

**Millennium & Copthorne (Jersey Holdings)  
Limited**

**Directors' report and financial statements**

31 December 2007

Registered number 5846574

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## **Directors' report and financial statements**

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## **Directors' report**

The directors have pleasure in presenting their directors' report and the audited financial statements of Millennium & Copthorne (Jersey Holdings) Limited ('the company') for the year ended 31 December 2007

### **Business review and principal activities**

The company acts a holding company for its subsidiary Millennium & Copthorne (Jersey) Limited, incorporated in Jersey. The principal activity of the company is that of an investment holding company.

The company is a subsidiary of Millennium & Copthorne Hotels plc ('the Group'). The directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Limited.

The profit before tax for the year was £13,000 (2006 £5,000). No dividend was paid during the year (2006 £nil). No final dividend is proposed (2006 £nil).

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not separately managed. Accordingly, the principal risks and uncertainties of the Group, which include those of the company, are discussed on pages 34 and 35 of the Group's annual report which does not form part of this report.

### **Key performance indicators (KPIs)**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis of KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Directors**

The directors who held office during the year are listed below:

A J Bushnell  
Copthorne Hotels Limited

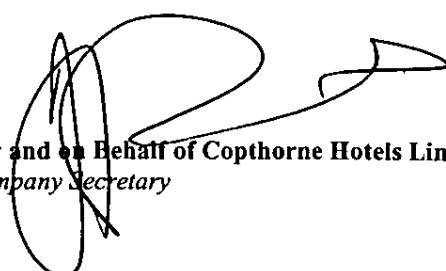
### **Disclosure of information to auditors**

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 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.

### **Auditor**

The company has elected to dispense with the obligation to appoint auditors annually, in accordance with section 386 of the Companies Act 1985.

By order of the board

  
**For and on Behalf of Copthorne Hotels Limited**  
Company Secretary

Victoria House, Victoria Road  
Horley, Surrey  
RH6 7AF  
12 August 2008

## **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 year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

## KPMG Audit Plc

8 Salisbury Square  
London  
EC4Y 8BB

### **Independent auditor's report to the members of Millennium & Copthorne (Jersey Holdings) Limited**

We have audited the financial statements of Millennium & Copthorne (Jersey Holdings) Limited for the year ended 31 December 2007 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.

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 auditors**

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

#### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the period 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.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

12 August 2008

## **Profit and loss account**

*for the year ended 31 December 2007*

|  | Note | 2007<br>£000 | 2<br>£      |
|--|------|--------------|-------------|
| <b>Operating profit</b>                              |      |              |             |
| Income from shares in subsidiary undertakings        |      | 13           | 5           |
|  |      | <hr/>        | <hr/>       |
| <b>Profit on ordinary activities before taxation</b> |      | 13           | 5           |
| Tax on profit on ordinary activities                 | 4    | (3)          | (2)         |
|  |      | <hr/>        | <hr/>       |
| <b>Profit for the financial year</b>                 |      | 10           | 3           |
|  |      | <hr/> <hr/>  | <hr/> <hr/> |

All activities relate to continuing operations

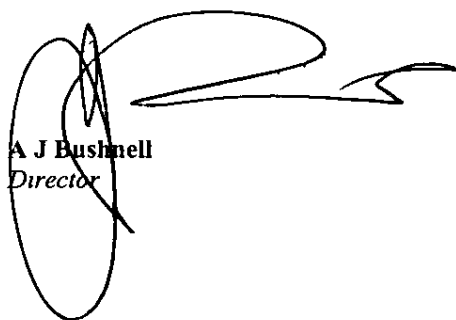
There have been no other recognised gains or losses for the financial year nor the preceding financial year  
Accordingly no statement of total recognised gains and losses have been presented in these financial statements

## Balance sheet

at 31 December 2007

|  | Note | 2007<br>£000 | 2006<br>£000 |
|--|------|--------------|--------------|
| <b>Fixed assets</b>                                  |      |              |              |
| Investments  | 5    | 206,200      | 206,200      |
| <b>Current assets</b>                                |      |              |              |
| Cash at bank and in hand                             |      | 38           | 2            |
| <b>Creditors</b> amounts falling due within one year |      |              |              |
| <b>Total net current assets</b>                      |      | 33           | 23           |
| <b>Net assets</b>                                    |      | 206,233      | 206,223      |
| <b>Capital and reserves</b>                          |      |              |              |
| Called up share capital                              | 6    | 206,220      | 206,220      |
| Profit and loss account                              | 7    | 13           | 3            |
| <b>Equity shareholders' funds</b>                    | 8    | 206,233      | 206,223      |

These accounts were approved by the board of directors on 12 August 2008 and were signed on its behalf by

  
 A J Bushnell  
 Director

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following principal accounting policies have been applied consistently throughout the year, dealing with items which are considered material to the company's financial statements

#### *Basis of preparation*

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

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 'Cash flow statements', the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### *Investments*

In the company's accounts, investments in subsidiary undertakings are stated at cost less provisions for impairment. Dividends received and receivable are credited to the company's profit and loss account on receipt or when approved for payment by the subsidiary.

#### *Foreign exchange*

Transactions denominated in foreign currencies are recorded at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rate of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of a transaction is included as an exchange gain or loss in the profit and loss account.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

#### *Dividends*

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved for payment.



**Notes (continued)**

**2 Profit on ordinary activities before taxation**

The auditor's remuneration of £5,000 (2006 £5,000) for the current period has been borne by a parent undertaking

**3 Directors and employees**

The directors received no emoluments from the company during the current financial year or prior period  
 The company has no other employees (2006 nil)

**4 Taxation on profit on ordinary activities**

(i) *Analysis of tax charge in the year*

|  | 2007<br>£000 | 2006<br>£000 |
|--|--------------|--------------|
| UK corporation tax   |              |              |
| Payment for Group relief                                   | 4            | 2            |
| Tax credit relating to prior years                         | (1)          | -            |
|  | <hr/>        | <hr/>        |
| Total current tax and tax on profit on ordinary activities | 3            | 2            |
|  | <hr/>        | <hr/>        |

(ii) *Factors affecting the current tax charge for year*

The current tax charge for the year is different to the standard rate of tax in the UK (30%, 2006 30%) The differences are explained below

|  | 2007<br>£000 | 2006<br>£000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax | 13           | 5            |
|  | <hr/>        | <hr/>        |
| Current tax at 30% (2006 30%)            | 4            | 2            |
| Effect of                                |              |              |
| Prior year adjustments                   | (1)          | -            |
|  | <hr/>        | <hr/>        |
| Total current tax                        | 3            | 2            |
|  | <hr/>        | <hr/>        |

## Notes (continued)

### 5 Investments

|                                | 2007<br>£000 | 2006<br>£000 |
|--------------------------------|--------------|--------------|
| <i>Cost and net book value</i> |              |              |
| At the end of the year         | 206,200      | 206,200      |

The company's investment comprises 100% of the capital of its unlisted subsidiary undertaking, Millennium & Copthorne (Jersey) Limited, incorporated in Jersey on 27 June 2006

### 6 Called up share capital

|  | 2007<br>£000 | 2006<br>£000 |
|--|--------------|--------------|
| <i>Authorised</i>                      |              |              |
| 250,000,000 ordinary shares of £1 each | 250,000      | 250,000      |
| <i>Issued, allotted and fully paid</i> |              |              |
| 206,220,001 ordinary shares of £1 each | 206,220      | 206,220      |

All of the share capital is equity share capital

### 7 Capital and reserves

|                               | Share capital<br>£000 | Profit and<br>loss account<br>£000 | Total<br>£000 |
|-------------------------------|-----------------------|------------------------------------|---------------|
| At beginning of year          | 206,220               | 3                                  | 206,223       |
| Profit for the financial year | -                     | 10                                 | 10            |
| At end of year                | 206,220               | 13                                 | 206,233       |

### 8 Reconciliation of movements in equity shareholders' funds

|                                      | 2007<br>£000 | 2006<br>£000 |
|--------------------------------------|--------------|--------------|
| Profit for the financial year        | 10           | 3            |
| Share capital issued during the year | -            | 206,220      |
| Net addition to shareholders' funds  | 10           | 206,223      |
| Opening shareholders' funds          | 206,223      | -            |
| Closing shareholders' funds          | 206,233      | 206,223      |

**Notes** *(continued)*

**9 Related party transactions**

As the company is a wholly owned subsidiary of Millennium & Copthorne Hotels plc, the company has taken advantage of the exemption contained in FRS 8 'Related party transactions' and has therefore not disclosed transactions or balances with entities which form part of the group headed by Millennium & Copthorne Hotels plc

**10 Ultimate parent and controlling company and parent undertaking of the smallest and largest group of which the company is a member**

The directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Limited incorporated in the Republic of Singapore. The accounts of the ultimate holding company, which heads the largest group in which the results of the company are consolidated, are available to the public at The Registrar of Companies and Businesses, 10 Anson Road # 05 - 10/15, International Plaza, Singapore 079903.

The immediate holding and controlling company is Republic Hotels & Resorts Limited, which is a wholly owned subsidiary of Millennium & Copthorne Hotels plc, a company registered in England and Wales, which also heads the smallest group in which the results of the company are consolidated. The consolidated accounts are available to the public and may be obtained from Victoria House, Victoria Road, Horley, Surrey RH6 7AF.