

Registered

Bankside Hotels Limited
Directors' Report and Financial Statements
for the year ended 8 May 2005

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 2005

The directors present their report and financial statements for the year ended 8 May 2005.

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 2004:

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 2005	9 May 2004
M S Gourgey	-	-
K Gourgey	-	-
R J Hodge	25	25
N J Griffith	25	25

The remaining 50 shares are held by a trust. M S Gourgey and K Gourgey had a beneficial interest until a Deed of Declaration was effected on the 22nd December 2004 revoking their interests.

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 2005

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 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

24 April 2006

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 14 for the year ended 8 May 2005. 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 or 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.

Bankside Hotels Limited

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

Going concern

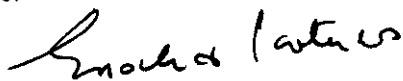
In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the continued support of the company's bankers. In view of the significance of the fact that the preparation of the financial statements on the going concern basis assumes such continued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

Details of the circumstances relating to this uncertainty are described in note 10. Our opinion is 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 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Enoch & Partners



27 April 2006

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 2005**

		2005 £	2004 £
	Notes		
Turnover		1,117,225	1,104,214
Administrative expenses		(575,492)	(702,598)
Operating profit	2	<u>541,733</u>	<u>401,616</u>
Other interest receivable and similar income	3	190,215	128,043
Interest payable and similar charges	4	(982,018)	(808,618)
Loss on ordinary activities before taxation		<u>(250,070)</u>	<u>(278,959)</u>
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation	12	<u>(250,070)</u>	<u>(278,959)</u>

Bankside Hotels Limited

**Statement of Total Recognised Gains and Losses
for the year ended 8 May 2005**

	2005	2004
	£	£
Loss for the financial year	(250,070)	(278,959)
Unrealised (deficit)/surplus on revaluation of properties	-	18,375
Total recognised gains and losses relating to the year	(250,070)	(260,584)

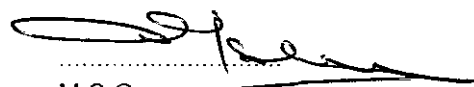
Bankside Hotels Limited

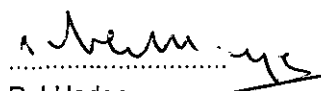
**Balance Sheet
as at 8 May 2005**

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	6	19,168,639		19,698,241	
Investments	7		2		2
		19,168,641		19,698,243	
Current assets					
Debtors	8	5,779,926		6,020,010	
		5,779,926		6,020,010	
Creditors: amounts falling due within one year	9	(7,520,611)		(7,403,312)	
Net current liabilities		(1,740,685)		(1,383,302)	
Total assets less current liabilities		17,427,956		18,314,941	
Creditors: amounts falling due after more than one year	10	(14,190,336)		(14,827,251)	
		3,237,620		3,487,690	
Capital and reserves					
Called up share capital	11	100		100	
Revaluation reserve	12	6,988,079		6,988,079	
Profit and loss account	12	(3,750,559)		(3,500,489)	
Shareholders' funds		3,237,620		3,487,690	

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 24-4-06.


M S Gourgey
Director


R J Hodge
Director

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2005

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 charges 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 Deferred taxation

The accounting policy in respect of deferred tax complies with the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.6 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	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	529,602	551,039
Auditors' remuneration	3,000	4,000
Directors' emoluments	-	5,000

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2005

3	Investment income	2005	2004
		£	£
	Bank interest	-	96
	Other interest	190,215	127,947
		<u>190,215</u>	<u>128,043</u>

4	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	2,470	2,671
	On loans repayable after five years	979,548	805,947
		<u>982,018</u>	<u>808,618</u>

5 Taxation

The company has estimated losses of £ 2,741,025 (2004: £ 2,500,888) available for carry forward against future trading profits.

Cumulative losses of £3,555,050 (2004 : £3,532,922) have been surrendered by way of group relief to the company's subsidiary.

In view of these losses, no deferred tax provision is deemed necessary.

Bankside Hotels Limited**Notes to the Financial Statements
for the year ended 8 May 2005****6 Tangible fixed assets**

	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 9 May 2004 & at 8 May 2005	19,000,000	2,692,000	612,329	15,000	22,319,329
Depreciation					
At 9 May 2004	1,176,197	1,180,483	257,845	6,563	2,621,088
Charge for the year	340,893	151,152	35,448	2,109	529,602
At 8 May 2005	1,517,090	1,331,635	293,293	8,672	3,150,690
Net book value					
At 8 May 2005	17,482,910	1,360,365	319,036	6,328	19,168,639
At 8 May 2004	17,823,803	1,511,517	354,484	8,437	19,698,241

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.

All assets, except for the motor vehicle, are held for use in an operating lease.

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2005

7 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 9 May 2004 & at 8 May 2005	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	100.00

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 2005 £	Profit for the year 2005 £
	Principal activity		
Riverbank Hotels Limited	Property dealer and developer	3,551,552	22,128

8 Debtors	2005 £	2004 £
Other debtors	5,461,764	5,892,063
Prepayments and accrued income	318,162	127,947
	<u>5,779,926</u>	<u>6,020,010</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 14.

Bankside Hotels Limited

**Notes to the Financial Statements
for the year ended 8 May 2005**

9 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	99,218	42,049
Amounts owed to subsidiary undertakings	6,855,351	6,859,963
Taxes and social security costs	59,826	-
Other creditors	344,636	345,278
Accruals and deferred income	161,580	156,022
	<u>7,520,611</u>	<u>7,403,312</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 14.

10 Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loans	14,190,336	14,827,251
	<u>14,190,336</u>	<u>14,827,251</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments	14,190,336	14,327,250
Wholly repayable within five years	-	500,001
	<u>14,190,336</u>	<u>14,827,251</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.

The loan is to be redeemed by 1st April 2029 and is secured by a first legal charge over the company's freehold property and by a debenture.

11 Share capital	2005 £	2004 £
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 2005

12 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 9 May 2004	6,988,079	(3,500,489)
Retained loss for the year	-	(250,070)
Balance at 8 May 2005	<u>6,988,079</u>	<u>(3,750,559)</u>

13 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2005	2004	Maximum in year
	£	£	£
R J Hodge	1,232	-	1,232
N J Griffith	1,232	-	1,232

M S Gourgey and R J Hodge have given personal guarantees of £25,000 in respect of a bank overdraft. These guarantees were withdrawn after the balance sheet date.

Bankside Hotels Limited

Notes to the Financial Statements for the year ended 8 May 2005

14 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:

	2005 £	2004 £
<u>Profit and Loss Account</u>		
Management charges:		
Pedersen Group Management Limited	36,000	32,000
Pedersen Caterers Limited	-	48,000
Office accommodation charges:		
Sashden Limited	6,000	6,000
Interest receivable:		
Scorebridge Limited	131,217	127,947
Pedersen (UK) Limited	58,998	-
<u>Balance Sheet:</u>		
Included in other debtors are amounts due from:		
Pedersen Leisure Limited	1,292,735	1,087,735
Pedersen (Duxford) Limited	162,803	102,221
Scorebridge Limited	2,390,732	2,382,732
G & G Properties Limited	495,288	451,175
Pedersen (UK) Limited	1,104,981	1,850,000
Pedersen (GB) Limited	10,297	-
C D Gourgey	1,232	-
N J Gourgey	1,232	-
Included in prepayments and accrued income are amounts due from:		
Scorebridge Limited	259,164	127,947
Pedersen (UK) Limited	58,998	-
Included in other creditors are amounts due to:		
Pedersen Group Management Limited	2,224	4,329
Pedersen Caterers Limited	2,081	7,081
G & G Land Limited	51,423	44,960
Park Hotel (Sheffield) Limited	288,908	288,908