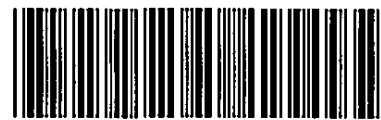


COMPANY REGISTRATION NUMBER 3411955

BRIDGESTREET ACCOMMODATIONS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

THURSDAY



A1A33Q89
A38 31/05/2012 #106
COMPANIES HOUSE

EK & CO 2003 LTD
Chartered Certified Accountants & Statutory Auditor
2 Crossways Business Centre
Bicester Road
Kingswood
Aylesbury
Bucks
HP18 0RA

BRIDGESTREET ACCOMMODATIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

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BRIDGESTREET ACCOMMODATIONS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the group for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

BridgeStreet Accommodations Limited is an investment holding company. Its subsidiary companies are leading providers of serviced accommodation aimed at the corporate client.

BridgeStreet Accommodations Limited is a wholly owned subsidiary of BridgeStreet Corporate Housing Worldwide Inc., a company incorporated in the United States of America. The ultimate holding company is BridgeStreet Worldwide Inc., a company incorporated in the United States of America.

The company has enjoyed another very successful financial performance as Serviced Apartments become increasingly popular in a sluggish economy as their value is recognised. Regional markets performed strongly with a number of markets enjoying their best ever year. London, the principal profit generator, also had its best financial year achieving highest ever average daily rates and units and maintaining occupancies in excess of 90% without increasing existing SGA infrastructure.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,938,769. Particulars of dividends paid are detailed in note 9 to the financial statements.

DIRECTORS

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

H L Curtis
S Hanton
A Kabiri
D Gingrich

BRIDGESTREET ACCOMMODATIONS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

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 the group and of the profit or loss of the group for that year. 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware


- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

EK & Co 2003 Ltd are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
8 Harewood Row
Marylebone
London
NW1 6SE

Signed on behalf of the directors


S Hanton
Director

Approved by the directors on 15 February 2012

BRIDGESTREET ACCOMMODATIONS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BRIDGESTREET ACCOMMODATIONS LIMITED

YEAR ENDED 31 DECEMBER 2011

We have audited the group and parent company financial statements ("the financial statements") of BridgeStreet Accommodations Limited for the year ended 31 December 2011 on pages 5 to 22. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 to 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 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

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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

BRIDGESTREET ACCOMMODATIONS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BRIDGESTREET ACCOMMODATIONS LIMITED (continued)**

YEAR ENDED 31 DECEMBER 2011

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2011 and of the group's 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 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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



for EK & CO 2003 Ltd
W J E KERR (Senior Statutory Auditor)

For and on behalf of
EK & CO 2003 LTD
Chartered Certified Accountants & Statutory Auditor

2 Crossways Business Centre
Bicester Road
Kingswood
Aylesbury
Bucks
HP18 0RA

15/2/12

BRIDGESTREET ACCOMMODATIONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
GROUP TURNOVER	2	39,535,929	34,980,312
Cost of sales		28,200,369	24,884,482
GROSS PROFIT		11,335,560	10,095,830
Administrative expenses		8,640,333	8,339,529
Other operating income		(4,314)	—
OPERATING PROFIT	3	2,699,541	1,756,301
Interest receivable		1,015	8,321
Interest payable and similar charges	6	(11,900)	(22,117)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,688,656	1,742,505
Tax on profit on ordinary activities	7	749,887	460,802
PROFIT FOR THE FINANCIAL YEAR	8	<u>£1,938,769</u>	<u>£1,281,703</u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 11 to 22 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Profit for the financial year attributable to the shareholders of the parent company	1,938,769	1,281,703
Gross exchange differences on the retranslation of net investments and related borrowings	3,164	(28,785)
Total gains and losses recognised since the last annual report	<u>£1,941,933</u>	<u>£1,252,918</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	1,938,769	1,281,703
Equity dividends	(4,903,301)	-
Exchange adjustments	3,164	(28,785)
Net (reduction)/addition to shareholders' funds	<u>(2,961,368)</u>	<u>1,252,918</u>
Opening shareholders' funds	4,801,704	3,548,786
Closing shareholders' funds	<u>1,840,336</u>	<u>4,801,704</u>

The notes on pages 11 to 22 form part of these financial statements

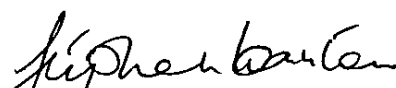
BRIDGESTREET ACCOMMODATIONS LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2011

	Note	2011		2010	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		1,393,317		1,613,315
Tangible assets	11		430,159		520,033
Investments	12		650		642
			<u>1,824,126</u>		<u>2,133,990</u>
CURRENT ASSETS					
Debtors	13	3,943,911		5,615,604	
Cash at bank and in hand		<u>1,322,066</u>		<u>1,764,020</u>	
			5,265,977		7,379,624
CREDITORS Amounts falling due within one year	15	<u>4,708,503</u>		<u>4,280,033</u>	
NET CURRENT ASSETS			<u>557,474</u>		<u>3,099,591</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,381,600		5,233,581
CREDITORS . Amounts falling due after more than one year	16		46,064		78,272
PROVISIONS FOR LIABILITIES					
Other provisions	19		495,200		353,605
			<u>£1,840,336</u>		<u>£4,801,704</u>
CAPITAL AND RESERVES					
Called-up equity share capital	22		1,000,000		1,000,000
Share premium account	23		1,205,000		1,205,000
Other reserves	23		25,432		-
Profit and loss account	23		(390,096)		2,596,704
SHAREHOLDERS' FUNDS			<u>£1,840,336</u>		<u>£4,801,704</u>

These financial statements were approved by the directors and authorised for issue on 15 February 2012, and are signed on their behalf by


S Hanton

The notes on pages 11 to 22 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED

BALANCE SHEET

31 DECEMBER 2011

	Note	2011		2010	
		£	£	£	£
FIXED ASSETS					
Investments	12		4,409,900		4,409,900
CURRENT ASSETS					
Debtors	13	-		1,199,380	
Cash at bank		6		6	
		<u>6</u>		<u>1,199,386</u>	
CREDITORS: Amounts falling due within one year	15	<u>1,714,822</u>		<u>2,265,370</u>	
NET CURRENT LIABILITIES			(1,714,816)		(1,065,984)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,695,084</u>		<u>3,343,916</u>
CAPITAL AND RESERVES					
Called-up equity share capital	22		1,000,000		1,000,000
Share premium account	23		1,205,000		1,205,000
Profit and loss account	23		490,084		1,138,916
SHAREHOLDERS' FUNDS			<u>£2,695,084</u>		<u>£3,343,916</u>

These financial statements were approved by the directors and authorised for issue on 15 February 2012, and are signed on their behalf by



S Hanton

Company Registration Number 3411955

The notes on pages 11 to 22 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2011

	2011		2010	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		5,386,878		1,058,203
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	1,015		8,321	
Interest paid	-		(11,567)	
Interest element of hire purchase	<u>(11,900)</u>		<u>(10,550)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(10,885)		(13,796)
TAXATION		(529,497)		(497,746)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(46,604)		(220,290)	
Receipts from sale of fixed assets	<u>-</u>		<u>(78)</u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(46,604)		(220,368)
EQUITY DIVIDENDS PAID		(4,903,301)		-
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		<u>(103,409)</u>		<u>326,293</u>
FINANCING				
Capital element of hire purchase	<u>(85,920)</u>		<u>10,362</u>	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(85,920)		10,362
(DECREASE)/INCREASE IN CASH		<u>£(189,329)</u>		<u>£336,655</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011		2010	
	£	£	£	£
Operating profit	2,699,541		1,756,301	
Amortisation	219,998		219,998	
Depreciation	136,623		90,580	
Decrease/(increase) in debtors	1,676,377		(1,998,216)	
Increase in creditors	512,744		892,315	
Increase in provisions	141,595		97,225	
Net cash inflow from operating activities	<u>£5,386,878</u>		<u>£1,058,203</u>	

The notes on pages 11 to 22 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2011

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011		2010	
	£	£	£	£
(Decrease)/increase in cash in the period	(189,329)		336,655	
Cash outflow in respect of hire purchase	<u>85,920</u>		<u>(10,362)</u>	
Change in net funds resulting from cash flows		(103,409)		326,293
Translation differences		3,359		<u>(18,451)</u>
Movement in net funds in the period		<u>(100,050)</u>		<u>307,842</u>
Net funds at 1 January 2011		1,311,828		1,003,986
Net funds at 31 December 2011		<u>£1,211,778</u>		<u>£1,311,828</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2011 £	Cash flows £	Exchange movement £	At 31 Dec 2011 £
Net cash				
Cash in hand and at bank	1,764,020	(445,313)	3,359	1,322,066
Overdrafts	<u>(255,984)</u>	255,984	-	-
	<u>1,508,036</u>	<u>(189,329)</u>	<u>3,359</u>	<u>1,322,066</u>
Debt				
Hire purchase agreements	<u>(196,208)</u>	85,920	-	<u>(110,288)</u>
Net funds	<u>£1,311,828</u>	<u>£(103,409)</u>	<u>£3,359</u>	<u>£1,211,778</u>

The notes on pages 11 to 22 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 Companies Act 2006.

Turnover

Turnover represents the amounts derived from the provision of goods and services and is stated net of value added tax and discounts given.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 20 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	- 7 years straight line
Office & Apartments Furniture & Equipment	- 3 or 5 years straight line
Motor Vehicles	- 5 years straight line
Computer Equipment	- 3 years straight line

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the group profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the shorter of the lease term and the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, except as otherwise required by FRS 19.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The assets and liabilities and profit and loss accounts of overseas subsidiary are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2011	2010
	£	£
United Kingdom	33,516,849	28,251,741
Overseas	6,019,080	6,728,571
	<u>£39,535,929</u>	<u>£34,980,312</u>

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Amortisation of intangible assets	219,998	219,998
Depreciation of owned fixed assets	91,589	44,011
Depreciation of assets held under hire purchase agreements	45,034	46,491
Auditor's remuneration		
- as auditor	41,686	47,800
Operating lease costs		
- Land and buildings	16,422,746	14,082,540
- Other	11,245	14,358
Net profit on foreign currency translation	<u>(10,932)</u>	<u>(4,755)</u>

4 PARTICULARS OF EMPLOYEES

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

	2011	2010
	No	No
Number of housekeeping and guest services staff	168	145
Number of sales staff	32	31
Number of administrative staff	27	27
	<u>227</u>	<u>203</u>

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	5,462,699	5,405,541
Social security costs	791,664	755,506
Other pension costs	80,186	73,630
	<u>£6,334,549</u>	<u>£6,234,677</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	245,858	176,232
Value of company pension contributions to money purchase schemes	16,941	16,788
	<u>£262,799</u>	<u>£193,020</u>

Remuneration of highest paid director.

	2011	2010
	£	£
Total remuneration (excluding pension contributions)	245,858	176,232
Value of company pension contributions to money purchase schemes	16,941	16,788
	<u>£262,799</u>	<u>£193,020</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011	2010
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Finance charges	11,900	10,550
Other similar charges payable	-	11,567
	<u>£11,900</u>	<u>£22,117</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax		
UK Taxation		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2010 - 28%)	677,421	428,796
(Over)/under provision in prior year	164	1,356
	<u>677,585</u>	<u>430,152</u>
Foreign tax		
Current tax on income for the year	61,753	-
Total current tax	<u>£739,338</u>	<u>£430,152</u>
Deferred tax		
Origination and reversal of timing differences (note 14)		
Capital allowances	10,549	30,650
Tax on profit on ordinary activities	<u>749,887</u>	<u>460,802</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2010 - 28%)

	2011	2010
	£	£
Profit on ordinary activities before taxation	<u>2,688,656</u>	<u>1,742,505</u>
Profit on ordinary activities by rate of tax	699,050	487,901
Expenses not deductible for tax purposes	77,740	92,015
Capital allowances for period in excess of depreciation	(3,336)	(34,830)
Utilisation of tax losses	(60,848)	(118,617)
Tax chargeable at higher rates	12,609	-
Adjustment for overseas tax rates	13,586	-
Adjustments to tax charge in respect of previous periods	164	1,356
Other adjustment to tax charge	-	(1,000)
Imputed interest on non-trading loan relationships	373	3,327
Total current tax (note 7(a))	<u>£739,338</u>	<u>£430,152</u>

8 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £4,254,469 (2010 - £319,683)

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

9 DIVIDENDS

Equity dividends

	2011	2010
	£	£
Paid during the year		
Equity dividends on ordinary shares	<u>4,903,301</u>	<u>—</u>

10 INTANGIBLE FIXED ASSETS

Group	Goodwill
	£
COST	
At 1 January 2011 and 31 December 2011	<u>4,399,955</u>
AMORTISATION	
At 1 January 2011	2,786,640
Charge for the year	<u>219,998</u>
At 31 December 2011	<u>3,006,638</u>
NET BOOK VALUE	
At 31 December 2011	<u>1,393,317</u>
At 31 December 2010	<u>1,613,315</u>

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. At 31 December 2011, goodwill arising on the acquisition of BridgeStreet Accommodations London Limited is being amortised over 20 years. The directors consider that they will continue to derive benefit from BridgeStreet Accommodations London Limited over at least that period. The directors have reviewed the carrying value of goodwill in SAS BridgeStreet Accommodations Paris and they consider that the goodwill has been fully impaired.

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

11 TANGIBLE FIXED ASSETS

Group	Leasehold Improvements £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST OR VALUATION					
At 1 January 2011	276,704	1,494,353	16,500	472,320	2,259,877
Additions	-	31,437	-	15,167	46,604
Disposals	-	-	-	(92,118)	(92,118)
Exchange adjustments	-	280	-	292	572
At 31 December 2011	<u>276,704</u>	<u>1,526,070</u>	<u>16,500</u>	<u>395,661</u>	<u>2,214,935</u>
DEPRECIATION					
At 1 January 2011	68,164	1,216,719	16,500	438,461	1,739,844
Charge for the year	27,671	92,359	-	16,593	136,623
On disposals	-	-	-	(92,118)	(92,118)
Exchange adjustments	-	221	-	206	427
At 31 December 2011	<u>95,835</u>	<u>1,309,299</u>	<u>16,500</u>	<u>363,142</u>	<u>1,784,776</u>
NET BOOK VALUE					
At 31 December 2011	<u>180,869</u>	<u>216,771</u>	<u>-</u>	<u>32,519</u>	<u>430,159</u>
At 31 December 2010	<u>208,540</u>	<u>277,634</u>	<u>-</u>	<u>33,859</u>	<u>520,033</u>

Hire purchase agreements

Included within the net book value of £430,159 is £135,183 (2010 - £260,298) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £45,034 (2010 - £46,491)

12 INVESTMENTS

Group	Other investments £
COST OR VALUATION	
At 1 January 2011	674
Exchange adjustments	(24)
At 31 December 2011	<u>650</u>
NET BOOK VALUE	
At 31 December 2011	<u>650</u>
At 31 December 2010	<u>674</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

12 INVESTMENTS (continued)

Company	Group companies £
COST OR VALUATION	
At 1 January 2011 and 31 December 2011	<u>4,409,900</u>
NET BOOK VALUE	
At 31 December 2011 and 31 December 2010	<u>4,409,900</u>

	Country of incorporation	Share capital & reserves	Profit/(loss) for the year	Proportion of ordinary shares held
Subsidiary undertakings				
BridgeStreet Accommodations				
London Ltd	England & Wales	771,729	1,455,524	100%
BridgeStreet Wardrobe Place Ltd	England & Wales	533,788	533,688	100%
SAS BridgeStreet Accommodations Paris	France	€993,446	€409,805	100%

All the above subsidiary undertakings are leading providers of serviced accommodation aimed at the corporate client

The interest in BridgeStreet Wardrobe Place Limited is held through a subsidiary company

The directors have reviewed the carrying value of the cost of the investment in SAS BridgeStreet Accommodations Paris and they consider that the investment remains fully impaired at the end of the year

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

13 DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	2,514,430	3,070,048	-	-
Amounts owed by group undertakings	172,557	1,291,815	-	1,199,380
Other debtors	341,066	318,741	-	-
Deferred taxation (Note 14)	7,726	18,275	-	-
Prepayments and accrued income	908,132	916,725	-	-
	<u>£3,943,911</u>	<u>£5,615,604</u>	<u>-</u>	<u>£1,199,380</u>

14 DEFERRED TAXATION

The movement in the deferred taxation asset during the year was

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Asset brought forward	18,275	48,925	-	-
Decrease in asset	(10,549)	(30,650)	-	-
Asset carried forward	<u>£7,726</u>	<u>£18,275</u>	<u>-</u>	<u>-</u>

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2011		2010	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	<u>7,726</u>	<u>-</u>	<u>18,275</u>	<u>-</u>

15 CREDITORS: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Overdrafts	-	255,984	-	-
Trade creditors	1,084,530	682,962	-	-
Amounts owed to group undertakings	58,939	-	1,714,822	2,265,370
Hire purchase agreements	64,224	117,936	-	-
Other creditors including taxation and social security				
Corporation tax	363,653	153,812	-	-
PAYE and social security	249,381	238,340	-	-
VAT	238,733	190,706	-	-
Other creditors	582,670	647,592	-	-
Accruals and deferred income	2,066,373	1,992,701	-	-
	<u>£4,708,503</u>	<u>£4,280,033</u>	<u>£1,714,822</u>	<u>£2,265,370</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

16 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Hire purchase agreements	<u>46,064</u>	<u>78,272</u>	<u>-</u>	<u>-</u>

The aggregate amount of secured liabilities is £110,288 (2010 £196,208)

Obligations under hire purchase agreements are secured on the assets to which they relate

17 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts payable within 1 year	64,224	117,936	-	-
Amounts payable between 2 to 5 years	<u>46,064</u>	<u>78,272</u>	<u>-</u>	<u>-</u>
	<u>110,288</u>	<u>196,208</u>	<u>-</u>	<u>-</u>

18 PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £80,186 (2010 £73,630) for the year.

19 OTHER PROVISIONS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Dilapidation costs	<u>495,200</u>	<u>353,605</u>	<u>-</u>	<u>-</u>

Dilapidation costs

Provision for dilapidations is based upon the company's estimated cost of restoring the leased properties to their pre rental condition upon expiry of the lease, in accordance with the lease terms.

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

20 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	2011		2010	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	3,202,049	-	3,326,734	-
Within 2 to 5 years	11,239,871	11,718	8,435,887	11,718
After more than 5 years	531,762	-	531,008	-
	<u>£14,973,682</u>	<u>£11,718</u>	<u>£12,293,629</u>	<u>£11,718</u>

The group has flexible leasing arrangements with some of the landlords. If the company exercised the break clauses per the lease agreements at the balance sheet date then the lease commitments would be as follows

Group	2011		2010	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	1,705,621	-	1,807,230	-
Within 2 to 5 years	7,774,884	11,718	6,470,112	11,718
After more than 5 years	275,028	-	274,274	-
	<u>£9,755,533</u>	<u>£11,718</u>	<u>£8,551,616</u>	<u>£11,718</u>

21 RELATED PARTY TRANSACTIONS

Balances due from other group companies at the year end

BridgeStreet Corporate Housing Worldwide Inc	£172,414	(2010 £1,264,714)
BridgeStreet Corporate Housing Limited	£143	(2010 £27,101)

Balances due to other group companies at the year end

BridgeStreet Corporate Housing Worldwide Inc	£58,939	(2010 £nil)
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During the year the group paid £1,420,089 (2010 £1,220,338) to BridgeStreet Corporate Housing Worldwide Inc for management charges

The group has entered into a lease agreement for apartments with Sorrento Bristol Limited, a company under common control. During the year the group was charged rent of £nil (2010 £344,935) for these apartments. Included within creditors is an amount of £nil (2010 £386,031) due to Sorrento Bristol Limited

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

22 SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

23 RESERVES

Group	Share premium account £	Other reserves £	Profit and loss account £
Balance brought forward	1,205,000	-	2,596,704
Profit for the year	-	-	1,938,769
Equity dividends	-	-	(4,903,301)
Exchange adjustments	-	-	3,164
Other movements - transfer to other reserves	-	25,432	(25,432)
Balance carried forward	<u>£1,205,000</u>	<u>£25,432</u>	<u>£(390,096)</u>
 Company		Share premium account £	Profit and loss account £
Balance brought forward		1,205,000	1,138,916
Profit for the year		-	4,254,469
Equity dividends		-	(4,903,301)
Balance carried forward		<u>£1,205,000</u>	<u>£490,084</u>

24 ULTIMATE PARENT COMPANY

At 31 December 2011, the company's ultimate parent company and controlling party was BridgeStreet Worldwide Inc, a company incorporated in the United States of America. At 31 December 2011, the company's immediate parent company was BridgeStreet Corporate Housing Worldwide Inc, a company incorporated in the United States of America.