

**HPL (UK) LIMITED**

**Report and Financial Statements**

**31 December 1998**

**Deloitte & Touche  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR**



**REPORT AND FINANCIAL STATEMENTS 1998**

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**REPORT AND FINANCIAL STATEMENTS 1998**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Thio Gim Hock  
Stephen Lau Buong Lik  
Christopher Lim Tien Lock

**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  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR

## DIRECTORS' REPORT

The directors present the annual report and the audited financial statements for the year ended 31 December 1998.

### 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 £502,925 (1997: profit £232,392) and this has been transferred from reserves.

### 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. The following also served as directors during the year:

Bambang Sugeng Bin Kajairi (resigned 30 June 1998)

Robert Foo Siang Mong (resigned 27 February 1999)

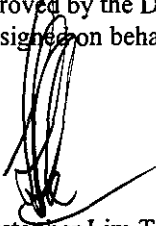
### SMALL COMPANY EXEMPTIONS

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

14 May 1999

## **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;
- 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 10 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. 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 as at 31 December 1998 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

14 May 1999

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 1998**

	Note	1998 £	1997 £
<b>TURNOVER</b>	1	80,000	756,000
Operating expenses		<u>(611,066)</u>	<u>(434,944)</u>
<b>OPERATING (LOSS)/PROFIT</b>	3	(531,066)	321,056
Interest receivable		<u>4,776</u>	<u>2,678</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(526,290)	323,734
Taxation credit/(charge)	4	<u>23,365</u>	<u>(91,342)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(502,925)	232,392
Profit and loss reserve brought forward		<u>164,316</u>	<u>(68,076)</u>
Profit and loss reserve carried forward		<u><u>(338,609)</u></u>	<u><u>164,316</u></u>

All activities derive from continuing operations.

There are no recognised gains or losses other than the loss for the current financial year and the profit for the previous year as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given for the current financial year or the previous year.

There are no movements in shareholders' funds other than the loss for the financial year and profit for the previous financial year. Accordingly, no reconciliation of movements in shareholders' funds is given.


**BALANCE SHEET**  
**As at 31 December 1998**

	Note	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	5	299,386	434,153
Investments	6	5	5
		<u>299,391</u>	<u>434,158</u>
<b>CURRENT ASSETS</b>			
Debtors	7	221,022	669,197
Cash at bank and in hand		53,572	73,211
		<u>274,594</u>	<u>742,408</u>
<b>CREDITORS: amounts falling due within one year</b>	8	(912,494)	(996,520)
<b>NET CURRENT LIABILITIES</b>		<u>(637,900)</u>	<u>(254,112)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(338,509)	180,046
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	9	-	(15,630)
<b>TOTAL NET (LIABILITIES)/ASSETS</b>		<u>(338,509)</u>	<u>164,416</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account		(338,609)	164,316
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>(338,509)</u>	<u>164,416</u>

This report has 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 14 May 1999.

Signed on behalf of the Directors



Christopher Lim Tien Lock



## NOTES TO THE ACCOUNTS

### Year ended 31 December 1998

#### 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 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	7 years
Plant and equipment	3-5 years
Motor vehicles	5 years
Fixtures and fittings	10 years

##### 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.

#### 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Two directors received emoluments totalling £164,231 (1997: £35,863). No other director received any emoluments.

On average five people (1997: five) were employed over the year. All were employed in management and administration.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**

**3. OPERATING (LOSS)/PROFIT**

	1998 £	1997 £
<b>Operating (loss)/profit is after charging:</b>		
Auditors' remuneration - audit fees	6,150	3,000
- non audit fees	16,484	-
Depreciation	69,700	31,061
Operating lease rentals		
- land and buildings	138,941	89,268

**4. TAXATION**

	1998 £	1997 £
Adjustment in respect of prior years	(7,735)	75,712
Deferred taxation released unused	(15,630)	15,630
	(23,365)	91,342

The tax charge is lower than expected as the company has not recognised the deferred tax asset relating to carried forward trading losses.

**5. TANGIBLE FIXED ASSETS**

	Plant & Equipment £	Motor Vehicles £	Leasehold Improvements £	Fixtures & Fittings £	Total £
<b>Cost</b>					
At 1 January 1998	99,422	91,734	235,815	38,720	465,691
Additions	-	-	3,589	1,949	5,538
Disposals	(46,907)	(33,855)	-	-	(80,762)
At 31 December 1998	52,515	57,879	239,404	40,669	390,467
<b>Accumulated depreciation</b>					
At 1 January 1998	14,577	7,339	8,422	1,200	31,538
Charge for the year	12,798	19,626	33,323	3,953	69,700
Disposals	-	(10,157)	-	-	(10,157)
At 31 December 1998	27,375	16,808	41,745	5,153	91,081
<b>Net book value</b>					
At 31 December 1998	25,140	41,071	197,659	35,516	299,386
At 31 December 1997	84,845	84,395	227,393	37,520	434,153

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**

**6. INVESTMENTS**

	1998 £	1997 £
Shares in joint venture	5	5

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. This represents a change in accounting policy due to the introduction of FRS 9, there is no material impact on the financial statements or on the results of the company. The total capital and reserves and profit for the year ended 31 December 1998 for Canary Riverside Management (UK) Limited were £5,517 (1997: (£4,937)) and £10,454 (1997: (£4,947)) respectively.

**7. DEBTORS**

	1998 £	1997 £
Amounts owed by group undertakings	58,518	633,571
Amounts owed by related undertakings	16,863	-
Trade debtors	-	10,221
Other debtors	9,493	3,389
Prepayments and accrued income	136,148	22,016
	<u>221,022</u>	<u>669,197</u>

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

	1998 £	1997 £
Trade creditors	53,955	180,051
Amounts owed to group undertakings	757,870	554,878
Taxation and social security	60,000	75,712
Lease payable - current	-	51,537
Other creditors	-	1,051
Accruals and deferred income	40,669	133,291
	<u>912,494</u>	<u>996,520</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**

**9. PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred Taxation £
Balance at 1 January 1998	15,630
Released unused	(15,630)
	<hr/>
Balance at 31 December 1998	-
	<hr/>

**10. CALLED UP SHARE CAPITAL**

	1998 £	1997 £
Authorised, called up, allotted and fully paid: 100 ordinary shares of £1 each	<hr/> 100	<hr/> 100

**11. OPERATING LEASE RENTAL**

At 31 December 1998 the Company was committed to making the following payments during the next year in respect of operating leases:

	Land and Buildings 1998 £	Land and Buildings 1997 £
Leases which expire: After five years	<hr/> 416,415	<hr/> 168,968

**12. RELATED PARTY TRANSACTIONS**

Management fees of £50,000 (1997 : £726,000) and £30,000 (1997 : £30,000) were receivable from Canary Riverside Management (UK) Limited and Berkley Investments Pte Limited respectively. Amounts owed by group undertakings is made up exclusively of cost recharges owing from group companies including £23,980 (1997: £554,878) from Canary Riverside Management (UK) Limited. Amounts due from related undertakings consist of £16,816 (1997: £nil) due from Como Holdings (UK) Ltd. Accrued income includes the management fee of £50,000 due from Canary Riverside Management (UK) Limited.

Canary Riverside Management (UK) Limited purchased £46,584 of fixed assets on an arms length basis during the year.

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.

**13. ULTIMATE PARENT COMPANY**

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