

Registered number: 06533950

MREF Bristol Holdings Limited
Annual Report and Financial Statements
For the year ended 31 December 2010

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MREF Bristol Holdings Limited

Annual report and financial statements for the year ended 31 December 2010

Contents	Pages
Directors and advisers	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

MREF Bristol Holdings Limited

1

Directors and advisers

Directors

Graham Stanley
Graham Sidwell
Marc Gilbard

Company secretary

Timothy Sanderson

Registered office

Nightingale House
65 Curzon Street
London
W1J 8PE

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Independent auditors

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

Directors' report for the year ended 31 December 2010

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

Principal activity

The principal activity of the company is that of a holding company

Results

The company's loss for the financial year is £1,318,000 (2009 £908,000)

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below

Graham Stanley
Graham Sidwell
Marc Gilbard

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, MREF Hotels Limited. The directors have received confirmation that MREF Hotels Limited intends to support the company for at least 12 months from the date these financial statements are approved

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Directors' report for the year ended 31 December 2010 (continued)

So far as each of the directors in office at the date of approval of these financial statements is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information


Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Independent auditors

PricewaterhouseCoopers LLP were reappointed as auditors during the year and have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the annual general meeting

By order of the Board



Timothy Sanderson
Company secretary
Date

22/9/2011

Independent auditors' report to the members of MREF Bristol Holdings Limited

We have audited the financial statements of MREF Bristol Holdings Limited for the year ended 31 December 2010 which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

Respective responsibilities of directors and auditors

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

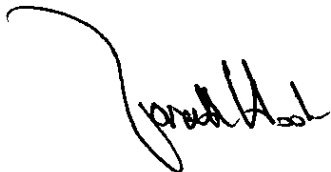
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of MREF Bristol Holdings Limited (continued)

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Jonathan Hook (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

Date 13/9/11

Profit and loss account for the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Interest payable and similar charges	5	(1,318)	(908)
Loss on ordinary activities before taxation	2	(1,318)	(908)
Tax on loss on ordinary activities	6	0	0
Loss for the financial year	13	(1,318)	(908)

All amounts above relate to continuing operations of the company

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

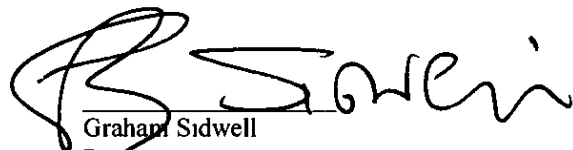
MREF Bristol Holdings Limited

7

Balance sheet as at 31 December 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments	7	19,487	19,487
Current assets			
Debtors	8	927	903
		927	903
Creditors: amounts falling due within one year	9	(16,093)	(7,836)
Net current liabilities		(15,166)	(6,933)
Total assets less current liabilities		4,321	12,554
Creditors amounts falling due after more than one year	10	(7,560)	(14,475)
Net liabilities		(3,239)	(1,921)
Capital and reserves			
Called up share capital	12	0	0
Profit and loss account	13	(3,239)	(1,921)
Total shareholders' deficit	14	(3,239)	(1,921)

The financial statements on pages 6 to 12 were approved by the board of directors on 20/9/11 and were signed on its behalf by


Graham Sidwell
Director

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

These financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of certain tangible fixed assets/investments, and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below. The financial statements have been prepared on the going concern basis.

Consolidation

The financial statements contain information about the Company as an individual company. The Company was, at the end of the year, a wholly owned subsidiary of another company incorporated in the EEA and in accordance with the Companies Act 2006, is not required to produce and has not published consolidated accounts.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, MREF Hotels Limited. The directors have received confirmation that MREF Hotels Limited intends to support the company for at least 12 months from the date these financial statements are approved.

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 "Cash flow statements" from the requirement to present a cash flow statement in the financial statements on the grounds that it is a small company.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Investments

Fixed asset investments are stated at their purchase cost less any provision for impairment.

Debtors

Debtors are stated after all known bad debts have been written off and specific provision has been made against all debts considered doubtful of collection.

Notes to the financial statements for the year ended 31 December 2010 (continued)

2 Loss on ordinary activities

Audit fees of were borne by a related undertaking in both years

3 Employee information

The company has no employees other than the directors (2009 nil)

4 Directors' emoluments

The directors received no emoluments in the year (2009 £nil) There were no retirement benefits accruing to the directors (2009 £nil)

5 Interest payable and similar charges

	2010	2009
	£'000	£'000
Interest payable on bank loans	972	552
Interest payable to group companies	328	338
Finance fees payable	18	18
	1,318	908

6 Tax on loss on ordinary activities

	2010	2009
	£'000	£'000
Current tax:		
Corporation tax on losses for the year	0	0
Total current tax	0	0
Tax on loss on ordinary activities	0	0

The tax assessed for the period differs from the standard rate of Corporation Tax in the UK of 28% (2009 28%)
The differences are explained below

	2010	2009
	£'000	£'000
Loss on ordinary activities before tax	(1,318)	(908)
Loss on ordinary activities multiplied by standard rate in UK of 28% (2009 28%)	(369)	(254)
Effects of		
Group relief surrendered and not paid for	369	254
Current tax charge for the year	0	0

Notes to the financial statements for the year ended 31 December 2010 (continued)

Factors that may affect future tax charges

The Finance (No 2) Act 2010 reduced the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. On 23 March 2011, the Chancellor announced a further reduction of 1 per cent to 26 per cent in the rate of corporation tax from 1 April 2011 and legislation is included in the Finance Bill 2011 to reduce the main rate of corporation tax to 25 per cent from 1 April 2012. Further reductions in the rate by 1 per cent per annum to 23 per cent by 1 April 2014 have also been announced. Other than the reduction to 27 per cent, the changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The company has a potential deferred tax asset of £284,000 (2009 £284,000), which has not been recognised when it can be regarded as more likely than not that there will be sufficient taxable profits from which the tax losses can be deducted.

7 Investments

	Investment in subsidiary undertakings £'000
Cost	
At 1 January 2010 and at 31 December 2010	19,487
Net book amount	
At 31 December 2009 and at 31 December 2010	19,487

The company holds directly a 100% shareholding in Holland House Hotels (Bristol) Limited, a property investment company, which is incorporated in England.

The aggregate capital and reserves and results of the company's subsidiary undertaking for the year were

	2010 £'000	2009 £'000
Capital and reserves		
Holland House Hotels (Bristol) Limited	4,522	7,382
Loss for the year		
Holland House Hotels (Bristol) Limited	(2,861)	(10,662)

8 Debtors

	2010 £'000	2009 £'000
Amounts owed by group undertakings	927	903

Amounts owed by group undertakings are subject to interest at 2% above the Bank of England base rate are unsecured and repayable on demand.

9 Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Bank loans (note 11)	0	7,836
Amounts owed to group undertakings (note 11)	16,093	0
	16,093	7,836

Amounts owed to group undertakings are subject to interest at 2% above the Bank of England base rate are unsecured and repayable on demand

10 Creditors: amounts falling due after more than one year

	2010	2009
	£'000	£'000
Bank loans - amounts drawn down (note 11)	7,634	0
Bank loans - unamortised finance fees (note 11)	(74)	0
Amounts owed to group undertakings	0	14,475
	7,560	14,475

Amounts owed to group undertakings are subject to interest at 2% above the Bank of England base rate are unsecured and repayable on demand

Bank loan borrowings are secured by fixed charges on group properties and floating charges on certain other group assets. Bank loans comprise variable rate debt at a margin of 150 basis points over LIBOR. The loan is repayable in full in July 2014.

MREF Tradeco Limited, a fellow group company, has entered into an interest rate swap agreement in order to hedge exposure to interest rates on bank loans until 4 August 2014. This arrangement enables the Group to manage its interest rate exposure, by swapping floating rates on borrowings into fixed rate amounts. Utilising this arrangement the company effectively obtains borrowings at a different rate to those available from borrowing directly at prevailing floating rates.

11 Loans and other borrowings

	2010	2009
	£'000	£'000
Bank loans	7,560	7,836
Amounts owed to group undertakings	16,093	14,475
	23,653	22,311

Maturity of financial liabilities:

In one year or less, or on demand	16,093	7,836
In more than one year, but not more than two years	0	14,475
In more than two years, but not more than five years	7,560	0
	23,653	22,311

Notes to the financial statements for the year ended 31 December 2010 (continued)

12 Called up share capital

	2010 £'000	2009 £'000
Authorised		
2 ordinary shares of £1 each	0	0
Allotted and fully paid		
2 ordinary shares of £1 each	0	0

13 Profit and loss account

	£'000
At 1 January 2010	(1,921)
Loss for the financial year	(1,318)
At 31 December 2010	(3,239)

14 Reconciliation of movements in shareholders' deficit

	2010 £'000	2009 £'000
Loss for the financial year	(1,318)	(908)
Opening shareholders' deficit	(1,921)	(1,013)
Closing shareholders' deficit	(3,239)	(1,921)

15 Related party transactions and ultimate controlling party

The company's ultimate controlling parties are Moorfield Real Estate Fund A Limited Partnership and Moorfield Real Estate Fund B Limited Partnership

The company has taken advantage of the exemptions contained in FRS 8 "Related Party Transactions" not to disclose transactions with related parties as all of the voting rights of the company are controlled within the group

16 Ultimate parent undertaking

The company's immediate parent undertaking is MREF Bristol Limited, a company incorporated in Jersey

The ultimate parent entity is MREF Hotels Limited, a company incorporated in Jersey

The smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member is MREF Hotels Limited, a company incorporated in Jersey