

Registered Number 3049766

ACCOUNTS FOR REGISTRAR

CROWN LODGE INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 1999



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CROWN LODGE INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 1999

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CROWN LODGE INVESTMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	D R Kirch R J Locker I L J Thomas C L Walker-Robson
Secretary	C L Walker-Robson
Auditors	Cavendish & Co Chartered Certified Accountants
Solicitors	Nabarro Nathanson
Registered Office	CNC House The Grand Union Office Park Packet Boat Lane Uxbridge UB8 2GH

CROWN LODGE INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements to 31 December 1999.

1. ACTIVITIES

The company's principal activity is property investment.

2. RESULTS AND DIVIDENDS

The loss after taxation for the year was £139,000 (1998 - £17,000). The directors declared an interim dividend of £274,000 (1998 - £nil). The directors do not recommend the payment of a final dividend (1998 - £nil).

3. FUTURE DEVELOPMENTS

The company intends to seek further property opportunities.

4. DIRECTORS

The present membership of the Board is set out on page 1. All directors served throughout the year.

Messrs D R Kirch, R J Locker, I L J Thomas and C L Walker-Robson are directors of Grand Union Office Park Limited of which this company is a wholly owned subsidiary.

Mr D R Kirch is a director of Channel Hotels and Properties Limited who own 50% of the equity share capital of Grand Union Office Park Limited and his interests in Channel Hotels and Properties Limited are shown in the accounts of that company. Mr C L Walker-Robson is a director of CNC Properties Plc who own 50% of the equity share capital of Grand Union Office Park Limited and his interests in CNC Properties Plc are shown in the accounts of that company. Mr R J Locker does not have any interest in the share capital of the company or any other group company.

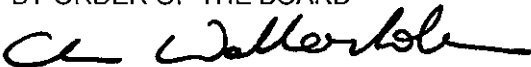
5. YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

6. AUDITORS

Cavendish & Co have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



C L WALKER-ROBSON
SECRETARY

15 May

2000

CROWN LODGE INVESTMENTS LIMITED

STATEMENT OF 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- 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.

CROWN LODGE INVESTMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Cavendish & Co
Chartered Certified Accountants and Registered Auditors

 2000

18 Queen Anne Street
London W1M 0HB

CROWN LODGE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1999

	Note	1999 £'000	1998 £'000
Turnover	1(c)	27	67
Cost of sales		(1)	(3)
Gross profit		<u>26</u>	<u>64</u>
Administrative expenses		(50)	(41)
Operating loss		<u>(24)</u>	<u>23</u>
Profit on disposal of investment properties		93	-
Net interest payable	2	(6)	(29)
Profit on ordinary activities before taxation	3	<u>63</u>	<u>(6)</u>
Tax credit on profit on ordinary activities	4	10	(11)
Profit after taxation		<u>73</u>	<u>(17)</u>
Dividends	5	(212)	-
Loss for year transferred to reserves	11	<u>(139)</u>	<u>(17)</u>
		=====	=====

All activities derive from continuing operations.

CROWN LODGE INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES **For the year ended 31 December 1998**

	1999 £'000	1998 £'000
(Loss)/profit for the financial year	73	(17)
Deficit arising on valuation of fixed assets	-	-
Total recognised gains and losses for the year	<u>73</u> =====	<u>(17)</u> =====

NOTE OF HISTORICAL COST PROFITS AND LOSSES **For the year ended 31 December 1998**

	1999 £'000	1998 £'000
Historical cost (loss)/profit on ordinary activities before taxation	63	(6)
Historical cost (loss)/profit after taxation	<u>73</u> =====	<u>(17)</u> =====

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS **For the year ended 31 December 1998**

	1999 £'000	1998 £'000
Profit/(loss) for the financial year	(139)	(17)
Opening shareholders' funds	139	156
CLOSING SHAREHOLDERS' FUNDS	<u>-</u> =====	<u>139</u> =====

CROWN LODGE INVESTMENTS LIMITED

BALANCE SHEET AT 31 DECEMBER 1999

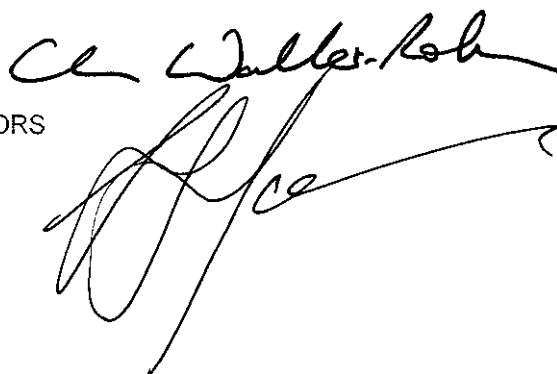
	Note	1999 £'000	1998 £'000
FIXED ASSETS			
Investment properties	6	-	600
CURRENT ASSETS			
Debtors	7	-	28
Cash at bank and in hand		-	1
		-	29
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	-	(133)
NET CURRENT LIABILITIES		-	(104)
TOTAL ASSETS LESS CURRENT LIABILITIES		-	496
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	-	(357)
NET ASSETS		-	139
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Revaluation reserve	11	-	(120)
Profit and loss account	11	-	259
EQUITY SHAREHOLDERS' FUNDS		-	139

The financial statements were approved by the Board of Directors on 15 May 2000.

C L WALKER-ROBSON

I L J THOMAS

) DIRECTORS



CROWN LODGE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below:

- (a) **Basis of accounting**
The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties.
- (b) **Investment properties**
Investment properties are re-valued annually on an open market basis and the surplus or deficit is transferred to the revaluation reserve (to the extent that any deficit is considered temporary). Permanent deficits are written off to the profit and loss account. A property is regarded as complete at such time as the building is fully let or the rental income exceeds interest and other outgoings.
- (c) **Turnover**
Turnover comprises rents receivable in the United Kingdom.
- (d) **Depreciation**
No depreciation is provided on investment properties. The Companies Act 1985 requires all properties to be depreciated. However, the directors consider that these properties should be included in the financial statements at their open market values in order to give a true and fair view and therefore consider it necessary to adopt Statement of Standard Accounting Practice No. 19. It would be neither practicable nor of real value to determine the depreciation or amortisation charge taken into account in arriving at open market values.
- (e) **Deferred taxation**
Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

2. NET INTEREST PAYABLE

	1999 £'000	1998 £'000
Interest on bank overdrafts and loans (wholly repayable within 5 years)	6	29
	=====	=====

3. OPERATING PROFIT

	1999 £'000	1998 £'000
Operating profit is stated after charging:		
Auditors' remuneration – audit fees	1	1
– other services	-	-
	=====	=====

There were no directors or staff costs other than those arising from inter company charges (1998 - £nil).

CROWN LODGE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 1999

4. TAXATION CREDIT/(CHARGE) ON PROFIT ON ORDINARY ACTIVITIES

	1999 £'000	1998 £'000
UK Corporation taxation @ 30% (1998 - 30%)	-	-
Prior year adjustment – corporation tax	10	(11)
	<u>10</u>	<u>(11)</u>
	=====	=====

There is no tax charge for the year due to the availability of tax losses surrendered by the parent company at no cost to the company.

5. DIVIDENDS

	1999 £'000	1998 £'000
Interim paid	212	-
	=====	=====

6. INVESTMENT PROPERTIES

	Freehold £'000
Valuation:	
At 1 January 1999	600
Disposals	(600)
	<u>-</u>
At 31 December 1999	=====

7. DEBTORS

	1999 £'000	1998 £'000
Trade debtors	-	9
Amount owed by related company	-	19
	<u>-</u>	<u>28</u>
	=====	=====

CROWN LODGE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 1999

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £'000	1998 £'000
Bank loans and overdrafts	-	56
Amount owed to related company	-	40
Accruals	-	2
Deferred income	-	25
Corporation tax	-	10
	<hr/>	<hr/>
	-	133
	=====	=====

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £'000	1998 £'000
Bank loan	-	295
Less: repayable in one year	-	(56)
	<hr/>	<hr/>
	-	239
Loan from parent company	-	118
	<hr/>	<hr/>
	-	357
	=====	=====

10. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
	=====	=====
Allotted and fully paid:		
100 ordinary shares of £1 each	100	100
	=====	=====

11. RESERVES

	Profit and loss account £'000	Revaluation reserve £'000	Total £'000
At 1 January 1999	259	(120)	139
Profit retained for the year	(139)	-	(139)
Transfer to revenue reserves as deficit	(120)	120	-
	<hr/>	<hr/>	<hr/>
At 31 December 1999	-	-	-
	=====	=====	=====

CROWN LODGE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 1999

12. CAPITAL COMMITMENTS

There were no capital commitments outstanding at 31 December 1999 (1998 - £ nil).

12. PARENT COMPANY

The company's parent and controlling company is Grand Union Office Park Limited, a company incorporated in Great Britain. Copies of the group financial statements of Grand Union Office Park Limited are available from the Secretary, CNC House, The Grand Union Office Park, Packet Boat Lane, Uxbridge UB8 2GH.

13. RELATED PARTY TRANSACTIONS

As permitted by Section 3(c) of Financial Reporting Standard 8, the company has not presented details of inter-group related party transactions.