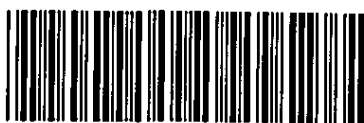


Registered number
04073868

Hotel Innovations Limited
Report and Accounts
For the year ended 30 September 2006

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Hotel Innovations Limited
Report and accounts
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Hotel Innovations Limited

Directors' Report

The directors present their report and accounts for the year ended 30 September 2006

Principal activities

The company's principal activity during the year was locating and developing hotel sites. The directors consider the level of business and the financial position at the year end to be satisfactory.

Results and dividends

The profit for the year, before taxation, amounted to £584,093 (2005 Loss £16,656) and £550,950 has been transferred to reserves.

The directors do not recommend the payment of a final ordinary dividend for the year.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	30 Sep 2006	1 Oct 2005
M N Steinberg	33 33%	33 33%
T S Cole	33 33%	33 33%
S R Collins	33 33%	33 33%

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 accounts 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.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 23 August 2007.



M N Steinberg
Director

Hotel Innovations Limited
Profit and Loss Account
for the year ended 30 September 2006

	Notes	2006 £	2005 £
Turnover	2	587,109	93,958
Cost of sales		-	-
Gross profit		<u>587,109</u>	<u>93,958</u>
Administrative expenses		(96,965)	(91,180)
Operating profit	3	<u>490,144</u>	<u>2,778</u>
Interest receivable		110,477	127,575
Interest payable		(16,528)	(147,009)
Profit/(loss) on ordinary activities before taxation		<u>584,093</u>	<u>(16,656)</u>
Tax on profit/(loss) on ordinary activities	4	(33,143)	-
Retained profit/(loss) for the financial year	11	<u>550,950</u>	<u>(16,656)</u>

Continuing Operations

None of the company's activities were acquired or discontinued in the above financial periods

Recognised gains or losses

There were no recognised gains or losses other than those passing through the above profit and loss account

The notes on pages 5 - 8 form part of these financial statements

Hotel Innovations Limited
Balance Sheet
as at 30 September 2006

	Notes	2006 £	2005 £
Long term assets			
Debtors recoverable after one year	5	436,327	305,421
Current assets			
Debtors	6	17,914	2,468,297
Investments held as current assets	7	525	525
Cash at bank and in hand		34,529	-
		<u>52,968</u>	<u>2,468,822</u>
Creditors: amounts falling due within one year	8	(474,893)	(2,592,015)
Net current liabilities		<u>(421,925)</u>	<u>(123,193)</u>
Total assets less current liabilities		<u>14,402</u>	<u>182,228</u>
Creditors: amounts falling due after more than one year	9	(226,770)	(945,546)
Net liabilities		<u>(212,368)</u>	<u>(763,318)</u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account	11	(213,368)	(764,318)
Equity Shareholders' funds	12	<u>(212,368)</u>	<u>(763,318)</u>

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act

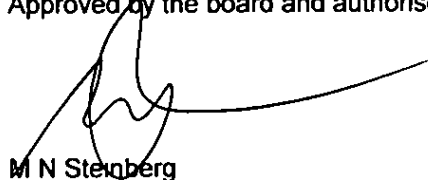
The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985, and
- (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this act relating to accounts, so far as applicable to the company

Hotel Innovations Limited
Balance Sheet
as at 30 September 2006

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the board and authorised for issue on 23 August 2007



M N Steinberg
Director

Hotel Innovations Limited
Notes to the Accounts
for the year ended 30 September 2006

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted.

Cashflow statement

The company has taken advantage of the exemption from the requirement to prepare a cash flow statement as this is a small company.

Going concern basis

This basis has been used as the directors have arranged for adequate finance to be made available to the company to enable it to continue trading. Profits are anticipated for the foreseeable future.

2 Turnover

Turnover represents the invoiced value of fees receivable and profit participations derived from the company's ordinary activities, net of Value Added Tax.

3 Operating profit/(loss)

2006	2005
£	£

This is stated after charging

Auditors' remuneration

-	-
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4 Taxation

2006	2005
£	£

UK corporation tax @ 30%

33,143	-
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The tax on the profits on ordinary activities has been reduced from the amount that would arise from applying the prevailing corporation tax rate to the company's profits as follows -

2006	2005
£	£

UK corporation tax at 30% on profit before tax

175,228	(4,997)
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Expenses disallowed

9,992	-
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Tax losses utilised

(152,077)	-
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Tax losses carried forward

-	4,997
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33,143	-
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Tax losses of £256,005 to be carried forward subject to agreement by the inland revenue (2005 £762,865)

Hotel Innovations Limited
Notes to the Accounts
for the year ended 30 September 2006

5 Long term Debtors	2006	2005
	£	£
Other debtors	436,327	305,421
6 Debtors	2006	2005
	£	£
Unpaid share capital	700	700
Other debtors	17,214	2,447,920
Prepayments and accrued income	-	19,677
	17,914	2,468,297
7 Investments held as current assets	2006	2005
	£	£
Unlisted investments	525	525
	Shares held	
Name	Class	%
Victoria Docks Hotel Company Limited	Ordinary	37 50
Marlow Hotel Company Limited	Ordinary	37 50
8 Creditors: amounts falling due within one year	2006	2005
	£	£
Bank overdrafts	-	13,005
Bank loan	-	1,500,000
Trade creditors	11,750	-
Other taxes and social security costs	59,571	-
Other creditors	292,841	1,008,038
Accruals and deferred income	77,588	70,972
	474,893	2,592,015

The bank loan is with HSBC Republic Bank Limited at a rate of 1 50% above bank base rate and was repaid in full June 2006

The loan is secured by a legal charge over the hotel property owned by Marlow Hotel Company Limited

Hotel Innovations Limited
Notes to the Accounts
for the year ended 30 September 2006

9 Creditors: amounts falling due after one year	2006 £	2005 £
Other creditors	<u>226,770</u>	<u>945,546</u>

For other creditors, although there is no definite repayment date for these creditors, under the terms of the loan agreements they will not fall due before the completion of the respective developments

10 Share capital	2006 £	2005 £
Authorised Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2006 £	2005 £
Allotted, called up and partly paid Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11 Profit and loss account	2006 £	2005 £
At 1 October	(764,318)	(747,662)
Retained profit/(loss)	550,950	(16,656)
At 30 September	<u>(213,368)</u>	<u>(764,318)</u>

12 Reconciliation of movement in shareholders' funds	2006 £	2005 £
At 1 October	(763,318)	(746,662)
Profit/(loss) for the financial year	550,950	(16,656)
At 30 September	<u>(212,368)</u>	<u>(763,318)</u>

13 Post balance sheet events

Since the year end the company has sold shares costing £375 for excess of £1 5m

Hotel Innovations Limited
Notes to the Accounts
for the year ended 30 September 2006

14 Related parties

During the year the company had the following transactions with related parties -

Fees were receivable from Marlow Hotel Company Limited £577,500 (2005 £15,000), Victoria Docks Hotel Company Limited, £15,000 (2005 £15,000), H P M C Limited £45,833 (2005 £48,958), Mango Hotels (Gypsy Corner) Limited £Nil (2005 £7,500), Mango Hotels (Bedford) Limited £Nil (2005 £7,500)

Fees were payable to Marcol Management Limited £40,000 (2005 £40,000)

Interest was receivable from Marlow Hotel Company Limited £56,261 (2005 £109,150)
The company has an investment in this company (see note 7)

Interest was receivable from Mango Hotels (Gypsy Corner) Limited £53,656 (2005 £Nil)

The directors of Hotel Innovations Limited are also directors and have an interest in the share capital of these companies

As at the year end the company had the following balances with related parties -

	2006	2005
	£	£
Marlow Hotel Company Limited	-	2,397,804
Mango Hotels Limited	94,800	79,550
Mango Hotels (Bedford) Limited	(93,750)	(93,750)
Hotel Innovations (Gypsy) Limited	111,219	100,871
City & General Estate Company Limited	(53,224)	(772,000)
City & General (Holborn) Limited	(38,546)	(38,546)
H P M C Limited	(16,406)	(16,406)
HIL Investments Limited	2,331	1,881
Marcol Management Limited	3,850	3,850
Mango Hotels (Gypsy Corner) Limited	230,308	125,000
Hotel Innovations (Cardiff) Limited	3,200	10,200
Vexland Limited	(135,000)	(135,000)

The company has an investment in Victoria Docks Hotel Company Limited and Marlow Hotel Company Limited (see note 7)

The directors of Hotel Innovations Limited are also directors with an interest in the share capital of Mango Hotels (Bedford) Limited, Mango Hotels Limited, Hotel Innovations (Gypsy) Limited, City & General Estate Company Limited, City & General (Holborn) Limited, HIL Investments Limited, Marcol Management Limited, Mango Hotels (Gypsy Corner) Limited, H P M C Limited, Hotel Innovations (Cardiff) Limited and Vexland Limited

15 Controlling party

The company is controlled by the directors