

**Company registration number 05893847**

**FULL MOON HOLDCO 3 LIMITED**

**Report and financial statements**

**For the year ended 31 December 2010**

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**FULL MOON HOLDCO 3 LIMITED  
REPORT AND FINANCIAL STATEMENTS 2010**

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## **FULL MOON HOLDCO 3 LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Keith Hamill  
Paul Harvey  
Grant Hearn  
Anand Krishnan (resigned 13 April 2011)  
Jon Mortimore  
Guy Parsons  
Sameer Kamal Ibrahim Al Ansari (resigned 31 March 2010)  
David Smoot (appointed 31 March 2010)  
Brian Lindley (resigned 31 December 2010)  
Peter Jansenberger (appointed 1 January 2011)

#### **COMPANY SECRETARIES**

Jon Mortimore  
AG Secretarial Limited

#### **REGISTERED OFFICE**

100 Barbirolli Square  
Manchester  
M2 3AB

#### **BANKERS**

The Royal Bank of Scotland PLC  
135 Bishopsgate  
London  
EC2M 3UR

#### **SOLICITORS**

Addleshaw Goddard  
Milton Gate  
60 Chiswell Street  
London  
EC1Y 4AG

#### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

## **FULL MOON HOLDCO 3 LIMITED**

### **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2010

### **PRINCIPAL ACTIVITIES**

The Company is principally engaged in financing the Travelodge Group

### **BUSINESS REVIEW AND FUTURE PROSPECTS**

The Company made an operating loss for the year ended 31 December 2010 of £300,173 (2009 £4,630,531 loss) and after taking account of interest receivable and interest payable, a loss for the financial year of £295,011 (2009 £4,626,206 loss)

The Directors expect the general level of activity to remain the same in 2011. The Company is a holding company within the Travelodge Group and as such it is not considered that there are any key performance indicators

### **DIVIDENDS**

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

### **DIRECTORS**

The Directors, who served throughout the year and up to the date of signing the financial statements were as follows

Keith Hamill  
Paul Harvey  
Grant Hearn  
Anand Krishnan (resigned 13 April 2011)  
Jon Mortimore  
Guy Parsons  
Sameer Kamal Ibrahim Al Ansari (resigned 31 March 2010)  
David Smoot (appointed 31 March 2010)  
Brian Lindley (resigned 31 December 2010)  
Peter Jansenberger (appointed 1 January 2011)

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties to which the company is exposed to are as follows

**Interest rate risk** The Company is subject to an interest charge on its intercompany debt. This charge reflects the cost to the Company of the external debt held. In order to mitigate the risk of changes in interest rates, the Group borrows at fixed and floating rates, and uses interest rate swaps to generate the desired interest profile. It is the Company's policy to comply with the terms and conditions stated within its loan facilities.

**FULL MOON HOLDCO 3 LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**GOING CONCERN**

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the intermediate parent company, Endell Group Holdings Limited (formerly known as Travelodge Limited). The directors have received confirmation that Endell Group Holdings Limited intend to support the company for at least one year after these financial statements are signed.


**STATEMENT OF PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware,
- each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the Board of Directors and signed by order of the board



Jon Mortimore  
Company secretary  
21 June 2011

## **FULL MOON HOLDCO 3 LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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 period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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,
- 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.

By order of the Board

Jon Morimore  
Company secretary  
21 June 2011

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FULL MOON HOLDCO 3 LIMITED**

We have audited the financial statements of Full Moon Holdco 3 Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4 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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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 December 2010 and of its loss 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.



John Ellis (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
21 June 2011

**FULL MOON HOLDCO 3 LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2010**

		<b>Year ended 31 December 2010</b>	<b>Year ended 31 December 2009</b>
	<i>Note</i>	<b>£</b>	<b>£</b>
Exceptional items	3	<u>(300,173)</u>	<u>(4,630,531)</u>
<b>OPERATING (LOSS)</b>	4	<u><b>(300,173)</b></u>	<u><b>(4,630,531)</b></u>
Interest receivable and similar income	5	56,484,930	48,169,405
Interest payable and similar charges	6	<u>(56,479,768)</u>	<u>(48,165,080)</u>
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(295,011)</b>	<b>(4,626,206)</b>
Tax on profit on ordinary activities	7	-	-
<b>PROFIT / (LOSS) FOR THE FINANCIAL YEAR</b>	12	<u><b>(295,011)</b></u>	<u><b>(4,626,206)</b></u>

There were no recognised gains or losses for the years other than as shown above. There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents.

All results are derived from continuing operations.



**FULL MOON HOLDCO 3 LIMITED**

**BALANCE SHEET**

**As at 31 December 2010**

		<b>Year ended 31 December 2010</b>	<b>Year ended 31 December 2009</b>
	<i>Note</i>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Investments	8	<u>2,000,000</u>	<u>2,000,000</u>
<b>CURRENT ASSETS</b>			
Debtors	9	369,461,629	315,038,944
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	<u>(374,375,144)</u>	<u>(319,657,448)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(4,913,515)</u>	<u>(4,618,504)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(2,913,515)</u>	<u>(2,618,504)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2,000,000	2,000,000
Profit and loss account	12	<u>(4,913,515)</u>	<u>(4,618,504)</u>
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	13	<u>(2,913,515)</u>	<u>(2,618,504)</u>

These financial statements on pages 6 to 12 were approved by the board of directors and signed on their behalf by

  
Jon Mortimore  
Director  
21 June 2011

Full Moon Holdco 3 Limited

Company registration number

05893847

## **FULL MOON HOLDCO 3 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2010**

#### **1 ACCOUNTING POLICIES**

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##### **Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

##### **Group accounts**

As permitted by section 400 of the Companies Act 2006, Group financial statements have not been prepared as the results and balances of this Company are included in the consolidated financial statements of Endell Group Holdings Limited. These financial statements present financial information about the Company as an individual undertaking and not about the Group it heads. The company is a wholly owned subsidiary of Endell Group Holdings Limited.

##### **Cash flow statement**

Under Financial Reporting Standard 1 "Cash flow statement" (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent company includes the Company's cash flows in its own published consolidated financial statements.

##### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

##### **Debt**

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period.

##### **Exceptional items**

In order to understand the underlying performance of the business, material, non-recurring items are separately disclosed as exceptional items in the profit and loss account.

#### **2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

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Information regarding Directors' emoluments is disclosed in the financial statements of Endell Group Holdings Limited, the intermediate parent company. Directors of the Company received no remuneration for services provided to this Company in the current or preceding years. There were no employees in the current or preceding years.

#### **3 EXCEPTIONAL ITEMS**

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In the year to 31 December 2010 exceptional costs charged against operating profit of £300,017 (2009 £4,630,531) represent financing costs incurred during the restructure of financing for the Group.

#### **4 OPERATING PROFIT**

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The audit fee of £3,000 (2009 £3,000) is borne by a fellow group company.

**FULL MOON HOLDCO 3 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2010**

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Interest receivable from Group undertakings	56,484,930	48,169,405

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Interest payable to Group undertakings	(56,479,768)	(48,165,080)

**7 TAX ON (LOSS) ON ORDINARY ACTIVITIES**

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Current tax		
UK corporation tax on profits of the year	-	-
Total current tax	-	-
<b>Tax on loss on ordinary activities</b>	-	-

The differences between the total current tax shown and the amount calculated by applying the standard rate of tax for the year of 28.0% (2009: 28.0%) to the profit before tax are as follows

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
<b>(Loss) / Profit on ordinary activities before taxation</b>	<b>(295,011)</b>	<b>(4,626,206)</b>
Tax on ordinary activities at 28.0% (2009: 28.5%)	(82,603)	(1,295,338)
Effects of		
Expenses not deductible for tax purposes	-	-
Items not chargeable to tax	-	-
Tax surrendered by group companies for nil consideration	82,603	1,295,338
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

No provision for UK corporation tax has been made for the year to 31 December 2010 (2009: £nil) since the profit for the year will be sheltered by group relief expected to be made available to the Company by other companies in the Endell Group Holdings Limited group. No charge will be made by these companies for the surrender of group relief. It is anticipated that the availability of tax losses will reduce future tax charges. There is no unprovided deferred tax (2009: £nil).

Further reductions to the UK corporation tax rate were announced in the March 2011 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 2% in April 2011, followed by 1% per annum to 23% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

## FULL MOON HOLDCO 3 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

#### 8 INVESTMENTS

	Ordinary Shares in subsidiaries £
At 1 January 2010 and 31 December 2010	2,000,000

Investments held as fixed assets constitute shares in subsidiary undertakings. The directors believe that the carrying value of the investments is supported by their underlying net assets. Subsidiaries held at 31 December 2010 are as follows:

Subsidiary undertaking	Business description	Country of incorporation	% of equity held
Full Moon Holdco 4 Limited*	Holding company	Great Britain	100
Full Moon Holdco 5 Limited	Holding company	Great Britain	100
Full Moon Holdco 6 Limited	Holding company	Great Britain	100
Travelodge Hotels Limited	Trading	Great Britain	100
TLLC Group Holdings Limited	Holding company	Great Britain	100
TLLC Limited	Holding company	Great Britain	100
Travelodge Hoteles Espana SL (Spain)	Trading	Spain	100
TLLC LevPropCo1 Limited	Property Lessor	Great Britain	100
TLLC LevPropCo5 Limited	Property Lessor	Great Britain	100
TLLC LevPropCo7 Limited	Property Lessor	Great Britain	100
TLLC PropHoldCo 1 Limited	Holding company	Great Britain	100
TLLC Trustees Limited	Holding company	Great Britain	100
TLLC Holdings 2 Limited	Holding company	Great Britain	100
TLLC Holdings 3 Limited	Holding company	Great Britain	100
TLLC Holdings 4 Limited	Holding company	Great Britain	100
TLLC Holdings 5 Limited	Holding company	Great Britain	100
Stewart Watt Limited	Trading	Great Britain	100
TLLC Regent Palace Limited	Trading	Great Britain	100
Travelodge Holdings (Malta) Limited	Holding company	Malta	100
Travelodge 1 BV	Holding company	Netherlands	100
Travelodge 2 BV	Holding company	Netherlands	100
Travelodge Hoteles Erandio SL	Trading	Spain	100
Travelodge Hoteles Malaga Nostrum SL	Trading	Spain	100

\*Denotes direct investment

#### 9 DEBTORS

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Amounts owed by Group undertakings	369,461,629	315,038,944

Amounts owed by Group undertakings are repayable on demand. As part of the funding of the Travelodge Group, Full Moon HoldCo 3 Limited makes loans to other Group companies which are used by these companies to settle other bank interest obligations. Amounts owed by group undertakings predominately relates to these outstanding balances and associated interest charges owing from those companies.

**FULL MOON HOLDCO 3 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2010**

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Other Creditors	-	2,403,715
Amounts owed to Group undertakings	374,375,144	317,253,733
	<b>374,375,144</b>	<b>319,657,448</b>

Amounts owed to Group undertakings are repayable on demand. As part of the funding of the Travelodge Group, Full Moon HoldCo 3 Limited has received loans from other Group companies resulting from the drawdown on certain bank facilities. Amounts payable to group undertakings predominately relates to these outstanding balances and associated interest charges owing to those companies.

**11 CALLED UP SHARE CAPITAL**

	2010 and 2009 Number of shares	2010 and 2009 £
<b>Authorised:</b>		
Ordinary shares of £1 each	2,000,000	2,000,000
<b>Allotted and fully paid:</b>		
Ordinary shares of £1 each	2,000,000	2,000,000

**12 RESERVES**

	Year ended 31 December 2010 Profit and loss account £	Year ended 31 December 2009 Profit and loss account £
At 1 January 2010	(4,618,504)	7,702
Profit / (Loss) for the financial year	(295,011)	(4,626,206)
<b>At 31 December 2010</b>	<b>(4,913,515)</b>	<b>(4,618,504)</b>

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Opening shareholders' funds	(2,618,504)	2,007,702
Profit / (Loss) for the financial year	(295,011)	(4,626,206)
<b>Closing shareholders' deficit</b>	<b>(2,913,515)</b>	<b>(2,618,504)</b>

## **FULL MOON HOLDCO 3 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2010**

#### **14 RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY**

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As a wholly owned subsidiary of Endell Group Holdings Limited, the Company has taken advantage of the exemption in FRS 8 'Related party disclosures' not to disclose transactions with other members of the Group

The immediate parent company is Full Moon Holdco 2 Limited

The Directors regard Dubai International Capital LLC ("DIC"), a Company incorporated in the United Arab Emirates, as the ultimate controlling party and the largest group of which the Company is a member and for which Group financial statements are drawn up. Endell Group Holdings Limited is the smallest group of which the Company is a member and for which the Group financial statements are drawn up. Copies of the DIC Group financial statements are available from its registered office: The Gate, East Wing, 13th Floor DIFC, Sheikh Zayed Road, P O Box 72888, Dubai, United Arab Emirates. Copies of the Endell Group Holdings Limited Group financial statements are available from its registered office: Sleepy Hollow, Aylesbury Road, Thame, Oxon, OX9 3AT