

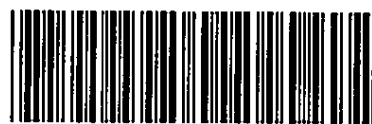
New Light Hotels Limited

Annual Report and Financial Statements

for the year ended 31 December 2012

Registered Number 6348161

THURSDAY



A2BFVFHN

A37

27/06/2013

#238

COMPANIES HOUSE

New Light Hotels Limited

Annual report and financial statements for the year ended 31 December 2012

Contents

Directors' report for the year ended 31 December 2012	1
Independent auditors' report to the members of New Light Hotels Limited	3
Profit and loss account for the year ended 31 December 2012	5
Reconciliation of movements in shareholders' funds for the year ended 31 December 2012	6
Balance sheet as at 31 December 2012	7
Accounting policies	8
Notes to the financial statements for the year ended 31 December 2012	10

New Light Hotels Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012

Principal activities

The principal activity of the company during the year was trading as hotel and restaurant developers and operators

Review of business and future developments

The Company's Exeter hotel reopened in June 2012 following a major refurbishment

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year

The directors do not recommend the payment of a dividend

Directors

The directors who served during the year and up to the date of the signing of the financial statements were

M Low

R J C Little

B E Williams

J P Dawson

Going concern

Based on the Company's operating projections, cash flow forecasts, historical performance, and taking in to account undertakings to provide continuing financial support given by the ultimate parent company, the Directors believe that there is reasonable expectation that the company will generate sufficient cash and have access to working capital facilities to enable it to meet its funding requirements for at least the next 12 months. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements

Impairment

The directors do not consider that any further impairment of the Company's hotels is required, following the significant impairment in 2011

Financial risk management

In addition to the impairment risk arising from challenging economic conditions in the UK, the Board considers the principal risks of the business to be as follows

Competition

The Company considers competition from both national and independent hoteliers to be a key business risk. The Company participates in a range of benchmarking surveys to ensure market share is maintained

Key staff

Employee retention is a further risk and the company performs regular salary reviews to ensure remuneration remains competitive

Credit risk

The nature of the Company's business is such that a large majority of guests either pay in advance (for events) or on departure, and credit risk is considered very low as a result

New Light Hotels Limited

Interest rate and liquidity risk

The company is substantially financed by its intermediate parent company, which also reduces its exposure to interest rate risk and to liquidity risk

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

Employee involvement

The flow of information to staff has been maintained by our internal communications. Members of management regularly visit the company's hotels and discuss matters of current interest and concern to the business with members of staff.

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 prepared 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Independent Auditors

So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and the directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the annual general meeting.

By order of the Board



B E Williams
Director

18 June 2013

New Light Hotels Limited

Independent auditors' report to the members of New Light Hotels Limited

We have audited the financial statements of New Light Hotels Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Accounting Policies 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors Responsibilities set out in the directors' report, 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 and express an opinion on 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

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 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

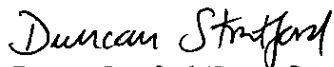
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

New Light Hotels Limited

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



Duncan Stratford (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

18 June 2013

New Light Hotels Limited

Profit and loss account for the year ended 31 December 2012

	Note	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Turnover	1	10,681,931	8,884,957
Cost of sales		(6,150,616)	(5,015,978)
Gross profit		4,531,315	3,868,979
Administrative expenses		(6,893,484)	(5,841,544)
Exceptional Items	4	-	(8,141,940)
Operating loss	3	(2,362,169)	(10,114,505)
Interest receivable and similar income	5	3,900	7,735
Interest payable and similar charges	6	(88,855)	(60,690)
Loss on ordinary activities before taxation		(2,447,124)	(10,167,460)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	16	(2,447,124)	(10,167,460)

The notes on pages 10 to 16 form part of these financial statements

All results derive from continuing operations

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year as stated above and their historical cost equivalents

New Light Hotels Limited

Reconciliation of movements in shareholders' funds for the year ended 31 December 2012

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Reconciliation of movements in shareholders' funds		
Loss for the financial year	(2,447,124)	(10,167,460)
Shares issued during the year	-	-
Net movement in shareholders' funds	(2,447,124)	(10,167,460)
Opening shareholders' (deficit)/funds	(3,882,770)	6,284,690
Closing shareholders' (deficit)	(6,329,894)	(3,882,770)

The notes on pages 10 to 16 form part of these financial statements

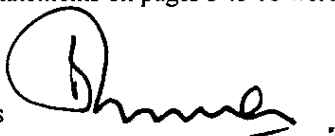
New Light Hotels Limited

Balance sheet as at 31 December 2012

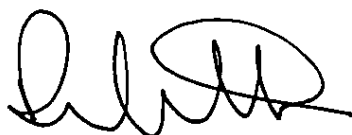
	Note	31 December 2012 £	31 December 2011 £
Fixed assets			
Tangible assets	8	35,934,964	33,021,289
Current assets			
Stocks	9	215,285	171,348
Debtors	10	624,821	1,306,645
Cash at bank and in hand		659,650	3,165,339
Total Current Assets		1,499,756	4,643,332
Creditors' amounts falling due within one year	11	(42,964,614)	(35,767,391)
Net current liabilities		(41,464,858)	(31,124,059)
Total assets less current liabilities		(5,529,894)	1,897,230
Creditors: amounts falling due after more than one year	12	-	(4,980,000)
Provisions for liabilities	13	(800,000)	(800,000)
Net liabilities		(6,329,894)	(3,882,770)
Capital and reserves			
Called up share capital	15	17,000,100	17,000,100
Profit and loss account	16	(23,329,994)	(20,882,870)
Total shareholders' deficit		(6,329,894)	(3,882,770)

The financial statements on pages 5 to 16 were approved and authorised for issue by the Board of Directors on 18 June 2013

Brian Williams
Director



Robert Little
Director



The notes on pages 10 to 16 form part of these financial statements

Registered Number 6348161

New Light Hotels Limited

Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. The principal accounting policies are:

Accounting year

The accounting reference date of the company is 31 December. The financial statements are presented for the year to 31 December 2012.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1, 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Swire Properties Limited and the company is included in the consolidated financial statements of that company.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The company meets its day to day working capital requirements through the continuing support of its parent. The Company's intermediate parent, Swire Properties Limited, has provided a letter of support indicating continued ongoing support for the company.

Exceptional Items

The Company discloses as exceptional those material items which, by virtue of their size or incidence, are required to enable a full understanding of the Company's financial performance.

Turnover

Turnover represents the invoiced value of goods and services exclusive of VAT, provided to external customers.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leased assets

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except freehold land, over their expected useful lives, which are as follows:

Freehold buildings	-	200 years
Leasehold land & buildings	-	Over term of lease
Plant & machinery	-	3 to 25 years

Impairment of fixed assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (less costs to sell) and value in use. Value in use is based on the present value of the future cash flows relating to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (income generating units).

Impairment losses relating to tangible fixed assets are reversed where the recoverable amount increases because of a change in economic conditions or in the expected use of the asset.

New Light Hotels Limited

Capitalised finance costs

Finance costs directly attributable to the purchase of sites for development as hotels and the subsequent development of these sites is capitalised and included within freehold land and buildings. Finance costs are capitalised from the time at which development starts to the opening of the hotel.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company regards it more likely than not that there will be sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met. Deferred tax balances are not discounted.

Changes to accounting policies

All accounting policies have been consistently applied throughout the year.

New Light Hotels Limited

Notes to the financial statements for the year ended 31 December 2012

1 Turnover

Turnover arises within the United Kingdom and is wholly attributable to the principal activity of the company

2 Staff costs and employee information

Staff costs include the following	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Wages and salaries	4,525,476	3,688,586
Social security costs	311,549	269,694
	4,837,025	3,958,280

Employees	Year ended 31 December 2012 Number	Year ended 31 December 2011 Number
The average monthly number of persons employed by the company, including directors, were as follows		
Full time	231	187
Part time	72	54
	303	241

Directors	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Directors' remuneration consist of		
Salaries	184,127	182,794

The remuneration of some directors is paid by other group companies. The services of these directors are of a non-executive nature and their emoluments are deemed to be totally attributable to other group companies.

New Light Hotels Limited

3 Operating loss

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Operating loss is stated after charging		
Depreciation	600,028	644,771
Hire of plant and machinery – operating leases	27,496	21,805
Hire of other assets – operating leases	1,807,921	1,723,901
Auditors' remuneration – audit services	34,000	32,050
Auditors' remuneration – tax & other services	12,800	22,250
Loss on disposal of fixed assets	-	-

4 Exceptional Items

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Impairment of tangible fixed assets	-	8,141,940

The impairment of tangible fixed assets in 2011 relates to the leasehold property in Brighton, and the freehold properties in Cheltenham and Exeter (note 8)

The tax benefit arising from these costs is £nil (2011 £nil) The cash outflow in 2012 relating to these costs was £nil (2011 £nil)

5 Interest receivable and similar income

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Bank interest received	3,900	7,735

New Light Hotels Limited

6 Interest payable and similar charges

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Interest on bank loan	76,855	48,690
Amortisation of loan arrangement fee (Note 12)	12,000	12,000
	88,855	60,690

7 Tax on loss on ordinary activities

No liability to corporation tax arises on the results for the year

The tax assessed for the year varies (2011 varies) from the standard rate of corporation tax in the UK. The differences are explained below

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Loss on ordinary activities before tax	(2,447,124)	(10,167,460)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(599,479)	(2,693,680)
Effects of:		
Expenses not deductible for tax	68,351	1,845,453
Income not taxable for tax purposes	(2,616)	(10,490)
Difference between depreciation and capital allowances for the year	(407,041)	(35,291)
Movement in short-term timing differences	4,654	-
Trading losses carried forward	936,131	894,008
Current tax charge for the year	-	-

Factors affecting current and future tax charges

During the year, as a result of the changes in the UK corporation tax rate to 24%, which was substantially enacted on 26 March 2012 and was effective from 1 April 2012, and to 23%, which was substantially enacted on 3 July 2012 and will be effective from 1 April 2013. The relevant deferred tax balances have been re-measured.

A further reduction to the UK corporation tax rate has been announced. The change proposes to reduce the rate to 22% from 1 April 2014. The change had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

New Light Hotels Limited

8 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Total £
Cost				
At 1 January 2012	37,466,371	951,317	4,771,318	43,189,006
Additions	2,792,593	11,839	709,271	3,513,703
At 31 December 2012	40,258,964	963,156	5,480,589	46,702,709
Accumulated Depreciation				
At 1 January 2012	6,551,445	951,317	2,664,955	10,167,717
Charge for the year	148,742	-	451,286	600,028
At 31 December 2012	6,700,187	951,317	3,116,241	10,767,745
Net Book Value				
At 31 December 2011	30,914,926	-	2,106,363	33,021,289
At 31 December 2012	33,558,777	11,839	2,364,348	35,934,964

No impairment loss has been not recognised in the year on the freehold properties in Cheltenham and Exeter (2011 £8,141,940) following a review by the directors

9 Stocks

	31 December 2012 £	31 December 2011 £
Consumables		
Food, beverage, clothing and sundries	215,285	171,348

10 Debtors

	31 December 2012 £	31 December 2011 £
Trade debtors	91,358	177,805
Other debtors	14,526	634,458
Taxation and social security debtor	-	59,889
Prepayments and accrued income	518,937	434,493
	624,821	1,306,645

New Light Hotels Limited

11 Creditors: Amounts falling due within one year

	31 December 2012 £	Restated 31 December 2011 £
Trade creditors	515,702	638,703
Amounts owed to parent undertaking	6,810,439	5,128,234
Amounts owed to group undertaking	28,540,741	28,500,000
Other creditors	18,275	16,879
Taxation and social security creditor	300,847	83,953
Bank loans & overdraft	4,992,000	-
Accruals and deferred income	1,786,610	1,399,622
	42,964,614	35,767,391

The amount owed to the parent and group undertaking is unsecured and is in the form of a non-interest bearing loan. The intercompany amounts have been restated to reflect better the split between parent and other group undertakings.

12 Creditors: Amounts falling due after more than one year

	31 December 2012 £	31 December 2011 £
Bank loans and overdrafts	-	4,980,000
Amounts repayable		
In one year or less	4,992,000	-
In more than one year but not more than two years	-	4,980,000
In more than two years but not more than five years	-	-
In more than five years	-	-

The bank loan bears interest at 43bps above Libor, and is secured by an intermediate parent company guarantee. Of the total interest payable of £98,247, (2011 £97,379), £21,393 (2011 £48,690) has been capitalised. The amount shown above is net of capitalised loan arrangement fees of £60,000, of which £12,000 (2011 £12,000) have been amortised in the year (Note 6).

New Light Hotels Limited

13 Provision for liabilities

	31 December 2012 £	31 December 2011 £
Provision for onerous lease	800,000	800,000

The provision reflects the amount by which the obligations under the restaurant lease in Brighton exceed the economic benefit expected to be received from it

14 Deferred taxation

	31 December 2012 £	31 December 2011 £
Deferred tax assets		
Trading losses	5,658,949	5,067,662
STTDs - trading	5,060	-
Deferred tax liabilities		
Accelerated capital allowances	(1,791,399)	(2,681,596)
	3,872,610	2,386,066

The net deferred tax asset (at a rate of 23%) is not recognised in these financial statements on the basis of uncertainty over the future taxable profits of the Company

The recoverability of the asset is contingent on the Company achieving improved trading performance in future periods

15 Called Up Share capital

	2012 No.	2012 £	2011 No.	2011 £
Authorised				
Ordinary shares of £1 each	20,000,000	20,000,000	20,000,000	20,000,000
	2012 Number	2012 £	2011 Number	2011 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	17,000,100	17,000,100	17,000,100	17,000,100

New Light Hotels Limited

16 Reserves

	Profit and loss account £
At 31 December 2011	(20,882,870)
Loss for the year	(2,447,124)
At 31 December 2012	(23,329,994)

17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	2012 Land and buildings £	2012 Other £	2011 Land and buildings £	2011 Other £
Operating leases which expire				
Within one year	23,400	7,036	-	960
In two to five years	-	2,544	46,800	9,496
Over five years	1,845,182	-	1,723,688	-
	1,868,582	9,580	1,770,488	10,456

18 Related party transactions and ultimate parent company

The directors regard Swire Pacific Limited, a company listed in Hong Kong and which is the largest group to consolidate these financial statements, to be the company's ultimate controlling party. The directors regard Swire Properties Limited, a company listed in Hong Kong and which is the smallest group to consolidate these financial statements, to be the company's intermediate parent undertaking. Copies of consolidated group financial statements are also available from Swire Properties Limited, 35/F, Two Pacific Place, 88 Queensway, Hong Kong.

The company's immediate parent company is Golden Tent Limited, a company incorporated in Hong Kong. The ultimate parent company is John Swire & Sons Limited, a company incorporated in England.

Exemptions from disclosing transactions with the ultimate parent undertaking, and all other entities within the Swire Pacific Limited group, have been taken in accordance with FRS 8, as the Company is a wholly owned subsidiary of Swire Pacific Limited, whose consolidated financial statements are publicly available.

19 Capital commitments

At 31 December 2012, the company had capital commitments of £ nil (2011: £1.7m).