

COMPANY REGISTRATION NUMBER 3411955

BRIDGESTREET ACCOMMODATIONS LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2009



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

BRIDGESTREET ACCOMMODATIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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BRIDGESTREET ACCOMMODATIONS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2009

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.

Despite the challenging economic climate as a group BridgeStreet has benefited from strategies of diversification established and actioned over recent years. Throughout the group we have sought to diversify our models, locations and client sectors and segments. Equally we have responded to the anticipated downturn in demand by reducing our major costs.

Subsequently the group's result for 2009, whilst returning £2,974,347 less revenue, BridgeStreet as a group was still able to achieve group returns of £1,118,210 profits (£1,032,321 for the company).

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,118,210. Particulars of dividends paid are detailed in note 11 to the financial statements.

DIRECTORS

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

H L Curtis
S Hanton
A Kabiri

None of the directors had any beneficial interests in the shares of the company or its subsidiaries at any time during the year.

A Kabiri was appointed as a director on 1 October 2009.

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.

BRIDGESTREET ACCOMMODATIONS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

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 16 February 2010

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

YEAR ENDED 31 DECEMBER 2009

We have audited the group and parent company financial statements ("the financial statements") of BridgeStreet Accommodations Limited for the year ended 31 December 2009 on pages 5 to 23. 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 Section 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 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.

BRIDGESTREET ACCOMMODATIONS LIMITED

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

YEAR ENDED 31 DECEMBER 2009

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 2009 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

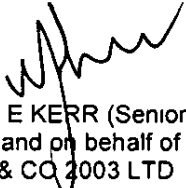
OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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


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

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BRIDGESTREET ACCOMMODATIONS LIMITED**GROUP PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2009**

		2009	2008
	Note	£	£
GROUP TURNOVER	2	23,664,374	26,638,721
Cost of sales		15,782,229	17,892,639
GROSS PROFIT		<u>7,882,145</u>	<u>8,746,082</u>
Administrative expenses		6,374,186	6,248,880
Other operating income		(142)	(440,017)
OPERATING PROFIT	3	<u>1,508,101</u>	<u>2,937,219</u>
Loss on disposal of fixed assets	6	(264)	(16,663)
		<u>1,507,837</u>	<u>2,920,556</u>
Interest receivable		4,118	57,095
Amounts written off investments	7	(100)	-
Interest payable and similar charges	8	(18,718)	(5,997)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,493,137</u>	<u>2,971,654</u>
Tax on profit on ordinary activities	9	374,927	848,882
PROFIT FOR THE FINANCIAL YEAR	10	<u>£1,118,210</u>	<u>£2,122,772</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 23 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2009

	2009	2008
	£	£
Profit for the financial year attributable to the shareholders of the parent company	1,118,210	2,122,772
Gross exchange differences on the retranslation of net investments and related borrowings	<u>(68,499)</u>	<u>190,464</u>
Total gains and losses recognised since the last annual report	<u>£1,049,711</u>	<u>£2,313,236</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit for the financial year	1,118,210	2,122,772
Equity dividends	(1,918,073)	(4,742,477)
Exchange adjustments	<u>(68,499)</u>	<u>190,464</u>
Net reduction to shareholders' funds	(868,362)	(2,429,241)
Opening shareholders' funds	<u>4,417,148</u>	<u>6,846,389</u>
Closing shareholders' funds	<u>3,548,786</u>	<u>4,417,148</u>

The notes on pages 11 to 23 form part of these financial statements


BRIDGESTREET ACCOMMODATIONS LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	£	2008 £	£
FIXED ASSETS					
Intangible assets	12	1,833,313		2,053,311	
Tangible assets	13	390,859		495,012	
Investments	14	674		819	
		<u>2,224,846</u>		<u>2,549,142</u>	
CURRENT ASSETS					
Debtors	15	3,686,102		3,607,733	
Cash at bank and in hand		1,189,832		2,192,022	
		<u>4,875,934</u>		<u>5,799,755</u>	
CREDITORS Amounts falling due within one year	17	3,212,903		3,486,306	
NET CURRENT ASSETS		<u>1,663,031</u>		<u>2,313,449</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,887,877</u>		<u>4,862,591</u>	
CREDITORS: Amounts falling due after more than one year	18	82,711		185,846	
PROVISIONS FOR LIABILITIES					
Other provisions	21	256,380		259,597	
		<u>£3,548,786</u>		<u>£4,417,148</u>	
CAPITAL AND RESERVES					
Called-up equity share capital	24	1,000,000		1,000,000	
Share premium account	25	1,205,000		1,205,000	
Profit and loss account	25	1,343,786		2,212,148	
SHAREHOLDERS' FUNDS		<u>£3,548,786</u>		<u>£4,417,148</u>	

These financial statements were approved by the directors and authorised for issue on 16 February 2010, and are signed on their behalf by


S Hanton

The notes on pages 11 to 23 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED

BALANCE SHEET

31 DECEMBER 2009

	Note	2009	£	2008	£
FIXED ASSETS					
Investments	14		4,409,900		4,410,000
CURRENT ASSETS					
Cash at bank		6		11	
CREDITORS - Amounts falling due within one year	17	<u>1,385,673</u>		<u>500,026</u>	
NET CURRENT LIABILITIES			<u>(1,385,667)</u>		<u>(500,015)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,024,233</u>		<u>3,909,985</u>
CAPITAL AND RESERVES					
Called-up equity share capital	24		1,000,000		1,000,000
Share premium account	25		1,205,000		1,205,000
Profit and loss account	25		819,233		1,704,985
SHAREHOLDERS' FUNDS			<u>£3,024,233</u>		<u>£3,909,985</u>

These financial statements were approved by the directors and authorised for issue on 16 February 2010, and are signed on their behalf by


S Hanton

Company Registration Number 3411955

The notes on pages 11 to 23 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2009

	2009		2008	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,778,047		5,309,435
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	4,118		57,095	
Interest paid	-		(4,068)	
Interest element of hire purchase	<u>(18,718)</u>		<u>(1,929)</u>	
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(14,600)		51,098
TAXATION		(642,730)		(609,964)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(10,451)		(424,844)	
Receipts from sale of fixed assets	<u>-</u>		<u>(1)</u>	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(10,451)		(424,845)
EQUITY DIVIDENDS PAID		(1,918,073)		(4,742,477)
CASH OUTFLOW BEFORE FINANCING		<u>(807,807)</u>		<u>(416,753)</u>
FINANCING				
Capital element of hire purchase	(94,967)		280,813	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(94,967)		280,813
DECREASE IN CASH		<u>£(902,774)</u>		<u>£(135,940)</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
		2009		2008
		£		£
Operating profit		1,508,101		2,937,219
Amortisation		219,998		219,998
Depreciation		112,783		123,184
(Increase)/decrease in debtors		(144,848)		1,511,127
Increase in creditors		85,230		751,517
Decrease in provisions		<u>(3,217)</u>		<u>(233,610)</u>
Net cash inflow from operating activities		<u>£1,778,047</u>		<u>£5,309,435</u>

The notes on pages 11 to 23 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2009

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009		2008	
	£	£	£	£
Decrease in cash in the period	(902,774)		(135,940)	
Cash outflow in respect of hire purchase	<u>94,967</u>		<u>(280,813)</u>	
Change in net funds resulting from cash flows		(807,807)		(416,753)
Exchange adjustments		(35,724)		106,932
Movement in net funds in the period		<u>(843,531)</u>		<u>(309,821)</u>
Net funds at 1 January 2009		1,847,487		2,157,308
Net funds at 31 December 2009		<u>£1,003,986</u>		<u>£1,847,487</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2009 £	Cash flows £	Exchange movement £	At 31 Dec 2009 £
Net cash				
Cash in hand and at bank	2,192,022	(966,466)	(35,724)	1,189,832
Overdrafts	<u>(63,722)</u>	<u>63,722</u>	<u>-</u>	<u>-</u>
	<u>2,128,300</u>	<u>(902,744)</u>	<u>(35,724)</u>	<u>1,189,832</u>
Debt				
Hire purchase agreements	<u>(280,813)</u>	<u>94,967</u>	<u>-</u>	<u>(185,846)</u>
Net funds	<u>£1,847,487</u>	<u>£(807,777)</u>	<u>£(35,724)</u>	<u>£1,003,986</u>

The notes on pages 11 to 23 form part of these financial statements

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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 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 2009

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 2009

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

	2009	2008
	£	£
United Kingdom	19,906,167	23,740,850
Overseas	3,758,207	2,897,871
	<u>£23,664,374</u>	<u>£26,638,721</u>

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2009	2008
	£	£
Amortisation of intangible assets	219,998	219,998
Depreciation of owned fixed assets	66,292	105,656
Depreciation of assets held under hire purchase agreements	46,491	17,528
Auditor's remuneration		
- as auditor	35,850	33,600
Operating lease costs		
- Land and buildings	12,153,294	13,919,096
- Other	10,645	7,116
Net (profit)/loss on foreign currency translation	<u>(16,337)</u>	<u>36,593</u>

4 PARTICULARS OF EMPLOYEES

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

	2009	2008
	No	No
Number of housekeeping and guest services staff	132	131
Number of sales staff	27	24
Number of administrative staff	26	23
	<u>185</u>	<u>178</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	4,463,065	4,319,633
Social security costs	673,407	616,831
Other pension costs	71,536	74,105
	<u>£5,208,008</u>	<u>£5,010,569</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Remuneration receivable	173,325	171,811
Value of company pension contributions to money purchase schemes	16,480	15,638
	<u>£189,805</u>	<u>£187,449</u>

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

	2009	2008
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6 LOSS ON DISPOSAL OF FIXED ASSETS

	2009	2008
	£	£
Loss on disposal of fixed assets	<u>(264)</u>	<u>(16,663)</u>

7 AMOUNTS WRITTEN OFF INVESTMENTS

	2009	2008
	£	£
Loss on disposal of investments	<u>100</u>	<u>-</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Finance charges	18,718	1,929
Other similar charges payable	-	4,068
	<u>£18,718</u>	<u>£5,997</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

9 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £		2008 £
Current tax			
In respect of the year			
UK Corporation tax based on the results for the year at 28% (2008 - 28%)	370,217		857,009
(Over)/under provision in prior year	<u>(41)</u>		<u>(15,366)</u>
Total current tax	£370,176		£841,643
Deferred tax			
Origination and reversal of timing differences (note 16)			
Capital allowances	4,751	7,335	
Effect of changed tax rate on opening balance	<u>-</u>	<u>(96)</u>	
Total deferred tax (note 16)	<u>4,751</u>		<u>7,239</u>
Tax on profit on ordinary activities	<u>374,927</u>		<u>848,882</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 28%)

	2009 £		2008 £
Profit on ordinary activities before taxation	<u>1,493,137</u>		<u>2,971,654</u>
Profit on ordinary activities by rate of tax	418,078		832,063
Expenses not deductible for tax purposes	80,712		114,244
Capital allowances for period in excess of depreciation	(4,655)		(7,503)
Utilisation of tax losses	(110,059)		(99,378)
Tax chargeable at lower rates	-		14,778
Adjustments to tax charge in respect of previous periods	(41)		(15,366)
Other adjustments	(14,505)		-
Imputed interest on non-trading loan relationships	646		2,805
Total current tax (note 9(a))	<u>£370,176</u>		<u>£841,643</u>

10 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £1,032,321 (2008 - £6,427,739)

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

11 DIVIDENDS

Equity dividends

	2009	2008
	£	£
Paid during the year		
Equity dividends on ordinary shares	<u>1,918,073</u>	<u>4,742,477</u>

12 INTANGIBLE FIXED ASSETS

Group		Goodwill
		£
COST		
At 1 January 2009 and 31 December 2009		<u>4,399,955</u>
AMORTISATION		
At 1 January 2009		2,346,644
Charge for the year		<u>219,998</u>
At 31 December 2009		<u>2,566,642</u>
NET BOOK VALUE		
At 31 December 2009		<u>1,833,313</u>
At 31 December 2008		<u>2,053,311</u>

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. At 31 December 2009, 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 2009

13 TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST OR VALUATION					
At 1 January 2009	276,704	1,411,141	16,500	849,973	2,554,318
Additions	-	5,478	-	4,973	10,451
Disposals	-	(125,083)	-	(338,212)	(463,295)
Exchange adjustments	-	(1,444)	-	(1,295)	(2,739)
At 31 December 2009	<u>276,704</u>	<u>1,290,092</u>	<u>16,500</u>	<u>515,439</u>	<u>2,098,735</u>
DEPRECIATION					
At 1 January 2009	12,824	1,239,455	16,500	790,527	2,059,306
Charge for the year	27,670	59,765	-	25,348	112,783
On disposals	-	(125,083)	-	(337,948)	(463,031)
Exchange adjustments	-	(643)	-	(539)	(1,182)
At 31 December 2009	<u>40,494</u>	<u>1,173,494</u>	<u>16,500</u>	<u>477,388</u>	<u>1,707,876</u>
NET BOOK VALUE					
At 31 December 2009	<u>236,210</u>	<u>116,598</u>	<u>-</u>	<u>38,051</u>	<u>390,859</u>
At 31 December 2008	<u>263,880</u>	<u>171,686</u>	<u>-</u>	<u>59,446</u>	<u>495,012</u>

Hire purchase agreements

Included within the net book value of £390,859 is £306,790 (2008 - £353,281) 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 £46,491 (2008 - £17,528).

14 INVESTMENTS

Group	Other investments £
COST OR VALUATION	
At 1 January 2009	819
Exchange adjustments	(45)
At 31 December 2009	<u>774</u>
AMOUNTS WRITTEN OFF	
Written off in year	100
At 31 December 2009	<u>100</u>
NET BOOK VALUE	
At 31 December 2009	<u>674</u>
At 31 December 2008	<u>819</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

14 INVESTMENTS (continued)

Company	Group companies £	Other investments £	Total £
COST OR VALUATION			
At 1 January 2009 and 31 December 2009	<u>4,409,900</u>	<u>100</u>	<u>4,410,000</u>
AMOUNTS WRITTEN OFF			
Written off in year	-	<u>100</u>	<u>100</u>
At 31 December 2009	<u>-</u>	<u>100</u>	<u>100</u>
NET BOOK VALUE			
At 31 December 2009	<u>4,409,900</u>	<u>-</u>	<u>4,409,900</u>
At 31 December 2008	<u>4,409,900</u>	<u>100</u>	<u>4,410,000</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	2,483,955	1,051,931	100%
BridgeStreet Wardrobe Place Ltd	England & Wales	89,025	185,315	100%
SAS BridgeStreet Accommodations Paris	France	€591,493	€436,964	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 2009

15 DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	2,165,863	2,369,029	-	-
Amounts owed by group undertakings	199,006	84,440	-	-
Other debtors	454,523	453,790	-	-
Deferred taxation (Note 16)	48,925	53,676	-	-
Prepayments and accrued income	817,785	646,798	-	-
	<u>£3,686,102</u>	<u>£3,607,733</u>	<u>-</u>	<u>-</u>

16 DEFERRED TAXATION

The movement in the deferred taxation asset during the year was

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Asset brought forward	53,676	60,915	-	-
Decrease in asset	(4,751)	(7,239)	-	-
Asset carried forward	<u>£48,925</u>	<u>£53,676</u>	<u>-</u>	<u>-</u>

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

Group	2009	2008
	£	£
Excess of depreciation over taxation allowances	48,925	53,676
	<u>£48,925</u>	<u>£53,676</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

17 CREDITORS· Amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Overdrafts	–	63,722	–	–
Trade creditors	871,298	1,075,238	–	–
Amounts owed to group undertakings	175,500	–	1,385,673	500,026
Hire purchase agreements	103,135	94,967	–	–
Other creditors including taxation and social security				
Corporation tax	221,406	493,960	–	–
PAYE and social security	206,013	208,382	–	–
VAT	127,570	65,509	–	–
Other creditors	340,590	233,148	–	–
Accruals and deferred income	1,167,391	1,251,380	–	–
	<u>£3,212,903</u>	<u>£3,486,306</u>	<u>£1,385,673</u>	<u>£500,026</u>

18 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Hire purchase agreements	<u>82,711</u>	<u>185,846</u>	<u>–</u>	<u>–</u>

The aggregate amount of secured liabilities is £185,846 (2008 £280,813)

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

19 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts payable within 1 year	103,135	94,967	–	–
Amounts payable between 2 to 5 years	82,711	185,846	–	–
	<u>185,846</u>	<u>280,813</u>	<u>–</u>	<u>–</u>

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

20 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 £71,536 (2008 £72,703) for the year.

21 OTHER PROVISIONS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
PAYE and national insurance	-	13,593	-	-
Dilapidation costs	<u>256,380</u>	<u>246,004</u>	-	-
	<u>£256,380</u>	<u>£259,597</u>	-	-

PAYE and national insurance

Provision for an amount of £Nil (2008 £13,593) has been made in respect of PAYE and national insurance for earlier years relating to staff benefits. The amount is based upon correspondence with HM Revenue and Customs. PAYE and national insurance liabilities relating to staff benefits for earlier years have been settled during the year.

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 2009

22 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as set out below

Group	2009		2008	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	2,430,463	1,857	736,456	4,340
Within 2 to 5 years	6,553,138	-	8,224,189	2,776
After more than 5 years	1,341,651	-	2,404,606	-
	<u>£10,325,252</u>	<u>£1,857</u>	<u>£11,365,251</u>	<u>£7,116</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	2009		2008	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	1,154,644	1,857	549,622	4,340
Within 2 to 5 years	5,812,280	-	5,318,813	2,776
After more than 5 years	756,651	-	2,404,606	-
	<u>£7,723,575</u>	<u>£1,857</u>	<u>£8,273,041</u>	<u>£7,116</u>

23 RELATED PARTY TRANSACTIONS

Balances due from other group companies at the year end

BridgeStreet Corporate Housing Worldwide Inc	£42,714	(2008 £11,100)
BridgeStreet Corporate Housing Limited	£156,292	(2008 £73,340)

Balances due to other group companies at the year end

BridgeStreet Corporate Housing Worldwide Inc	£175,500	(2008 £nil)
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During the year the group charged £156,292 (2008 £73,340) to BridgeStreet Corporate Housing Limited for administration services

During the year the group paid £200,000 (2008 £24,500) 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 £337,050 (2008 £166,750) for these apartments. Included within creditors is an amount of £133,855 (2008 £84,591) due to Sorrento Bristol Limited.

During the year the group charged consultancy fees of £111,000 (2008 £138,730) to Sorrento Structuring Limited, a company under common control. Included within debtors is an amount of £111,000 (2008 £138,730) due from Sorrento Structuring Limited.

BRIDGESTREET ACCOMMODATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

24 SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

Allotted, called up and fully paid.

	2009		2008	
	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>

25 RESERVES

Group	Share premium account £	Profit and loss account £
Balance brought forward	1,205,000	2,212,148
Profit for the year	-	1,118,210
Equity dividends	-	(1,918,073)
Exchange adjustments	-	(68,499)
Balance carried forward	<u>£1,205,000</u>	<u>£1,343,786</u>
 Company	 Share premium account £	 Profit and loss account £
Balance brought forward	1,205,000	1,704,985
Profit for the year	-	1,032,321
Equity dividends	-	(1,918,073)
Balance carried forward	<u>£1,205,000</u>	<u>£819,233</u>

26 ULTIMATE PARENT COMPANY

At 31 December 2009, 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 2009, the company's immediate parent company was BridgeStreet Corporate Housing Worldwide Inc, a company incorporated in the United States of America.