

TLLC CMPROPCO3 LIMITED
Company Registration Number 4588950
Report and Financial Statements
Year Ended 31 March 2010

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TLLC CMpropco3 Limited

Annual report and financial statements for the year ended 31 March 2010

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Directors

S L Gumm
N M Leslau

Secretary and registered office

S L Gumm, Cavendish House, 18 Cavendish Square, London W1G 0PJ

Company number

4588950

Auditors

BDO LLP, Emerald House, East Street, Epsom, Surrey KT17 1HS

TLLC CMpropco3 Limited

Report of the directors for the year ended 31 March 2010

The directors present their report together with the audited financial statements for the year ended 31 March 2010

Results and dividends

The profit and loss account is set out on page 5 and shows a profit for the year of £13,640 (2009 £13,642)

The directors do not recommend the payment of a final dividend (2009 £nil)

Principal activities

The principal activity of the company is an intermediate holding company within a property investment group operating in the United Kingdom

Directors

The directors of the company who held office during the year were

S L Gumm

N M Leslau

Statement of 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year. In preparing the 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

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 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

The directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information which has not been brought to the attention of the auditors.

BDO LLP have expressed their willingness to continue in office

TLLC CMpropco3 Limited

Report of the directors for the year ended 31 March 2010

(continued)

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to small companies exemption

On behalf of the Board



**S. L. Gamm
Director**

17 November 2010

TLLC CMpropco3 Limited

Independent auditors' report to the members of TLLC CMpropco3 Limited

We have audited the financial statements ("the financial statements") of TLLC CMpropco3 Limited for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 2, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 March 2010 and of the profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime.



Russell Field (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
Epsom, United Kingdom

17 November 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

TLLC CMpropco3 Limited**Profit and loss account for the year ended 31 March 2010**

| | Note | 2010 £ | 2009 £ |
|--|------|---------------|---------------|
| Administrative expenses | | (15) | (15) |
| Loss on ordinary activities before interest | | (15) | (15) |
| Net financing income | 5 | 13,655 | 13,657 |
| Profit on ordinary activities before taxation | | 13,640 | 13,642 |
| Taxation on profit on ordinary activities | 6 | - | - |
| Profit on ordinary activities after taxation and retained profit for the year | 11 | 13,640 | 13,642 |

All amounts relate to continuing activities

There were no recognised gains or losses for either year other than the profit for that year

There were no differences between historical cost profit and reported profit on ordinary activities for either year

The notes on pages 7 to 9 form part of the financial statements

TLLC CMpropco3 Limited

Balance sheet at 31 March 2010

Registered number

4588950

| | Note | 2010 £ | 2010 £ | 2009 £ | 2009 £ |
|---|------|------------|--------------|------------|--------------|
| Fixed assets | | | | | |
| Investment in subsidiary undertaking | 7 | | 1,765,001 | | 1,765,001 |
| Current assets | | | | | |
| Debtors due after more than one year | 8 | 36,894,352 | | 37,497,798 | |
| Net current assets | | | 36,894,352 | | 37,497,798 |
| Total assets less current liabilities | | | 38,659,353 | | 39,262,799 |
| Creditors amounts falling due after more than one year | 9 | | (36,649,248) | | (37,266,334) |
| Net assets | | | 2,010,105 | | 1,996,465 |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 1 | | 1 |
| Profit and loss account | 11 | | 2,010,104 | | 1,996,464 |
| Shareholders' funds | 12 | | 2,010,105 | | 1,996,465 |

The financial statements were approved by the Board and authorised for issue on 17 November 2010



S L Gamm
Director

The notes on pages 7 to 9 form part of the financial statements

TLLC CMpropco3 Limited

Notes forming part of the financial statements for the year ended 31 March 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Basis of non-consolidation

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group. The consolidated financial statements of Prestbury Hotel Holdings Limited, within which this company is included, can be obtained from the address given in the "Controlling party information" note to these financial statements.

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 the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of any underlying timing differences.

Deferred tax balances are not discounted.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for diminution in value, which is written off to the profit and loss account.

2 Employees

The average number of employees, excluding directors, during the year was nil (2009: nil).

3 Directors

No director received any emoluments from the group during the year (2009: none).

4 Auditors' remuneration

The auditors' remuneration is borne by Prestbury Hotels Limited, an intermediate parent company. Fees for the audit of the company were £760 (2009: £760).

The consolidated accounts of Prestbury Hotel Holdings Limited disclose details of non-audit fees that were paid to the company's auditors in the current year.

5 Net financing income

| | 2010 £ | 2009 £ |
|--|---------------|---------------|
| Interest receivable on loans to group undertakings | 1,983,992 | 2,184,109 |
| Interest payable on loans from group undertakings | (1,970,337) | (2,170,452) |
| | <u>13,655</u> | <u>13,657</u> |

6 Taxation

| | 2010 £ | 2009 £ |
|------------------------------------|-----------|-----------|
| <i>UK corporation tax</i> | | |
| Current tax on profits of the year | <u>-</u> | <u>-</u> |

TLLC CMpropco3 Limited

Notes forming part of the financial statements for the year ended 31 March 2010

(continued)

6 Taxation (continued)

The tax assessed for the year varies from the standard rate of corporation tax in the UK. The differences are explained below

| | 2010 £ | 2009 £ |
|---|----------------|----------------|
| Profit on ordinary activities before tax | <u>13,640</u> | <u>13,642</u> |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%) | 3,819 | 3,820 |
| Effects of Group relief claimed | <u>(3,819)</u> | <u>(3,820)</u> |
| Current tax charge for the year | <u>-</u> | <u>-</u> |

No provision for UK corporation tax has been made for the year due to the availability of group relief

At present it is not envisaged that any tax will become payable in the foreseeable future, due to the availability of losses within the group of which the company is a member

There is no provided or unprovided deferred taxation

7 Investment in subsidiary undertakings

**Investment
in subsidiary
undertaking
£**

Cost and net book value

At 1 April 2009 and at 31 March 2010 1,765,001

The company owns the entire issued share capital of TLLC CMsubpropco3 Limited, a company incorporated in England and Wales that undertakes property investment activities

A charge over the company's assets, including the above investment, has been granted to the group's lenders as part of the security for bank borrowings provided to Prestbury Hotels Limited, the immediate parent company

8 Debtors

| | 2010 £ | 2009 £ |
|-------------------------------------|-------------------|-------------------|
| Amounts due from group undertakings | <u>36,894,352</u> | <u>37,497,798</u> |

The amounts due from group undertakings are unsecured, bear interest at 8% and have no fixed repayment date. The above amounts include interest accrued of £13,001,820 (2009 £11,017,828)

9 Creditors: amounts falling due after more than one year

| | 2010 £ | 2009 £ |
|-----------------------------------|-------------------|-------------------|
| Amounts due to group undertakings | <u>36,649,248</u> | <u>37,266,334</u> |

The amounts due to group undertakings are unsecured, bear interest at 8% and have no fixed repayment date. The above amounts include interest accrued of £12,927,395 (2009 £10,957,058)

TLLC CMpropco3 Limited

Notes forming part of the financial statements for the year ended 31 March 2010

*(continued)***10 Share capital**

| | 2010 Number | 2010 £ | 2009 Number | 2009 £ |
|---|----------------|-----------|----------------|-----------|
| <i>Allotted, called up and fully paid</i> | | | | |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

11 Reserves**Profit and loss
account
£**

| | |
|------------------------------|------------------|
| At 1 April 2009 | 1,996,464 |
| Retained profit for the year | 13,640 |
| At 31 March 2010 | <u>2,010,104</u> |

12 Reconciliation of movement in shareholders' funds

| | 2010 £ | 2009 £ |
|--|------------------|------------------|
| Profit for the year and net movement in shareholders' funds | 13,640 | 13,642 |
| Opening shareholders' funds | <u>1,996,465</u> | <u>1,982,823</u> |
| Closing shareholders' funds | <u>2,010,105</u> | <u>1,996,465</u> |

13 Related party transactions

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of any transactions with entities that are included in the consolidated financial statements of Prestbury Hotel Holdings Limited

14 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of its ultimate parent company

15 Commitments and contingencies

The company, along with its current fellow group undertakings, has entered into an agreement with the bankers of the immediate parent company, to cross-guarantee the bank loans made to that company. At 31 March 2010 these bank loans amounted to £429,157,891 (2009 £428,113,872)

16 Controlling party information

At 31 March 2010, the company's immediate parent company is Prestbury Hotels Limited and its ultimate parent company is Prestbury Hotel Holdings Limited. Both of these companies are incorporated in England and Wales. The consolidated accounts of Prestbury Hotel Holdings Limited are available to the public and may be obtained from the company secretary, Cavendish House, 18 Cavendish Square, London W1G 0PJ

Prestbury Hotel Holdings Limited is a joint venture company and is not controlled by any one individual or entity