

COMPANY REGISTRATION NUMBER 3997212

**41 BUCKINGHAM PALACE ROAD LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31 DECEMBER 2006**



**HARGREAVES, BROWN & BENSON**  
Chartered Accountants & Registered Auditors  
1 Bond Street  
Colne  
Lancashire  
BB8 9DG

# **41 BUCKINGHAM PALACE ROAD LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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<b>CONTENTS</b>	<b>PAGE</b>
The directors' report	<b>1</b>
Independent auditor's report to the shareholders	<b>3</b>
Profit and loss account	<b>5</b>
Statement of total recognised gains and losses	<b>6</b>
Reconciliation of movements in shareholders' funds	<b>6</b>
Balance sheet	<b>7</b>
Cash flow statement	<b>8</b>
Notes to the financial statements	<b>10</b>

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# **41 BUCKINGHAM PALACE ROAD LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2006**

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The directors present their report and the financial statements of the company for the year ended 31 December 2006

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was hotel operation and management

Hotel 41 performed well in 2006 with revenues up 50% on 2005. This was mainly driven by an additional 10 rooms created during the year, as well as improving average room rates due to the hotel performing above its market share. Earnings before interest, taxation, depreciation and amortisation ("EBITDA") for the year was £89,152, an improvement of 72% on the prior year.

Since the end of the year under review, the hotel has continued to grow its revenues, and sales for 2007 are currently some 26% ahead of the same period in the previous year.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £1,605,138. The accounts have been prepared under IFRS guidelines for the first time. This has resulted in a one off deferred taxation charge of £802,788 included in the loss mentioned above. The directors have not recommended a dividend.

#### **FINANCIAL INSTRUMENTS**

Details of the company's financial risk management objectives and policies are included in note 13 to the accounts.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

J J Raggett  
V O'Hana

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

#### **DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements are required by law to 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# 41 BUCKINGHAM PALACE ROAD LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2006

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The directors are responsible for keeping proper accounting records that 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

A resolution to re-appoint Hargreaves, Brown & Benson as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



S DOVEY  
Company Secretary

Approved by the directors on 24<sup>th</sup> October 2007

# **41 BUCKINGHAM PALACE ROAD LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 41 BUCKINGHAM PALACE ROAD LIMITED**

**YEAR ENDED 31 DECEMBER 2006**

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We have audited the financial statements of 41 Buckingham Palace Road Limited for the year ended 31 December 2006 on pages 5 to 19, which have been prepared on the basis of the accounting policies set out on pages 10 to 11

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# 41 BUCKINGHAM PALACE ROAD LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 41 BUCKINGHAM PALACE ROAD LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2006

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### OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



HARGREAVES, BROWN & BENSON  
Chartered Accountants  
& Registered Auditors

1 Bond Street  
Colne  
Lancashire  
BB8 9DG

**30 OCT 2007**

# 41 BUCKINGHAM PALACE ROAD LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2006

	Note	2006 £	2005 £
<b>TURNOVER</b>	<b>2</b>	<b>1,559,587</b>	<b>1,036,196</b>
Cost of sales		<u>1,849,261</u>	<u>1,524,012</u>
<b>GROSS LOSS</b>		<b>(289,674)</b>	<b>(487,816)</b>
Administrative expenses		<u>371,651</u>	<u>283,788</u>
<b>OPERATING LOSS</b>	<b>3</b>	<b>(661,325)</b>	<b>(771,604)</b>
Interest payable and similar charges	<b>5</b>	<u>141,025</u>	<u>141,185</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(802,350)</b>	<b>(912,789)</b>
Tax on loss on ordinary activities	<b>6</b>	<u>802,788</u>	<u>169,525</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(1,605,138)</u></b>	<b><u>(1,082,314)</u></b>

All of the activities of the company are classed as continuing

The notes on pages 10 to 19 form part of these financial statements.

# 41 BUCKINGHAM PALACE ROAD LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 2006

	2006 £	2005 £
Loss for the financial year attributable to the shareholders	(1,605,138)	(1,082,314)
Total recognised gains and losses relating to the year	<u>(1,605,138)</u>	<u>(1,082,314)</u>
Prior year adjustment (see note 7)	<u>(473,963)</u>	<u>(377,668)</u>
Total gains and losses recognised since the last annual report	<u>(2,079,101)</u>	<u>(1,459,982)</u>

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Loss for the financial year	(1,605,138)	(1,082,314)
Opening shareholders' equity Loss	(4,782,954)	(3,796,935)
Prior year adjustment (see note 7)	<u>(473,963)</u>	<u>(377,668)</u>
	<u>(5,256,917)</u>	<u>(4,174,603)</u>
Closing shareholders' equity Loss	<u>(6,862,055)</u>	<u>(5,256,917)</u>

The notes on pages 11 to 20 form part of these financial statements.




# 41 BUCKINGHAM PALACE ROAD LIMITED

## BALANCE SHEET

31 DECEMBER 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,030,297	1,892,581
<b>CURRENT ASSETS</b>			
Debtors	9	56,468	1,399,694
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>49,174</u>	<u>25,979</u>
<b>NET CURRENT ASSETS</b>		<u>7,294</u>	<u>1,373,715</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,037,591</u>	<u>3,266,296</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	<u>8,899,646</u>	<u>8,523,213</u>
		<u>(6,862,055)</u>	<u>(5,256,917)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	16	650,000	650,000
Profit and loss account	17	(7,512,055)	(5,906,917)
<b>DEFICIT</b>		<u>(6,862,055)</u>	<u>(5,256,917)</u>

These financial statements were approved by the directors on the 24<sup>th</sup> October 2007 and are signed on their behalf by

  
J J Raggett

The notes on pages 11 to 20 form part of these financial statements

# 41 BUCKINGHAM PALACE ROAD LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	652,785	(233,888)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(141,025)	(141,185)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(141,025)	(141,185)
TAXATION	-	(88,928)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(888,193)	(18,542)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(888,193)	(18,542)
CASH OUTFLOW BEFORE FINANCING	(376,433)	(482,543)
FINANCING		
Increase in amounts owed to group undertakings	376,433	482,543
NET CASH INFLOW FROM FINANCING	376,433	482,543
INCREASE IN CASH	-	-

### RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2006	2005
	£	£
Operating loss	(661,325)	(771,604)
Depreciation	750,477	690,494
Decrease in debtors	540,438	47,353
Increase/(decrease) in creditors	23,195	(200,131)
Net cash inflow/(outflow) from operating activities	652,785	(233,888)

The notes on pages 11 to 20 form part of these financial statements

# 41 BUCKINGHAM PALACE ROAD LIMITED

## CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2006

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2006		2005	
	£	£	£	£
Increase in cash in the period	—		—	
Net cash (inflow) from amounts owed to group undertakings	(376,433)		(482,543)	
	(376,433)		(482,543)	
Change in net debt	(376,433)		(482,543)	
Net debt at 1 January 2006	(8,541,192)		(8,058,649)	
Net debt at 31 December 2006	<u>(8,917,625)</u>		<u>(8,541,192)</u>	

### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2006 £	Cash flows £	At 31 Dec 2006 £
Debt			
Debt due within 1 year	(17,979)	—	(17,979)
Debt due after 1 year	(8,523,213)	(376,433)	(8,899,646)
	<u>(8,541,192)</u>	<u>(376,433)</u>	<u>(8,917,625)</u>
Net debt	<u>(8,541,192)</u>	<u>(376,433)</u>	<u>(8,917,625)</u>

The notes on pages 11 to 20 form part of these financial statements.

# **41 BUCKINGHAM PALACE ROAD LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with International Financial Reporting Standards

#### **Turnover**

The turnover shown in the profit and loss account is the amount derived from ordinary activities, and is stated after trade discounts and other sales taxes, and is net of VAT

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	-	12.5% straight line
Equipment	-	20% straight line

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

#### **Trade and other debtors**

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified

#### **Cash and cash equivalents**

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less

#### **Interest-bearing loans and borrowings**

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process

# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company  
An analysis of turnover is given below

	2006 £	2005 £
United Kingdom	<u>1,559,587</u>	<u>1,036,196</u>

### 3. OPERATING LOSS

Operating loss is stated after charging

	2006 £	2005 £
Directors' emoluments	—	—
Depreciation of owned fixed assets	750,477	690,494
Auditor's remuneration		
- as auditor	4,170	3,000
Operating lease costs		
Land and buildings	<u>302,775</u>	<u>200,000</u>

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2006 No	2005 No
Number of administrative staff	1	—
Number of other staff - services	10	12
	<u>11</u>	<u>12</u>

The aggregate payroll costs of the above were

	2006 £	2005 £
Wages and salaries	446,365	373,420
Social security costs	14,885	13,947
	<u>461,250</u>	<u>387,367</u>

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Other similar charges payable	<u>141,025</u>	<u>141,185</u>

# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 6. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2006		2005	
	£	£	£	£
Current tax				
Corporation tax		-		-
Over/under provision in prior year		-		88,928
Total current tax		-		88,928
Deferred tax				
Origination and reversal of timing differences				
Capital allowances	802,788		80,597	
Losses	-		-	
Other	-		-	
Losses - prior year adjustment	-		-	
Total deferred tax (note 10)		802,788		80,597
Tax on loss on ordinary activities		802,788		169,525

#### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	2006	2005
	£	£
Loss on ordinary activities before taxation	(802,350)	(912,789)
Profit/(loss) on ordinary activities by rate of tax	(240,705)	(273,837)
Expenses not deductible for tax purposes	42,308	42,356
Depreciation charged in excess of capital allowances claimed	(128,126)	207,148
Unrelieved tax losses	326,523	-
Group relief	-	24,333
Adjustments to tax charge in respect of previous periods	-	88,928
Total current tax (note 6(a))	-	88,928

# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (c) Factors that may affect future tax charges

No provision has been made for the deferred tax asset of £1,224,012 arising from depreciation of equipment, fixtures and fittings in excess of taxation allowances available and available losses

The claim for taxation allowances and the recoverability of the deferred tax asset is dependent on the availability of sufficient future taxable profits of the company against which unused taxation allowances and losses can be utilised. In such circumstances the company recognises that, at the Balance Sheet date, it may not be appropriate to provide for the deferred tax asset.

### 7. PRIOR YEAR ADJUSTMENT

For the years from 2000 to 2004 and 2005 the amount of depreciation on fixtures & fittings was understated. In these accounts the comparative figures for 2005 have been re-stated and the understatement for 2000 to 2004 has been shown as a prior year adjustment.

The amounts in question were -

	2006 £	2005 £
Understated depreciation 2000 to 2004	539,525	539,525
Deferred taxation 2000 to 2004	(161,857)	(161,857)
Understated depreciation 2005	137,564	-
Deferred taxation 2005	(41,269)	-
Total prior year adjustment	<u>473,963</u>	<u>377,668</u>

### 8. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>			
At 1 January 2006	5,525,525	8,709	5,534,234
Additions	874,433	13,760	888,193
At 31 December 2006	<u>6,399,958</u>	<u>22,469</u>	<u>6,422,427</u>
<b>DEPRECIATION</b>			
At 1 January 2006	3,639,116	2,537	3,641,653
Charge for the year	747,727	2,750	750,477
At 31 December 2006	<u>4,386,843</u>	<u>5,287</u>	<u>4,392,130</u>
<b>NET BOOK VALUE</b>			
At 31 December 2006	<u>2,013,115</u>	<u>17,182</u>	<u>2,030,297</u>
At 31 December 2005	<u>1,886,409</u>	<u>6,172</u>	<u>1,892,581</u>



# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 9. DEBTORS

	2006	2005
	£	£
Trade debtors	15,608	8,183
Amounts owed by group undertakings	-	537,815
Prepayments and accrued income	40,860	50,908
Deferred taxation (note 10)	-	802,788
	<u>56,468</u>	<u>1,399,694</u>

### 10. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2006	2005
	£	£
Included in debtors (note 9)	-	<u>802,788</u>

The movement in the deferred taxation account during the year was

	2006	2005
	£	£
Balance brought forward	802,788	883,385
Profit and loss account movement arising during the year	<u>(802,788)</u>	<u>(80,597)</u>
Balance carried forward	<u>-</u>	<u>802,788</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2006	2005
	£	£
Excess of depreciation on fixed assets over taxation allowances claimed	-	802,788
	<u>-</u>	<u>802,788</u>

### 11. CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Amounts owed to group undertakings	17,979	17,979
Accruals and deferred income	31,195	8,000
	<u>49,174</u>	<u>25,979</u>

### 12. CREDITORS: Amounts falling due after more than one year

	2006	2005
	£	£
Amounts owed to group undertakings	<u>8,899,646</u>	<u>8,523,213</u>

# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

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### 13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being

(a) to finance its operations,

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and

(c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below

#### *Credit risk*

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments

#### *Liquidity risk*

The company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. There are long term borrowings

# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

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### 14. COMMITMENTS UNDER OPERATING LEASES

The company has entered into operating leases in respect of properties. The total minimum annual rentals under the leases are as follows -

	2006 £	2005 £
Not later than one year		
Land and Buildings	<u>200,000</u>	<u>-</u>
Later than one year and not later than five years		
Land and Buildings	<u>800,000</u>	<u>-</u>

# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 15. RELATED PARTY TRANSACTIONS

During the year the company received services from other members of the group as follows -

	2006 £	2005 £
Others	<u>592,860</u>	<u>440,971</u>
Amounts owing to other members of the group, which are unsecured and payable on demand were -		

	2006 £	2005 £
Parent company	913	913
Others	<u>17,066</u>	<u>17,066</u>
	<u>17,979</u>	<u>17,979</u>

Amounts owing to other members of the group, which are unsecured and payable outside one year were -

	2006 £	2005 £
Others	<u>8,899,646</u>	<u>8,523,213</u>
Amounts owing by other members of the group, which are unsecured and payable on demand were -		

	2006 £	2005 £
Others	<u>-</u>	<u>537,815</u>
Details of the company's immediate parent and of the ultimate controlling party are included at note 18		

### 16. SHARE CAPITAL

#### Authorised share capital:

	2006 £	2005 £
1,250,000 Ordinary shares of £1 each	<u>1,250,000</u>	<u>1,250,000</u>

#### Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>

# 41 BUCKINGHAM PALACE ROAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

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### 17. PROFIT AND LOSS ACCOUNT

	2006 £	2005 £
Balance brought forward as previously reported	(5,432,954)	(4,446,935)
Prior year adjustment (see note 7)	(473,963)	(377,668)
Balance brought forward restated	(5,906,917)	(4,824,603)
Loss for the financial year	(1,605,138)	(1,082,314)
Balance carried forward	<u>(7,512,055)</u>	<u>(5,906,917)</u>

### 18. CONTROLLING PARTY AND PARENT COMPANIES

The ultimate parent company, which prepares group accounts, is The Travel Corporation Limited, registered in the British Virgin Islands. The accounts are not available to the public.

The smallest group, for which group accounts are drawn up, is headed by Chesterfield (Mayfair) Limited, registered in the United Kingdom. The accounts are available to the public.