

**HPL (UK) LIMITED**

**Report and Financial Statements**

**31 December 1999**



**Deloitte & Touche  
Veralum Point  
Station Way  
St Albans  
Herts  
AL1 5HE**

**REPORT AND FINANCIAL STATEMENTS 1999**

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**REPORT AND FINANCIAL STATEMENTS 1999**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Robert Foo Siang Mong (Resigned 27 February 1999 and re-appointed on 1 March 1999)

Thio Gim Hock (Resigned 31 August 1999)

Stephen Lau Buong Lik

Christopher Lim Tien Lock

Chua Siew Chong (Appointed 25 November 1999)

**SECRETARY**

A Gulvanessian

**REGISTERED OFFICE**

Pemberton House

15 Wrights Lane

London W8 5SL

**BANKERS**

OCBC Bank

London Stonehouse

111 Cannon Street

London EC4N 5AS

**SOLICITORS**

Eversheds

Senator House

85 Queen Victoria Street

London EC4V 4JL

**AUDITORS**

Deloitte & Touche

Chartered Accountants

Verulam Point

Station Way

St Albans

Herts

AL1 5HE

## **DIRECTORS' REPORT**

The directors present the annual report and the audited financial statements for the year ended 31 December 1999.

### **ACTIVITIES**

The company's principal activity is to seek and evaluate suitable business opportunities for future investment by other members of the Group.

### **RESULTS, DIVIDENDS AND FUTURE PROSPECTS**

The results for the year are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend for the year. The loss for the year was £472,124 (1998: £502,925) and this has been transferred from reserves. The directors consider their activities and results for year 2000 will be satisfactory.

### **DIRECTORS AND THEIR INTERESTS**

The present membership of the board is set out on page 1. None of the directors held any beneficial interests in the share capital of the company, or any other UK group company.

### **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 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.

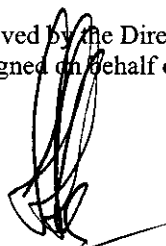
### **SMALL COMPANY EXEMPTIONS**

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

### **AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Directors  
and signed on behalf of the Board



**Christopher Lim Tien Lock**

29-08-2000

## **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; and
- prepare the financial statements on a 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.

## **AUDITORS' REPORT TO THE MEMBERS OF HPL (UK) LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

### **Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared under United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

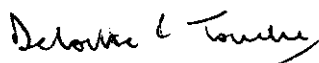
### **Basis of opinion**

We conducted our audit in accordance with 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Chartered Accountants and  
Registered Auditors

30 August 2000

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 1999

	Note	1999 £	1998 £
<b>TURNOVER</b>	1	80,000	80,000
Operating expenses		<u>(555,592)</u>	<u>(611,066)</u>
<b>OPERATING LOSS</b>	3	(475,592)	(531,066)
Interest receivable		<u>3,468</u>	<u>4,776</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(472,124)	(526,290)
Taxation on ordinary activities	4	<u>-</u>	<u>23,365</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>		(472,124)	(502,925)
<b>Retained (loss)/profit brought forward</b>		<u>(338,609)</u>	<u>164,316</u>
<b>Retained loss carried forward</b>		<u><u>(810,733)</u></u>	<u><u>(338,609)</u></u>

All activities derive from continuing operations.

There are no recognised gains or losses other than the loss for both financial years as stated in the profit and loss account. Accordingly, no Statement of Total Recognised Gains and Losses is given for the financial years.

# HPL (UK) LIMITED

## BALANCE SHEET

As at 31 December 1999

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	5	225,515	299,386
Investments	6	<u>5</u>	<u>5</u>
		225,520	299,391
<b>CURRENT ASSETS</b>			
Debtors	7	133,732	221,022
Cash at bank and in hand		<u>26,229</u>	<u>53,572</u>
		159,961	274,594
<b>CREDITORS: amounts falling due within one year</b>	8	(215,551)	(912,494)
<b>NET CURRENT LIABILITIES</b>		(55,590)	(338,509)
<b>CREDITORS: amounts falling due within one year</b>	9	(980,563)	-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(810,633)</u>	<u>(338,509)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account		<u>(810,733)</u>	<u>(338,609)</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>	11	<u>(810,633)</u>	<u>(338,509)</u>

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

These financial statements were approved by the Directors on 29-03-2000.

Signed on behalf of the Directors

  
Christopher Lim Tien Lock



**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1999**

**1. ACCOUNTING POLICIES**

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

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover represents amounts derived from the provision of goods and services net of Value Added Tax which fall within the company's ordinary activities. All turnover has been derived in the United Kingdom.

**Depreciation**

Depreciation is calculated to write off fixed assets over their estimated useful lives by equal annual instalments. The estimated useful lives of the asset classes are as follows:

Leasehold improvements	Over the length of the lease
Plant and equipment	3-5 years
Motor vehicles	5 years
Fixtures and fittings	10 years

**Going Concern**

The financial statements have been prepared on a going concern basis which assumes the continuing support of the company's fellow group companies.

**Investments**

FRS 9, associates and joint ventures, was effective for periods ending on or after 23 December 1998. The investment in associated undertaking has been reclassified as a joint venture investment and has been recorded at cost, less provision for any permanent diminution in value.

**Leases**

Leasehold additions are recorded at cost and are depreciated over the term of the lease. Rentals are charged to the profit and loss account in equal annual amounts over the lease term.

**Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1999**

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Wages and salaries	119,590	189,334
Social security costs	10,213	9,156
Other costs	15,994	63,091
	<u>145,797</u>	<u>261,581</u>

The average number of employees, including directors during the year was:

	<b>1999</b>	<b>1998</b>
	<b>Number</b>	<b>Number</b>
Full Time	<u>3</u>	<u>5</u>

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<u>29,298</u>	<u>164,231</u>

**3. OPERATING LOSS**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Auditors' remuneration - audit fees	5,700	6,150
- non audit fees	15,890	16,484
Depreciation of owned assets	67,039	69,700
Operating lease rental		
— land and buildings	<u>147,661</u>	<u>138,941</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1999**

**4. TAXATION**

	1999	1998
	£	£
Adjustment in respect of prior years	-	(7,735)
Deferred taxation released unused	-	(15,630)
	<u>-</u>	<u>(23,365)</u>

No provision for taxation has been provided for the current year due to trading losses incurred.

**5. TANGIBLE FIXED ASSETS**

	Plant & equipment	Motor vehicles	Leasehold improve- ments	Fixtures & fittings	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 1999	52,515	57,879	239,404	40,669	390,467
Additions	-	-	(6,832)	-	(6,832)
At 31 December 1999	<u>52,515</u>	<u>57,879</u>	<u>232,572</u>	<u>40,669</u>	<u>383,635</u>
<b>Accumulated depreciation</b>					
At 1 January 1999	27,375	16,808	41,745	5,153	91,081
Charge for the year	15,135	13,420	34,509	3,975	67,039
At 31 December 1999	<u>42,510</u>	<u>30,228</u>	<u>76,254</u>	<u>9,128</u>	<u>158,120</u>
<b>Net book value</b>					
At 31 December 1999	<u>10,005</u>	<u>27,651</u>	<u>156,318</u>	<u>31,541</u>	<u>225,515</u>
At 31 December 1998	<u>25,140</u>	<u>41,071</u>	<u>197,659</u>	<u>35,516</u>	<u>299,386</u>

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1999**

**6. INVESTMENTS**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Shares in joint venture	<u>5</u>	<u>5</u>

HPL (UK) Limited has a 50% holding in Canary Riverside Management (UK) Limited, being five of the ten issued £1 ordinary shares of Canary Riverside Management (UK) Limited. HPL (UK) Limited has joint control over Canary Riverside Management (UK) Limited and therefore the holding is treated as an investment in a joint venture in the books of HPL (UK) Limited. The total capital and reserves and loss for the year ended 31 December 1999 for Canary Riverside Management (UK) Limited were £27,667 (1998 - £5,517) and £22,150 (1998 - (£5,507)) respectively.

**7. DEBTORS**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,062	-
Amounts owed by group undertakings	40,183	58,518
Amounts owed by related undertakings	-	16,863
Other debtors	755	9,493
Prepayments and accrued income	91,732	136,148
	<u>133,732</u>	<u>221,022</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Trade creditors	168,133	53,955
Amounts owed to group undertakings	-	757,870
Taxation and social security	32,266	60,000
Other creditors	8,541	-
Accruals and deferred income	6,611	40,669
	<u>215,551</u>	<u>912,494</u>

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1999**

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

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	980,563	-

The parent undertaking has confirmed that it will not seek repayment of the amount due to them until all other indebtedness has been discharged.

**10. CALLED UP SHARE CAPITAL**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Authorised, called up, allotted and fully paid:		
100 ordinary shares of £1 each	100	100

**11. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' DEFICIT**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Opening shareholders' (deficit)/funds	(338,509)	164,416
Loss attributable to the members of the company	(472,124)	(502,925)
Closing shareholders' deficit	(810,633)	(338,509)

**12. OPERATING LEASE RENTAL**

As at 31 December 1999 the Company was committed to making the following payments during the next year in respect of operating leases:

	<b>Land and buildings 1999 £</b>	<b>Land and buildings 1998 £</b>
Due within 1 year	411,721	416,415
Between 2 to 5 year	1,646,884	1,665,660
Over five years	137,240	416,415
	<u>2,195,845</u>	<u>2,498,490</u>

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1999**

**13. RELATED PARTY TRANSACTIONS**

Management fees of £50,000 (1998 - £50,000) and £30,000 (1998 - £30,000) were receivable from Canary Riverside Management (UK) Limited and Berkeley Investments Pte Limited respectively. Amounts owed by group undertakings is made up exclusively of cost recharges owing from group companies including £31,306 (1998 - £23,980) from Canary Riverside Management (UK) Limited. Amounts due from related undertakings consist of £nil (£16,816) due from Como Holdings (UK) Ltd.

No assets (1998 - £46,584) were purchased from the company by Canary Riverside Management (UK) Limited.

HPL (UK) Limited has taken advantage of the exemptions conferred by paragraph 3c of FRS8 which allows subsidiary undertakings, 90 per cent or more of whose voting rights are controlled within the group, not to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties, provided that the consolidated financial statements in which that subsidiary is included are publicly available.

**14. ULTIMATE PARENT COMPANY**

The company's ultimate parent company and controlling entity is Hotel Properties Limited. The company is registered in Singapore. A copy of the financial statements of Hotel Properties Limited, The parent company of the smallest and largest group, may be obtained from The Registrar of Companies, 10 Anson Road, #05-01/15 International Plaza, Singapore 079903.

**ADDITIONAL INFORMATION**

The Information provided on page 14 does not form part of the audited financial statements

# HPL (U.K) LIMITED

## DETAILED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	1999		1998	
	£	£	£	£
<b><u>TURNOVER</u></b>				
Management fees receivable		80,000		80,000
<b><u>ADMINISTRATIVE EXPENSES</u></b>				
Directors Remuneration	29,298		108,821	
Gross Salaries	90,292		80,513	
National Insurance	10,213		9,156	
Staff Medical Insurance	5,779		1,891	
Staff Recruitment costs	4,125		0	
Temp Staff Costs	5,678		1,188	
Staff Training	32		1,382	
Staff Benefits	380		58,630	
Staff Amenities	369		1,181	
Rent	147,661		83,090	
Rates	40,403		27,484	
Property Service Charges	63,683		34,690	
Other property Maintenance	215		3,818	
Light & Heat	8,794		4,124	
Insurance	6,252		718	
Repairs and Cleaning	2,123		1,456	
Stationary & Printing	1,540		2,198	
Telephone	2,912		12,683	
Courier Charges and Postage	2,598		2,998	
Subscriptions and Publications	1,260		652	
Newspapers and Journals	132		0	
Entertaining & Travel	16,475		28,905	
Motor Expenses	3,230		5,845	
Legal fees	7,492		2,861	
Professional fees	23,779		26,743	
Audit fees	7,200		6,150	
Maintenance	5,425		3,761	
Miscellaneous Expenses	568		514	
Currency (Gain) loss	(3)		0	
Bank Charges	647		718	
Bank Interest Paid	0		43	
Loss/(Profit) on disposal of fixed assets	0		5,791	
Depreciation on tangible fixed assets	67,039	(555,592)	69,699	(587,701)
		(475,592)		(507,701)
<b><u>OTHER INCOME</u></b>				
Bank Deposit Interest Received		3,468		4,776
<b>Net loss before taxation for the year</b>		<u>(472,124)</u>		<u>(502,925)</u>