

8 Creditors: amounts falling due within one year	2004	2003
	£	£
Bank loans and overdrafts	42,049	53,974
Amounts owed to subsidiary undertaking	6,859,963	6,875,166
Taxes and social security costs	-	64,121
Other creditors	345,278	94,870
Accruals and deferred income	156,022	615,880
	<u>7,403,312</u>	<u>7,704,011</u>

Included in other creditors are sums due to companies which are considered related by virtue of directorships and/or shareholdings. Full details are set out in note 12.

9 Creditors: amounts falling due after more than one year	2004	2003
	£	£
Bank loans	14,827,251	13,063,711
	<u>14,827,251</u>	<u>13,063,711</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments	14,327,250	-
Wholly repayable within five years	500,001	13,063,711
	<u>14,827,251</u>	<u>13,063,711</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.

Existing borrowing was replaced during the year by a new loan of £14.275m secured by a first legal charge over the company's property and a debenture. The loan is repayable over a period of 25 years. Additionally a further bank loan was effected, secured by personal guarantees of two directors due to mature on the 3rd October 2008 but subsequently redeemed on the 23rd October 2004.

10 Share capital	2004	2003
	£	£
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2004

11 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 9 May 2003	6,969,704	(3,221,530)
Retained loss for the year	-	(278,959)
Revaluation during the year	18,375	-
	<u>6,988,079</u>	<u>(3,500,489)</u>
Balance at 8 May 2004	<u>6,988,079</u>	<u>(3,500,489)</u>

12 Related party transactions

The directors have interests in a number of other companies, either as directors and/or participators, with whom transactions have taken place. These are reflected below:

	2004 £	2003 £
<u>Profit and Loss Account</u>		
Management charges:		
Pedersen Group Management Limited	32,000	34,500
Pedersen Caterers Limited	48,000	320,000
Office accommodation charges:		
Sashden Limited	6,000	6,000
Interest receivable:		
Scorebridge Limited	127,947	118,633

The outstanding balance is shown under prepayments and accrued income £127,947 (2003: £118,633)

Balance Sheet:

Included in other debtors are amounts due from:

Pedersen Leisure Limited	1,087,735	972,735
Pedersen (Duxford) Limited	102,221	60,203
Scorebridge Limited	2,382,732	2,279,820
G & G Properties Limited	451,175	372,175
Pedersen (UK) Limited	1,850,000	-

Bankside Hotels Limited

**Notes to the Financial Statements
for the year ended 8 May 2004**

12 Related party transactions

(continued)

	2004	2003
	£	£
Included in other creditors are amounts due to:		
Pedersen Group Management Limited	4,329	6,329
Pedersen Caterers Limited	7,081	43,581
G & G Land Limited	44,960	44,960
Park Hotel (Sheffield) Limited	288,908	-