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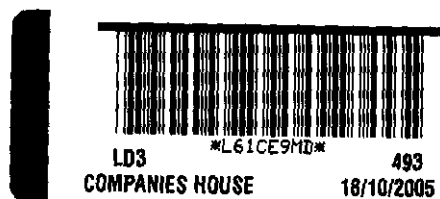
**REGISTRAR OF
COMPANIES**

**Topland Hotels (Edinburgh) Limited
(formerly Thistle Edinburgh Limited)**

Report and Financial Statements

Period Ended

31 May 2005



BDO

BDO Stoy Hayward
Chartered Accountants

Topland Hotels (Edinburgh) Limited

Annual report and financial statements for the period ended 31 May 2005

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Directors

C Moharm
N J Wilden

Secretary and registered office

C Moharm, 8 Baker Street, London, W1U 3LL.

Company number

04346502

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL.

Bankers

Barclays Bank Plc, Pall Mall Corporate Group, 50 Pall Mall, London, SW1A 1QA.

Topland Hotels (Edinburgh) Limited

Report of the directors for the period ended 31 May 2005

The directors present their report together with the audited financial statements for the 11 months period 5 July 2004 to 31 May 2005.

Change of name and accounting reference date

During the period the company changed its name from Thistle Edinburgh Limited to Topland Hotels (Edinburgh) Limited and also shortened its accounting reference date so as to end on 31 May.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the period.

The directors do not recommend the payment of a dividend for the period.

Principal activities, trading review and future developments

The principal activity of the company was until 27 April 2005 the ownership and operation of a hotel in the UK. Since that date the company's principal activity is that of property investment.

The directors are satisfied with the results for the period.

Since the period end the company has sold to its immediate parent company the property asset, together with the associated deferred tax liability and bank loan for a net consideration of £2,829,000.

Directors

The directors of the company during the period were:

C Moharm	(appointed 28 April 2005)
N J Wilden	(appointed 28 April 2005)
I K Cattermole	(resigned 28 April 2005)
N D Fairley	(resigned 28 April 2005)
G A Newsome	(resigned 10 December 2004)
R Mok	(appointed 10 December 2004, resigned 28 April 2005)

The directors have no beneficial interest in the shares of the immediate or ultimate parent company.

Topland Hotels (Edinburgh) Limited

Report of the directors for the period ended 31 May 2005 (Continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 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 the 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

KPMG LLP resigned as auditors of the company during the period and BDO Stoy Hayward LLP were appointed as auditors of the company by the directors. BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

By order of the Board

C Moharm


Secretary

Date 6 OCTOBER 2005

Topland Hotels (Edinburgh) Limited

Report of the independent auditors

To the shareholders of Topland Hotels (Edinburgh) Limited

We have audited the financial statements of Topland Hotels (Edinburgh) Limited for the period ended 31 May 2005 on pages 5 to 17 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit 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.

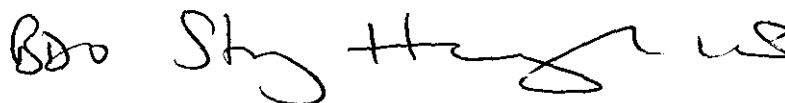
Topland Hotels (Edinburgh) Limited

Report of the independent auditors (*Continued*)

Qualified opinion arising from omission of cash flow statement

As explained in note 22, the financial statements do not contain a statement of cash flows as required by Financial Reporting Standard 1. In our opinion information about the company's cash flows is necessary for a proper understanding of the company's state of affairs and profit.

Except for the failure to provide information about the company's cash flows, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'BDO Stoy Hayward LLP', is written above the company name.

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
London

6 October 2005

Topland Hotels (Edinburgh) Limited

Profit and loss account for the period ended 31 May 2005

		Continuing operations 11 months ended 31 May 2005 £'000	Discontinued operations 11 months ended 31 May 2005 £'000	Total 11 months ended 31 May 2005 £'000	18 months ended 4 July 2004 £'000
	Note				
Turnover	2	128	3,692	3,820	6,763
Cost of sales		-	3,008	3,008	5,117
Gross profit		128	684	812	1,646
Administrative expenses - excluding waiver and impairment		102	-	102	-
Waiver of amounts due to group undertakings		-	(1,000)	(1,000)	-
Impairment in value of investment properties		582	-	582	-
Total administrative expenses		684	(1,000)	(316)	-
Operating (loss)/profit	3	(556)	1,684	1,128	1,646
Interest payable and similar charges	6			1,153	1,556
(Loss)/profit on ordinary activities before taxation				(25)	90
Taxation on (loss)/profit from ordinary activities	7			(1,112)	27
Profit on ordinary activities after taxation				1,087	63
Dividends	8			-	395
Retained profit/(loss) for the period	16			1,087	(332)

All above amounts in respect of the prior period relate to discontinued activities.
All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 17 form part of these financial statements.

Topland Hotels (Edinburgh) Limited

Balance sheet at 31 May 2005

	Note	31 May 2005 £'000	31 May 2005 £'000	4 July 2004 £'000	4 July 2004 £'000
Fixed assets					
Intangible assets	9	-	-	793	
Tangible assets	10		22,600	23,612	
			<u>22,600</u>	<u>24,405</u>	
Current assets					
Stocks		-		24	
Debtors	11	-		718	
Cash at bank and in hand		-		54	
				<u>796</u>	
Creditors: amounts falling due within one year	12	1,984		23,904	
Net current liabilities			<u>(1,984)</u>	<u>(23,108)</u>	
Total assets less current liabilities			20,616	1,297	
Creditors: amounts falling due after more than one year	13	19,276		-	
Provision for liabilities and charges	14	157		1,201	
			<u>19,433</u>	<u>1,201</u>	
			<u>1,183</u>	<u>96</u>	
Capital and reserves					
Called up share capital	15	-	-	-	
Profit and loss account	16		1,183	96	
Equity shareholders' funds	17		<u>1,183</u>	<u>96</u>	

The financial statements were approved by the Board on 16 OCTOBER 2005

C Moharm
Director

N J Wilden
Director

The notes on pages 7 to 17 form part of these financial statements.

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards except as explained in note 22.

The following principal accounting policies have been applied:

Turnover

Turnover comprises amounts receivable for goods supplied and services provided (excluding VAT) during the period.

Intangible assets

The costs of acquiring licences to use intellectual property are capitalised and amortised over the life of the licences.

Tangible fixed assets

Depreciation is provided to write off the cost of tangible fixed assets by equal annual instalments to their estimated residual value over their estimated remaining useful economic lives as follows:

Freehold land	-	Not depreciated
Core elements of freehold buildings	-	Remaining useful economic life (up to 100 years)
Integral plant and the non-core elements of buildings (comprising surface finishes and surfaces) - 'Fit out costs'	-	15 to 30 years
Moveable plant and equipment	-	15 years
Furniture, including fitted furniture, furnishings and bathroom equipment	-	10 years
Soft furnishings	-	5 years

Investment properties

In accordance with Statement of Standard Accounting Practice 19, investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005 (Continued)

1 Accounting policies (Continued)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Lessor incentives

Lessor incentives include rent free periods and other incentives given to lessees on entering into lease agreements.

Lessor incentives to new tenants to occupy the company's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are then charged to the profit and loss account evenly over the period to the earlier of the first rent review to the prevailing market rate and the lease end date. Where lessor incentives relate to investment properties the properties are carried at open market value less the amount of the unamortised incentive.

Operating leases

Rentals payable in respect of operating leases are charged to the profit and loss account as they are incurred.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005 (Continued)

3 Operating (loss)/profit

	11 months ended 31 May 2005 £'000	18 months ended 4 July 2004 £'000
This has been arrived at after charging:		
Impairment in value of investment properties	582	-
Depreciation of tangible fixed assets	281	494
Amortisation of intangible assets	145	97
Operating lease rentals - land and buildings	102	160
- hire of plant and machinery	23	42
	<u> </u>	<u> </u>

All costs incurred by or recharged to the company up to 27 April 2005 are included in cost of sales. Administrative expenses up to that date (including auditors' remuneration) are all incurred at group level.

4 Employees

	11 months ended 31 May 2005 £'000	18 months ended 4 July 2004 £'000
Staff costs consist of:		
Wages and salaries	905	1,603
Social security costs	64	116
Pension costs	24	54
	<u> </u>	<u> </u>
	993	1,773
	<u> </u>	<u> </u>

The company had no employees but the cost of services in respect of the persons employed at the Thistle Edinburgh Hotel during the period are recharged to the company by the former parent company, Thistle Hotels Limited. Details of the recharge are disclosed above.

5 Directors' remuneration

No director received any emoluments during the period (4 July 2004 - £Nil).

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005 (*Continued*)

6 Interest payable and similar charges

	11 months ended 31 May 2005 £'000	18 months ended 4 July 2004 £'000
Loans from group companies	855	1,556
Bank loans and overdrafts	105	-
Loan facility fee	193	-
	<u>1,153</u>	<u>1,556</u>

7 Taxation on (loss)/profit on ordinary activities

	11 months ended 31 May 2005 £'000	18 months ended 4 July 2004 £'000
<i>UK corporation tax</i>		
Current tax	-	76
<i>Deferred tax</i>		
Origination and reversal of timing differences	(1,112)	(49)
	<u>(1,112)</u>	<u>27</u>
<i>Tax reconciliation:</i>		
(Loss)/profit on ordinary activities before tax	(25)	90
	<u>(7)</u>	<u>27</u>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (4 July 2004 – 30%)	(7)	27
Effects of:		
Expenses not deductible for tax purposes	175	-
Income not taxable	(300)	-
Depreciation in excess of capital allowances	34	-
Capital allowances in excess of depreciation	-	49
Group relief	15	-
Tax losses	83	-
	<u>-</u>	<u>76</u>
Current tax charge for period	-	76

Factors that may affect future tax charges

Tax payments may continue to be reduced in future due to the utilisation of group tax losses.

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005 (*Continued*)

8 Dividends

	11 months ended 31 May 2005 £'000	18 months ended 4 July 2004 £'000
<i>Equity shares</i>		
Ordinary shares		
Interim paid of £Nil per share (4 July 2004 - £395,000)	-	395
	<u> </u>	<u> </u>

9 Intangible fixed assets

	Intellectual property licences £'000
<i>Cost</i>	
At 5 July 2004	890
Disposal of business	(890)
	<u> </u>
At 31 May 2005	-
	<u> </u>
<i>Amortisation</i>	
At 5 July 2004	97
Amortisation charge	145
Disposal of business	(242)
	<u> </u>
At 31 May 2005	-
	<u> </u>
<i>Net book value</i>	
At 31 May 2005	-
	<u> </u>
At 4 July 2004	793
	<u> </u>

An intellectual property licence was acquired from Thistle Hotels Limited and the cost of that licence was being amortised over five years being the term of the licence.

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005 (*Continued*)

10 Tangible assets

	Long leasehold land and buildings £'000	Fit out costs, furniture, furnishings and equipment £'000	Investment properties - long leasehold land and buildings £'000	Total £'000
<i>Cost or valuation</i>				
At 5 July 2004	21,324	5,171	-	26,495
Additions	-	99	-	99
Disposals	-	(1,884)	-	(1,884)
Transfer	(21,324)	(3,386)	24,710	-
Impairment in value	-	-	(2,110)	(2,110)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2005	-	-	22,600	22,600
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 5 July 2004	124	2,759	-	2,883
Charge for the period	22	259	-	281
Disposals	-	(1,636)	-	(1,636)
Transfer	(146)	(1,382)	1,528	-
Impairment in value	-	-	(1,528)	(1,528)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2005	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 May 2005	-	-	22,600	22,600
	<hr/>	<hr/>	<hr/>	<hr/>
At 4 July 2004	21,200	2,412	-	23,612
	<hr/>	<hr/>	<hr/>	<hr/>

The investment properties were valued as at 31 May 2005 by the directors on an open market value basis. Selling costs have not been deducted as there is no intention to sell the properties.

The historical cost net book value of the investment properties is:

	31 May 2005 £'000	4 July 2004 £'000
Cost	24,710	-
Accumulated depreciation based on historical cost	1,528	-
	<hr/>	<hr/>
	23,182	-
	<hr/>	<hr/>

Topland Hotels (Edinburgh) Limited**Notes forming part of the financial statements for the period ended 31 May 2005 (Continued)****11 Debtors**

	31 May 2005 £'000	4 July 2004 £'000
Trade debtors	-	458
Amounts owed by group undertakings	-	94
Prepayments	-	166
	<hr/>	<hr/>
	-	718
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

12 Creditors: amounts falling due within one year

	31 May 2005 £'000	4 July 2004 £'000
Bank loans and overdrafts (secured)	36	-
Trade creditors	-	331
Amounts owed to group undertakings	1,731	23,439
Other creditors	-	34
Accruals and deferred income	217	100
	<hr/>	<hr/>
	1,984	23,904
	<hr/>	<hr/>

Amounts due to group undertakings have no fixed terms of repayment.

Topland Hotels (Edinburgh) Limited**Notes forming part of the financial statements for the period ended 31 May 2005 (Continued)****13 Creditors: amounts falling due after more than one year**

	31 May 2005 £'000	4 July 2004 £'000
Bank loans	19,276	-
Maturity of debt:		
	Bank loans £'000	Bank loans £'000
In one year or less, or on demand	36	-
In more than one year but not more than two years	62	-
In more than two years but not more than five years	278	-
In more than five years	18,936	-
	19,276	-

The loans are secured by a first legal mortgage over the investment properties and a floating charge over the assets of the company. Additionally the lender has legal assignment over the rental income of the properties.

Loans are repayable in instalments and £18,167,000 is repayable in 2015 as a lump sum. Interest is payable at 6.16% per annum.

14 Provisions for liabilities and charges

	Deferred taxation £'000
At 5 July 2004	1,201
Disposal of business (see below)	68
Credited to profit and loss account (note 7)	(1,112)
At 31 May 2005	157

The adjustment in respect of disposal of business relates to balance transferred to the former parent undertaking, Thistle Hotels Limited, upon change of the company's ownership during the period.

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005 (*Continued*)

14 Provisions for liabilities and charges (*Continued*)

Deferred taxation

	31 May 2005 £'000	4 July 2004 £'000
Accelerated capital allowances	157	1,201

15 Share capital

	Authorised		Allotted, called up and fully paid	
	31 May 2005 £	4 July 2004 £	31 May 2005 £	4 July 2004 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	100	100	1	1

16 Reserves

	Profit and loss account £'000
At 5 July 2004	96
Profit for the period	1,087
At 31 May 2005	1,183

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005 (Continued)

17 Reconciliation of movements in shareholders' funds

	31 May 2005 £'000	4 July 2004 £'000
Profit/(loss) for the period	1,087	(332)
Net additions to/(deductions from) shareholders' funds	1,087	(332)
Opening shareholders' funds	96	428
Closing shareholders' funds	1,183	96

18 Pension costs

The company's former parent undertaking, Thistle Hotels Limited, operates pension schemes covering employees from the group, including from this company. The attributable costs based on cost to the group as a whole are charged to the company. Details of the latest actuarial valuation and the requirements of Financial Reporting Standard 17 "Retirement benefits" are disclosed in the financial statements of Thistle Hotels Limited.

19 Contingent liabilities

The company was until 27 April 2005 party to a cross-guarantee arrangement and set-off arrangement with Thistle Hotels Limited in respect of certain of that company's bank overdrafts and loans. The potential liability outstanding at 4 July 2004 amounted to £2,069,000.

At 31 May 2005 the investment properties were cross-charged as security for a loan taken out by the company and certain fellow subsidiaries totalling £170,000,000.

20 Commitments under operating leases

	31 May 2005 £'000	4 July 2004 £'000
Commitments under non-cancellable operating leases to pay rentals in respect of:		
<i>Plant and machinery</i>		
Expiring within two to five years	-	29
<i>Land and buildings</i>		
Expiring after five years	-	105
	-	134

Topland Hotels (Edinburgh) Limited

Notes forming part of the financial statements for the period ended 31 May 2005 (Continued)

21 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party transactions' not to disclose transactions with members or investees of the group headed by Thistle Hotels Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

The amount due to Berkley Estates London Limited, a fellow subsidiary, at 31 May 2005 was £1,731,000 (4 July 2004 - £Nil).

22 Cash flow statement

The financial statements do not contain a cash flow statement as in the opinion of the directors the expense of compiling such a statement is out of proportion to the related benefits.

23 Ultimate parent company

The parent undertaking until 27 April 2005 was Thistle Hotels Limited, a company registered in England. Copies of the financial statements of Thistle Hotels Limited, which consolidate the results of the Group, are available for Companies House.

The ultimate parent undertaking and controlling party until 27 April 2005 was BIL International Limited, a company registered in Bermuda and listed on the Singapore Stock Exchange. BIL International Limited is the largest Group to consolidate these financial statements. Copies of the financial statements of BIL International Limited can be obtained from its website (www.bilgroup.com) or from its offices at 20 Collyer Quay, #16-02/03 Tung Centre, Singapore.

At 31 May 2005 the largest and smallest group in which the results of the company are consolidated is that headed by Topland Group Holdings Limited, incorporated in the British Virgin Islands.

The immediate parent company is Topland Riversmeet Limited.

The ultimate parent company and controlling party is Topland Group Holdings International Limited, a company incorporated in the British Virgin Islands.

24 Post balance sheet event

Since the period end the company has sold to its immediate parent company the property asset, together with the associated deferred tax liability and bank loan for a net consideration of £2,829,000.