

**ANCHOR HOTELS LIMITED**  
**(Registered Number 291724)**

**REPORT AND ACCOUNTS**

**53 WEEKS ENDED 30 SEPTEMBER 2000**



## **ANCHOR HOTELS LIMITED**

### **DIRECTOR'S REPORT**

The Director presents its Report and Accounts for the period ended 30 September 2000.

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR**

The Company is a holding company.

On 17 May 2000 Granada Group PLC and Compass Group PLC announced that they had agreed the terms of a merger between them to be followed by a demerger to create two focused groups. The merger was completed on 27 July 2000 when Granada Compass plc became the Company's ultimate parent. On 2 February 2001 Granada Compass plc was demerged and the Company became a subsidiary of a newly listed company, Compass Group PLC.

### **TRADING RESULTS**

The profit on ordinary activities before taxation for the period was £Nil (1999: £219,000).

### **DIVIDEND**

The Director does not recommend the payment of a dividend for the period (1999: £Nil).

### **DIRECTOR**

The Director of the Company as at 30 September 2000 was Forte Hotels Limited.

### **DIRECTOR'S INTERESTS**

Anchor Hotels Limited and Forte Hotels Limited are both in the same Group and are wholly owned subsidiaries of Compass Group PLC (see Note 9 to the financial statements).

Forte Hotels Limited did not have an interest in the issued share capital of the Company.

### **POST BALANCE SHEET EVENTS**

On 19 September 2000 the Board of Granada Compass announced that it was conducting a strategic review of the hotels division and was holding exploratory discussions and that the interests of Granada Compass shareholders would be best served by establishing a formal process for the disposal of the Forte Hotels Division, comprising the Le Meridien, Posthouse and Heritage hotel brands and the London Signature hotels.

Since 30 September 2000, agreements have been reached for the disposal of the component brands and hotels.

# **ANCHOR HOTELS LIMITED**

## **DIRECTOR'S REPORT (CONTINUED)**

### **ELECTIVE RESOLUTIONS**

The Company has passed Elective Resolutions to dispense with the laying of the Annual Report and Accounts before the Company in General Meeting, the appointment of auditors annually and the holding of Annual General Meetings, pursuant to Sections 252, 386 and 366A respectively of the Companies Act 1985.

By Order of the Board



Director

4 July 2001

Registered Office  
166 High Holborn  
London WC1V 6TT

## **ANCHOR HOTELS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

It is the responsibility of 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 as at the end of the financial year and of the profit or loss for that period.

The Directors consider that, in preparing the financial statements on pages 5 to 9, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, that all accounting standards which they consider to be applicable have been followed and that it is appropriate to use a going concern basis.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard assets of the Company and to prevent and detect fraud and other irregularities.

**kpmg**

**KPMG Audit Plc**

PO Box 695  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
ANCHOR HOTELS LIMITED**

We have audited the financial statements on pages 5 to 9.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

**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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2000 and of its result for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

4 July 2001

**ANCHOR HOTELS LIMITED**

**PROFIT & LOSS ACCOUNT  
FOR THE 53 WEEKS ENDED 30 SEPTEMBER 2000**

	53 weeks ended 30 September 2000 £'000	52 weeks ended 25 September 1999 £'000
Other operating income (Note 2)	-	219
<b>OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION RETAINED FOR THE PERIOD (Notes 3 and 6)</b>	<b>-</b>	<b>219</b>

The company had no recognised gains or losses during the period other than those reflected in the above profit and loss account.

There is no difference between the reported results for the period and those that would be reported under the historical cost convention.

The Company's results were derived wholly from continuing operations.

# ANCHOR HOTELS LIMITED

## BALANCE SHEET - AS AT 30 SEPTEMBER 2000

	30 September 2000 £'000	25 September 1999 £'000
<b>FIXED ASSETS</b>		
Investments (Note 4)	<u>1,134</u>	<u>1,134</u>
<b>CREDITORS</b>		
- Amounts falling due within one year		
Amount owed to subsidiary undertaking	(1,157)	(1,157)
Amount owed to intermediate parent undertaking	<u>(48,718)</u>	<u>(48,718)</u>
<b>NET LIABILITIES</b>	<u>(48,741)</u>	<u>(48,741)</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 5)	3	3
Profit and loss reserve (deficit) (Note 6)	<u>(48,744)</u>	<u>(48,744)</u>
<b>DEFICIT ON EQUITY</b>		
SHAREHOLDER'S FUNDS (Note 6)	<u>(48,741)</u>	<u>(48,741)</u>

Approved by the Board on 4 July 2001 and signed on their behalf  
by

*Andrew Martin*

A D Martin  
For Forte Hotels Limited, Director

## **ANCHOR HOTELS LIMITED**

### **NOTE TO THE ACCOUNTS - 30 SEPTEMBER 2000**

#### **1 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts.

##### **(a) Basis of preparation**

The accounts have been prepared in accordance with applicable Accounting Standards, and under the historical cost convention modified to include the revaluation of fixed asset investments.

The accounts have been prepared on a going concern basis. The Company's immediate parent company Forte (UK) Limited has confirmed its financial support for the foreseeable future.

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare consolidated accounts.

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent company includes the Company's cash flows in its own published consolidated accounts.

##### **(b) Investments in subsidiary undertakings**

Shares in the subsidiary undertaking are revalued on the basis of the Company's share of the net assets of the undertaking. Any diminution in carrying value below historical cost is charged to the profit and loss account.

#### **2 OPERATING INCOME**

	53 weeks ended 30 September 2000 £'000	52 weeks ended 25 September 1999 £'000
Surplus on dissolution of subsidiary undertaking	<u>-</u>	<u>219</u>

#### **3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The average number of personnel employed by the Company during the period was Nil (1999: Nil).

The Director did not receive any emoluments in respect of its services to the Company during the period (1999: £Nil).

Auditor's remuneration is borne by and disclosed in the accounts of Forte (UK) Limited.



# ANCHOR HOTELS LIMITED

## NOTE TO THE ACCOUNTS - 30 SEPTEMBER 2000 (CONTINUED)

### 4 FIXED ASSETS - INVESTMENTS

#### Subsidiary undertaking

<b>Shares at cost</b>	£'000
At 25 September 1999 and 30 September 2000	<u>1,134</u>
<b>Net book value</b>	
At 25 September 1999 and 30 September 2000	<u>1,134</u>

The Company has a direct investment in Happy Eater Limited which is wholly owned and incorporated in England.

Group accounts have not been prepared as the company is a wholly owned subsidiary of Granada Compass plc, the ultimate parent undertaking, which is incorporated in England.

In the opinion of the Director the value of the company's investment in this company is not less than the amount at which it is stated in the balance sheet.

### 5 CALLED UP SHARE CAPITAL

	2000	1999
<b>Authorised, allotted, issued and fully paid</b>	£'000	£'000
3,000 ordinary shares of £1 each	<u>3</u>	<u>3</u>

### 6 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	Share capital	Profit and loss reserve	Total 2000	Total 1999
	£'000	£'000	£'000	£'000
At 25 September 1999	3	(48,744)	(48,741)	(48,960)
Profit for the year	-	-	-	<u>219</u>
At 30 September 2000	<u>3</u>	<u>(48,744)</u>	<u>(48,741)</u>	<u>(48,741)</u>

## **ANCHOR HOTELS LIMITED**

### **NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2000 (CONTINUED)**

#### **7 POST BALANCE SHEET EVENTS**

On 19 September 2000 the Board of Granada Compass Plc announced that it was conducting a strategic review of the hotels division and was holding exploratory discussions and that the interests of Granada Compass shareholders would be best served by establishing a formal process for the disposal of the Forte Hotels Division, comprising the Le Meridien, Posthouse and Heritage hotel brands and the London Signature hotels.

Since 30 September 2000, agreements have been reached for the disposal of the component brands and hotels.

Granada Compass plc was demerged on 2 February 2001 to form two publicly quoted companies, Compass Group PLC and Granada plc and the Company became a subsidiary of Compass Group PLC.

#### **8 RELATED PARTY TRANSACTIONS**

As the Company was a wholly owned subsidiary of Granada Compass plc at 30 September 2000, the Company has taken advantage of the exemption contained in Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with entities which form part of the Group, headed by Granada Compass plc.

The Director confirms that there were no related party transactions other than those disclosed in these accounts.

#### **9 ULTIMATE PARENT AND CONTROLLING COMPANY AND PARENT UNDERTAKINGS OF SMALLEST AND LARGEST GROUP OF WHICH THE COMPANY IS A MEMBER.**

The Director considers the ultimate holding and controlling company to be Compass Group PLC, following that company's demerger from Granada Compass plc on 2 February 2001. Previously the ultimate holding and controlling company was Granada Compass plc which was formed on 27 July 2000 by the merger of Granada Group PLC and Compass Group PLC. The Director considered Granada Group PLC to be the ultimate holding and controlling company prior to this date. All these companies are registered in the UK. The accounts of Granada Compass plc, which heads both the largest and smallest group in which the results of the Company are consolidated, are available to the public from the following address: Stornoway House, 13 Cleveland Row, London, SW1A 1GG.

The accounts of Compass Group PLC are available to the public from the following address: Cowley House, Guildford Road, Chertsey, Surrey, KT16 9BA.

The immediate holding and controlling company is Forte (UK) Limited, a company registered in England.