

EDWARDIAN PASTORIA HOTELS LIMITED

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2011**

Company Registration No. 05986690

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EDWARDIAN PASTORIA HOTELS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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EDWARDIAN PASTORIA HOTELS LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2011

Principal activities

The principal activity of the company is the provision of hotel accommodation, conference facilities and meals

Business review

Turnover of the company was £4million, small increase from £3.9 million in 2010. The improvement in demand for London hotel services from 2010 continued and strengthened through 2011, even though we had anticipated some renewed weakness. The company benefitted from and reacted to that improvement.

Corporate business in London continued to strengthen. Conference business has been slower to recover but has recovered to some degree. Leisure business has been helped by relative weakness of sterling.

However, due to increase in administrative costs, the company's profitability before interest was declined by £0.3million from £1.4million in 2010 to £1.1million in 2011.

Outlook for the future

The outlook for the UK economy in 2012 is affected by economic uncertainty and impending public sector cuts as well as uncertainties of the Euro zone. The Jubilee celebrations and the Olympic Games would be expected to be positive for London hotel business, but the company, in common with other major London hoteliers, supported the bid for the Olympics Games by committing to hold down room rates during the period of the Games. There is some concern that other visitors may choose to avoid London before and after the Games and we shall have to work hard to minimize that effect on the company. The leisure business in London continues to be quite strong. Demand connected to financial services, which is an important source of business for our hotel, has recovered, and conference business is recovering. The company has invested in maintaining the standards at the hotel. We are confident such investment and the naturally diverse and varied demand for hotel services in central London will ensure we continue to prosper with the hotel market in London.

We are grateful to our management and staff who have worked very hard to access new sources of demand and to control costs.

Principal risks

The Companies Act 2006 requires that the directors' report contains a description of the principal risks and uncertainties facing the company. Like most businesses, the company is subject to a variety of risks which could have a negative impact on its performance and financial condition, including the reputational damage that might arise from inadvertent breach of one or more provisions of the substantial volume of new and revised legislation and regulations that continue to flow. The Board is responsible for the company's system of internal control and risk management, and for reviewing its effectiveness. In discharging and delegating that responsibility, the Board has regard to the balance of risk, cost and opportunity.

This section describes some of the risks that could materially affect the company's business. The risks below are not the only ones that the company faces. Some risks are not yet known to the company and some that it does not currently believe to be material could later turn out to be material. All such risks could materially affect the company's business, revenue, operating profit, earnings, net assets and liquidity and/or capital resources.

EDWARDIAN PASTORIA HOTELS LIMITED

DIRECTORS' REPORT - 2011 (CONT'D)

Principal risks *(continued)*

The company's hotel is located in Central London so that profitability is dependant on the strength of the London hotel market. The company is therefore particularly exposed to the effects of further terrorist incidents in London or other events such as closure of airports by volcanic ash which could materially impact it if the effect were prolonged. The company has insurance against terrorism damage directly at its hotel but it is not possible to insure against indirect effects. Fortunately demand for hotel services and particularly room occupancy comes from many sources of business and many countries.

The London hotel market has recovered swiftly from previous terrorist events. The concentration on London has been a source of strength for the company's profitability. Demand from major groups and substantial investors for well-located and well-presented hotels, because of the long-term importance and resilience of London as a business and leisure destination, has supported the increase of value of the hotel and is likely to continue to do so, but values have been and are bound to be affected to a degree by current performance.

The company had no bank borrowings throughout the year and therefore it is not exposed to any external credit risks. However, it is financed by other group companies and it has certain interest bearing inter-company loans. In return, the company has given guarantees and fixed and floating charges over its assets to secure group borrowings. It is therefore reliant on overall group performance and compliance with the banking covenants.

The company is reliant upon the reservation system of Carlson, the franchisor of the Radisson brand and system. In common with other franchisees it is exposed to the risk of failures in that system as well as in its own associated IT systems. The company has only indirect influence over steps Carlson might take to mitigate such risks. While the group has the benefit of long term agreements with Carlson which have been further strengthened in early 2012, it is exposed to the possibilities of interruption in the short term including inadequate disaster recovery arrangements, and/or to inadequate continued investment in this technology, leading to loss of competitive position in its distribution channels which are continually changing and important to revenues and to the control of the supply, presentation and price of its room inventory.

Events in 2008 and 2009 led the company to focus even more closely on reducing financial risks, but also to attend to the reputational risks which attach to a high profile company with customers who are entitled to demand a high level of service and consistent performance which depend on appropriate policies and the training and supervision of staff. Following much attention in 2008, continued and reinforced since, we are confident our policies and procedures are better able to handle such risks than they were at the start of 2008.

The financial statements of the company's parent company, Edwardian Group Limited contain a more detailed note on principal risks in relation to the whole group.

Fixed assets

There was no significant acquisition in 2011.

We continue to make minor improvements to keep our hotel competitive. It is important to the enhancement of the Radisson Edwardian brand and the development of the company's business that our hotel is improved and renovated and that the profit is generated to allow that process to continue.

The company's policy is to revalue its hotel every three years. Pursuant to that policy the hotel was valued by Jones Lang LaSalle as at 31st December 2011. That revaluation led to an addition of £10million to the revaluation reserve.

EDWARDIAN PASTORIA HOTELS LIMITED

DIRECTORS' REPORT - 2011 (CONT'D)

Dividends

No dividends were paid or declared for the year (2010. nil)

Directors

The directors who served the company during the year were as follows

Mr J Singh

Mr J R Morley

Employees

It is the company's policy to train and develop its staff in close relationship with various training organisations. The company recognises the need to ensure effective communication with employees. Senior management are regularly informed of company development in strategic, financial, commercial and personnel matters to enable them to inform and discuss these issues with employees as appropriate. The company believes in promoting from within the organisation on the basis of ability and merit.

Full and fair consideration is given to applications for employment by disabled persons, having regard to their particular aptitudes and abilities. Wherever possible, arrangements are made for the continued employment of persons who have become disabled during service and for the appropriate training, career development and promotion of disabled persons.

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 and applicable law (UK Generally Accepted Accounting Practice).

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 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,
- 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 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 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.

EDWARDIAN PASTORIA HOTELS LIMITED

DIRECTORS' REPORT - 2011 (CONT'D)

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 the 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

Auditors

Pursuant to Section 487(2) of the Companies Act 2006, the auditors will be deemed to be re-appointed and Messrs KPMG LLP and SDC (2012) Ltd practising as Shah Dodhia & Co will therefore continue in office as joint auditors

Registered office:

140 Bath Road
Hayes
Middx
UB3 5AW

By order of the board



V Wason
Secretary

23 May 2012

EDWARDIAN PASTORIA HOTELS LIMITED

REPORT OF THE INDEPENDENT JOINT AUDITORS' KPMG LLP AND SDC (2012) LTD PRACTISING AS SHAH DODHIA & CO TO THE MEMBERS OF EDWARDIAN PASTORIA HOTELS LIMITED

We have audited the financial statements (the "financial statements") of Edwardian Pastoria Hotels Limited for the year ended 31 December 2011 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the matters 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.

EDWARDIAN PASTORIA HOTELS LIMITED

**REPORT OF THE INDEPENDENT JOINT AUDITORS' KPMG LLP AND
SDC (2012) LTD PRACTISING AS SHAH DODHIA & CO
TO THE MEMBERS OF EDWARDIAN PASTORIA HOTELS LIMITED (CONT'D)**

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



Mark Summerfield
Senior Statutory Auditor
for and on behalf of
KPMG LLP, Statutory Auditor
15 Canada Square
London E14 5GL

Date: 25 May 2012



Satish Shah
Senior Statutory Auditor
for and on behalf of
SDC (2012) Ltd practising as
Shah Dodhia & Co, Statutory Auditor
173 Cleveland Street
London W1T 6QR

Date: 25 May 2012

EDWARDIAN PASTORIA HOTELS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £'000	2010 £'000
TURNOVER	2	4,030	3,856
Cost of sales		<u>(981)</u>	<u>(999)</u>
GROSS PROFIT		3,049	2,857
Operating expenses	3	<u>(1,950)</u>	<u>(1,442)</u>
OPERATING PROFIT	4	1,099	1,415
Interest payable and similar charges	5	<u>(665)</u>	<u>(891)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		434	524
Tax on profit on ordinary activities	9	<u>(66)</u>	<u>(161)</u>
RETAINED PROFIT/(LOSS) FOR THE YEAR		<u>368</u>	<u>363</u>

All of the activities of the company are classed as continuing. During 2011 other than the profit for the year the Company had further recognised gains and losses as disclosed in the Statement of Total Recognised Gains and Losses on Page 8.

The notes on pages 10 to 17 form part of these financial statements

EDWARDIAN PASTORIA HOTELS LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £'000	2010 £'000
Profit for the financial year attributable to the shareholders	368	363
Unrealised profit on revaluation of fixed asset	<u>10,327</u>	-
Total recognised gains and losses since the last financial statements	<u>10,695</u>	<u>363</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £'000	2010 £'000
Opening shareholders' Funds	4,222	3,859
Profit for the financial year	368	363
Other net recognised gains and losses	<u>10,327</u>	-
Closing shareholders' Funds	<u>14,917</u>	<u>4,222</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	434	524
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	-
Historical cost profit on ordinary activities before taxation	<u>434</u>	<u>524</u>
Historical cost profit retained for the year after taxation and dividends	<u>368</u>	<u>363</u>

The notes on pages 10 to 17 form part of these financial statements

EDWARDIAN PASTORIA HOTELS LIMITED

BALANCE SHEET AT 31 DECEMBER 2011

		2011		2010	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	10		29,399		19,364
CURRENT ASSETS					
Stocks	11	4		4	
Debtors	12	468		291	
Cash at bank and in hand		272		231	
		<u>744</u>		<u>526</u>	
CREDITORS: Amounts falling due within one year	13	<u>(722)</u>		<u>(871)</u>	
NET CURRENT ASSETS / (LIABILITIES)			<u>22</u>		<u>(345)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,421</u>		<u>19,019</u>
CREDITORS: Amounts falling due after more than one year	14		<u>(14,023)</u>		<u>(14,265)</u>
			<u>15,398</u>		<u>4,754</u>
PROVISION FOR LIABILITIES AND CHARGES	15		<u>(481)</u>		<u>(532)</u>
NET ASSETS			<u>14,917</u>		<u>4,222</u>
CAPITAL AND RESERVES					
Share capital	16		-		-
Revaluation reserve	17		14,389		4,062
Profit and loss account	17		528		160
SHAREHOLDERS' FUNDS			<u>14,917</u>		<u>4,222</u>

These financial statements were approved by the directors on **23 May 2012** and are signed on their behalf by


Jasvinder Singh (Chairman)

Company Registration Number 05986690

The notes on pages 10 to 17 form part of these financial statements

EDWARDIAN PASTORIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting and presentation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of the company's hotel

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Fixed assets and depreciation

The hotel is revalued periodically and is carried forward at valuation, together with additions thereafter at cost, less depreciation, until their next revaluation date when it is again stated at valuation. Impairment reviews are carried out as and when considered necessary

The hotel is separated into components, which have significantly different useful economic lives and these are depreciated to their residual values over their useful economic lives

The value allocated to land for freehold and long leasehold (over 50 years) hotels is not depreciated. The value allocated to land for leasehold properties with unexpired term of 50 years or less is written off on a straight line basis over the remaining term of the leases. All other tangible fixed assets are depreciated on a straight line basis to their residual values over their estimated useful lives as follows

Freehold Buildings	50 years
Leasehold Buildings	Lesser of 50 years and unexpired term of lease
Non-core Building (Integral Plant and Surface Finishes)	10 - 30 years
Plant and Machinery	3 - 20 years
Fixtures, Fittings and Equipment	3 - 10 years
Computer Equipment	3 years
Motor Vehicles	5 years

Stocks

Stocks consist of raw materials and consumables and are valued at the lower of cost and net realisable value

Deferred taxation

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 FRS19

EDWARDIAN PASTORIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 2011 (CONT'D)

1. PRINCIPAL ACCOUNTING POLICIES *(continued)*

Revenue and its recognition

Revenue principally comprises income from the ownership and operation of the hotel which is recognised as turnover at the point at which accommodation and related services are provided

Foreign currencies

Foreign currency transactions are recorded at the average exchange rate for the year. Balances at the year end are translated at the relevant year end rates and exchange gains or losses arising are taken to the profit and loss account

2. TURNOVER

Turnover represents amounts receivable in respect of the provision of hotel accommodation, conference facilities and meals during the year, excluding value added tax. The company's hotel is situated in the United Kingdom

3. NET OPERATING EXPENSES

	2011 £'000	2010 £'000
Distribution costs	334	336
Administrative expenses	1,616	1,106
	<u>1,950</u>	<u>1,442</u>

4. OPERATING PROFIT

Operating profit is stated after charging

	2011 £'000	2010 £'000
Depreciation	304	306
Auditor's Remuneration - as auditors	24	20
Directors' Remuneration	<u>302</u>	<u>-</u>

Directors emoluments for all directors of all group companies are paid by a group undertaking, Edwardian London Management Services Ltd. The directors' remuneration shown above has been recharged to this company by Edwardian London Management Services Ltd

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Interest payable to group undertaking	<u>665</u>	<u>891</u>

EDWARDIAN PASTORIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 2011 (CONT'D)

6. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2011	2010
	No	No
Operations	44	43
Administration, sales and marketing	1	2
	<u>45</u>	<u>45</u>

The aggregate payroll costs of the above were

	2011	2010
	£'000	£'000
Wages and salaries	725	682
Social security costs	46	42
	<u>771</u>	<u>724</u>

7. DIRECTORS' EMOLUMENTS

All emoluments are paid by a group company, Edwardian London Management Services Limited. Details of emoluments are included in the financial statements of that company and in the financial statements of the parent company, Edwardian Group Limited. Please refer to Note 4 above.

8. PENSION SCHEMES

The principal pension schemes of the company and fellow group undertakings are defined contribution schemes for which all contributions for all group employees are made from the relevant employing company.

The group also operates a defined benefit pension scheme in the UK, the Edwardian Group Pension Scheme for certain group employees for which all contributions are made from the group management company, Edwardian London Management Services Limited.

This group scheme is run on a basis that does not enable individual companies within the group to identify their share of the underlying assets and liabilities.

Full details of the pension schemes, which are accounted for in accordance with the accounting standard FRS 17 are disclosed in the financial statements of the ultimate parent company, Edwardian Group Limited.

EDWARDIAN PASTORIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 2011 (CONT'D)

9. TAXATION ON ORDINARY ACTIVITIES

(a) The tax charge for the year comprises:

	2011	2010
	£'000	£'000
Current Tax:		
Corporation Tax based on taxable profits	118	126
Over provision in prior years	-	(1)
	<u>118</u>	<u>125</u>
Deferred Tax:		
Origination and reversal of timing differences (Note 15)	(52)	36
	<u>66</u>	<u>161</u>

(b) Factors affecting tax charge for the year:

The current tax charge for the year is higher (2010 lower) than the standard rate of corporation tax in the UK of 26.5% (2010 28%)

	2011	2010
	£'000	£'000
Profit on ordinary activities before tax	<u>434</u>	<u>524</u>
Profit on ordinary activities multiplied by standard rate of tax @ 26.5% (2010 28%)	115	146
Effects of		
Expenses not deductible for tax purposes £75,000 (2010 £72,000) of which £72,000 (2010 £72,000) relates to depreciation of land and building	20	20
Current year IBA, not subject to clawback	(1)	(4)
Accelerated capital allowances	(16)	(36)
Over provision in prior years	-	(1)
	<u>118</u>	<u>125</u>

(c) Factors affecting the future tax charge:

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods. The UK standard rate of corporation tax was 26.5% throughout the year to 31 December 2011 (2010 28%)

EDWARDIAN PASTORIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 2011 (CONT'D)

10. TANGIBLE FIXED ASSETS

	Hotels £'000
COST OR VALUATION	
At 1 January 2011	21,662
Additions	12
Revaluation	10,116
At 31 December 2011	<u><u>31,790</u></u>
DEPRECIATION	
At 1 January 2011	2,298
Charge for the year	304
Revaluation adjustment	(211)
At 31 December 2011	<u><u>2,391</u></u>
NET BOOK VALUE	
At 31 December 2011	<u><u>29,399</u></u>
At 31 December 2010	<u><u>19,364</u></u>

The hotel was professionally valued in December 2011 by Messrs Jones Lang LaSalle on the basis of Existing Use Value, as a licensed operating hotel, inclusive of the trade furniture, furnishings and equipment in accordance with the requirements of The Royal Institution of Chartered Surveyors Appraisal and Valuation Standards. The valuation was £29.4 million and this has been incorporated in the financial statements for the year ended 31 December 2011.

If the property was sold at its value shown in the financial statements, and no reliefs or exemptions were available, the chargeable gains arising would be £4.6m (2010: £2.3m).

No provision has been made for this amount as the company has no current plans to sell the property. The directors do not believe the whole of such liability is likely to arise as the company could so arrange disposal of the hotel or company to reduce or eliminate such tax arising.

The historical cost of land and buildings at 31 December 2011 was £14.9m (2010: £14.9m).

11. STOCKS

	2011 £'000	2010 £'000
Stock	<u><u>4</u></u>	<u><u>4</u></u>

EDWARDIAN PASTORIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 2011 (CONT'D)

12. DEBTORS

	2011	2010
	£'000	£'000
Trade debtors	123	121
Amounts owed by group undertakings	39	51
Prepayments and accrued income	306	119
	468	291

13. CREDITORS: Amounts falling due within one year

	2011	2010
	£'000	£'000
Trade creditors	41	30
Amounts owed to group undertakings	308	275
Other taxation and social security	5	174
Corporation tax	118	126
Other creditors and deferred income	14	24
Accruals	236	242
	722	871

14. CREDITORS: Amounts falling due after more than one year

	2011	2010
	£'000	£'000
Amounts owed to group undertakings	14,023	14,265

15. PROVISION FOR LIABILITIES & CHARGES

Deferred Tax:

The provision for deferred tax is in respect of

	2011	2010
	£'000	£'000
Accelerated capital allowances	487	539
Short term timing differences	(6)	(7)
	481	532
Origination and reversal of other timing differences	16	36
Effect of change in rate of tax in current year charge	(1)	-
Effect of change in rate of tax on opening liability	(67)	-
	(52)	36
Deferred tax credit/ (charge) in profit and loss account (Note 9)		
Provision at start of year	532	496
Provision at end of year	481	532

EDWARDIAN PASTORIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 2011 (CONT'D)

16. SHARE CAPITAL

Allotted, Called up and Fully paid:

	2011	2010
	£'000	£'000
1 Ordinary share of £1 each	-	-

17. RESERVES

	Revaluation Reserve	Profit and Loss Account
	£'000	£'000
At 1 January 2011	4,062	160
Profit for the financial year	-	368
Revaluation of fixed assets	10,327	-
At 31 December 2011	14,389	528

18. GUARANTEES AND CONTINGENT LIABILITIES

The company is included within a normal group value added tax registration. All companies within the registration are jointly and severally liable for the total value added tax due by the group, which at 31 December 2011 amounted to £5.2m (2010: £4.3m).

The company has given an unlimited guarantee in respect of bank facilities provided to certain group undertakings. The liability under this guarantee at the balance sheet date was £72.5m (2010: £264m).

19. CAPITAL COMMITMENTS

	2011	2010
	£'000	£'000
Authorised but not contracted	40	51
	<u>40</u>	<u>51</u>

EDWARDIAN PASTORIA HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 2011 (CONT'D)

20. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Edwardian New Finance Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions on the balances with entities which form part of the group headed by Edwardian Group Limited

The consolidated financial statements of Edwardian Group Limited, within which this company is included, can be obtained from 140 Bath Road, Hayes, Middx UB3 5AW

The directors confirm that there are no other related party transactions other than those disclosed in these financial statements

21. POST BALANCE SHEET EVENTS

Since the year end the company has purchased buildings in Leicester Square adjoining the Radisson Edwardian Leicester Square Hotel. The purchase was achieved with a further loan of £58million from HSBC and some Group cash

22. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Edwardian New Finance Ltd, a company registered in England and Wales. Its ultimate parent and controlling company is Edwardian Group Limited, a company also registered in England & Wales

These financial statements have been consolidated in the financial statements of Edwardian Group Limited. The financial statements can be obtained from 140 Bath Road, Hayes, Middx UB3 5AW