

# Westone Hotel Acquisitions Company

Directors' report and financial statements

Year ended 31 December 2011

*Company Registration No 3543429*



# Westone Hotel Acquisitions Company

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Statement of accounting policies	7
Profit and loss account	8
Balance sheet	9
Notes forming part of the financial statements	10

# Westone Hotel Acquisitions Company

## Directors and other information

### Directors

Stephen Alden  
Carole Walker

### Secretary

Carole Walker

### Registered office

30 Old Burlington Street  
Mayfair  
London  
W1S 3AR

### Bankers

Allied Irish Bank (GB)  
City Office  
9 – 10 Angel Court  
London  
EC2R 7AB

### Auditors

KPMG  
Chartered Accountants  
1 Stokes Place  
St Stephen's Green  
Dublin 2

### Solicitors

DLA  
3 Noble Street  
London  
EC2V 7EE

# Westone Hotel Acquisitions Company

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2011

### Activities

The principal activity of the company was previously that of a holding company of companies operating in the hotel and restaurant industry. The directors are currently considering the future activities of the company.

### Review of developments and future prospects

The profit and loss account is set out on page 8. The profit for the year ended 31 December 2011 before taxation was £0.04 million (*18 months ended 31 December 2010: £0.07 million*).

The directors expect that the present activity level will at least be sustained for the foreseeable future.

### Dividends

During the year no dividend was paid (*18 months ended 31 December 2010: £nil*) and no dividend was proposed (*18 months ended 31 December 2010: £nil*).

### Directors and their interests

The directors who held office during the year were as follows:

Stephen Alden	
Mark Hennebry	Resigned 29 November 2011
Carole Walker	Appointed 2 December 2011

The directors and secretary do not hold any material interests in the shares of the company or any other company in the group.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Political and charitable contributions

The company made no political or charitable donations during the year (*18 months ended 31 December 2010: £nil*).

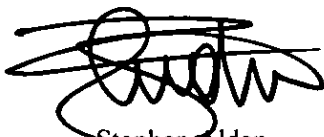
# Westone Hotel Acquisitions Company

Directors' report *(continued)*

## **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG will therefore continue in office

Approved by the Board of Directors and signed on behalf of the Board



Stephen Alden  
Director

12 September 2012

# Westone Hotel Acquisitions Company

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

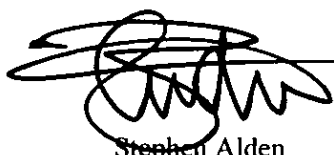
Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

On behalf of the board

  
Stephen Alden  
Director

12 September 2012

## **Independent auditor's report to the members of Westone Hotel Acquisitions Company**

We have audited the financial statements of Westone Hotel Acquisitions Company for the year ended 31 December 2011 which comprise the profit and loss account, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## Independent auditor's report to the members of Westone Hotel Acquisitions Company *(continued)*

### **Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements about the preparation of the financial statements on a going concern basis. As outlined in Note 1, borrowings of the company's parent, Coroin Ltd, and other group companies, are secured by a fixed and floating charge over the assets of the company. The parent company is currently in discussions with a number of financial institutions with a view to putting in place alternate financing facilities as its existing facilities are due for refinancing on 28 September 2012. Prior to putting in place alternate facilities additional equity may be required from parent company shareholders. The directors are confident that equity will be available from these shareholders if required and that refinancing discussions will be satisfactorily concluded. On this basis the directors are satisfied that the financial statements should be prepared on the going concern basis.

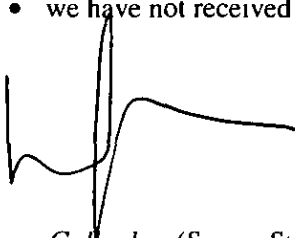
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report is consistent with the financial statements.

### **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



Laura Gallagher (Senior Statutory Auditor)  
For and on behalf of KPMG, Statutory Auditor  
Chartered Accountants  
Stokes Place  
St. Stephens Green  
Dublin 2  
Ireland

13 September 2012



# Westone Hotel Acquisitions Company

## Statement of accounting policies

*for the year ended 31 December 2011*

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

### **Basis of preparation and going concern**

The financial statements are prepared in Sterling in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

The financial statements have been prepared on a going concern basis. See Note 1 to the financial statements for further information

### **Cash flow statement**

The company's ultimate parent undertaking publishes financial statements which are publicly available. Those financial statements include a consolidated cash flow statement. For this reason the exemption requirements of FRS 1 (Revised) "Cash Flow Statements" are met and the company has therefore not prepared a cash flow statement.

### **Group accounts**

The company is exempt from the obligation to prepare consolidated accounts by virtue of section 400 of the Companies Act 2006 in that it is a wholly owned subsidiary of its ultimate parent and controlling undertaking which itself prepares group accounts which are publicly available. These financial statements are therefore entity financial statements and are not consolidated financial statements.

# Westone Hotel Acquisitions Company

Company Registration No 3543429

## Profit and loss account

for the year ended 31 December 2011

		Year ended 31 December 2011 £'000	18 month period ended 31 December 2010 £'000
	Note		
Administration expenses		-	-
		<hr/>	<hr/>
<b>Operating profit – continuing operations</b>		-	-
Interest receivable and similar income	3	40	66
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		40	66
Tax on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Profit for the financial year/period</b>	8/9	40	66
		<hr/>	<hr/>

The company had no recognised gains or losses in the financial year or in the preceding financial period other than those dealt with in the profit and loss account. All activities in the current year and preceding periods are derived from continuing operations.

# Westone Hotel Acquisitions Company

Company Registration No 3543429

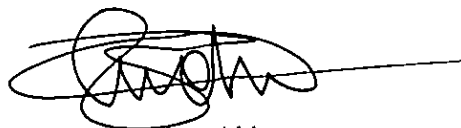
## Balance sheet

at 31 December 2011

	<i>Note</i>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Current assets</b>			
Debtors	5	237,096	237,096
Cash		5,114	5,074
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	6	<b>242,210 (12,376)</b>	<b>242,170 (12,376)</b>
		<hr/>	<hr/>
<b>Net current assets</b>		<b>229,834</b>	<b>229,794</b>
		<hr/>	<hr/>
<b>Net assets</b>		<b>229,834</b>	<b>229,794</b>
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	7	16,124	16,124
Profit and loss account	8	213,710	213,670
		<hr/>	<hr/>
<b>Total shareholders' funds</b>	9	<b>229,834</b>	<b>229,794</b>
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 10 September 2012

Signed on behalf of the Board of Directors



Stephen Alden  
Director

12 September 2012

# Westone Hotel Acquisitions Company

## Notes

*forming part of the financial statements*

### 1 Basis of preparation of financial statements and going concern

The financial statements have been prepared on a going concern basis

As at 31 December 2011 the company had net current assets of £229,834,000 and net assets of £229,834,000. The company has provided cross guarantees with respect to the borrowings of Coroin Limited and its subsidiaries (the group)

As at 31 December 2011 the group had net current liabilities of £635,676,000 and net assets of £15,463,000. The group's projections for 2012 forecast increased operating profit and cash flows reflecting increased average room rates and occupancy. The group holds sufficient working capital to meet its trading obligations. Funding of the group's debt used to acquire and develop the assets is dependent upon the continued availability of bank borrowings which are due for refinancing in September 2012. It is expected that the group's bankers will continue to provide financing to enable the group to meet its obligations as and when they fall due until such time as alternative financial arrangements are put in place. Discussions are ongoing with a number of financial institutions with a view to putting in place alternate facilities. Alternative financial arrangements may require additional equity to be invested by parent company shareholders. The directors are satisfied that this will be available if required.

On this basis, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

### 2 Staff numbers and costs

The company has no employees. The directors receive no remuneration for their services to this company. The audit fee is borne by another group company.

### 3 Interest receivable and similar income

	Year ended 31 December 2011 £'000	18 month period ended 31 December 2010 £'000
Bank interest receivable	40	66

# Westone Hotel Acquisitions Company

## Notes (continued)

### 4 Tax charge on profit on ordinary activities

#### Factors affecting corporation tax charge for the current year

The corporation tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 26.49% (2010: 28%)

	Year ended 31 December 2011 £'000	18 month period ended 31 December 2010 £'000
The differences are explained below		
Profit on ordinary activities before tax	40	66
	<hr/>	<hr/>
Tax at 26.49% (2010: 28%) thereon	11	18
<i>Effects of</i>		
Timing differences	-	(3,804)
Tax losses	(2,392)	-
Other permanent differences	2,381	3,786
	<hr/>	<hr/>
<b>Current tax charge for the year/period</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

A deferred tax asset has not been recognised in respect of the carried forward tax losses of £2,295,000 (2010: £4,937,000) as their utilisation in the near future is uncertain

Following the 2011 Budget Statement, the main rate of UK corporation tax was reduced from 28% directly to 26% with effect from 1 April 2011. Finance Act 2011, substantively enacted on 5 July 2011, further reduced the main rate of UK corporation tax to 25% from 1 April 2012. Following the 2012 Budget Statement, the main rate reduced from 26% directly to 24% with effect from 1 April 2012. Thereafter the main rate of UK corporation tax will continue to reduce by 1% per annum to 22% by 2014. It is expected that this graduated fall in the main corporation tax rate will result in a reduction of the company's deferred tax asset and also a reduction of the company's future current tax charge.

### 5 Debtors

	2011 £'000	2010 £'000
Amounts owed by group companies	102,235	102,235
Amounts owed by parent undertaking	134,861	134,861
	<hr/>	<hr/>
	<b>237,096</b>	<b>237,096</b>
	<hr/>	<hr/>

# Westone Hotel Acquisitions Company

## Notes (continued)

### 6 Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed to group companies	12,376	12,376

### 7 Called up share capital

	2011 £'000	2010 £'000
<b>Authorised:</b>		
287,296,718 ordinary shares of £1 each	287,297	287,297
<b>Called up, allotted and fully paid</b>		
16,123,876 ordinary shares of £1 each	16,124	16,124

### 8 Reserves

	2011 £'000	2010 £'000
At beginning of year/period	213,670	213,604
Profit for the year/period	40	66
<b>At end of year/period</b>	<b>213,710</b>	<b>213,670</b>

### 9 Reconciliation of movement in shareholders' funds

	2011 £'000	2010 £'000
At start of year/period	229,794	229,728
Profit for the financial year/period	40	66
<b>At end of year/period</b>	<b>229,834</b>	<b>229,794</b>

# Westone Hotel Acquisitions Company

## Notes *(continued)*

### **10 Related party transactions**

The Company is exempt under the provisions of paragraph 3, Financial Reporting Standard 8 “Related Party Disclosures” from disclosing details of transactions with group related parties

### **11 Ultimate parent company**

At 31 December 2011, the company’s immediate parent company was Raglan Real Estate Acquisitions Company, a company incorporated in Great Britain and registered in England and Wales. The company’s ultimate parent company is Coroin Limited, a company incorporated in Great Britain and registered in England and Wales.

The Coroin group is the smallest and largest group in which the results of the company are consolidated. Copies of these statutory accounts are available from its registered office, 30 Old Burlington Street, Mayfair, London, W1S 3AR.