

Company number 05931998

**CURZON HOTEL PROPERTIES (GP)
LIMITED**

Report and Financial Statements

For period from 12 September 2006 to

30 December 2007

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CURZON HOTEL PROPERTIES (GP) LIMITED

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CURZON HOTEL PROPERTIES (GP) LIMITED

DIRECTORS' REPORT

The directors presents their report and the audited financial statements for the period ended 30 December 2007

COMPANY STATUS AND PRINCIPAL ACTIVITIES

Curzon Hotel Properties (GP) Limited is a limited liability company domiciled and registered in England. The principal activity of the company is the investment in a Limited Partnership which owns and sub-leases hotels in the UK. The company also acts as the sole General Partner of the Limited Partnership which was formed on 10 October 2006.

The company was incorporated on 12 September 2006 as Precis (2634) Limited and changed its name to Curzon Hotel Properties (GP) Limited on 6 October 2006.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company commenced trading on 23 April 2007 and the company's profit for the period was £36,698. The results for the period are set out in the profit and loss account on page 6.

The directors do not recommend payment of a dividend.

PRINCIPAL RISKS

Competitive risk

The principal business risks and uncertainties facing the Limited Partnership arise from the UK hotel market, in which the partnership operates, has performed well over the past few years providing good returns for investors. However, the UK leisure markets are currently experiencing a period of uncertainty following instability in the global markets.

Management seek to mitigate these external risks via a rigorous investment appraisal process and the experience within the property management team.

Liquidity risk

The Limited Partnership is funded by a mixture of equity and debt. Their liquidity requirements are determined by means of regular review. Where surplus funds arise, these are generally placed on a fixed term deposit. Adequate liquidity is maintained at all times to ensure the Limited Partnership can meet its ongoing obligations.

Currency risk

The company is not exposed to any foreign exchange risk.

Interest rate risk

The Limited Partnership uses fixed rate debt and interest rate derivatives as protection against adverse interest rate movements. At the period end 100% of debt was fixed in this way.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the financial period were as follows -

Peregrine Secretarial Services Limited	Appointed 12 September 2006, resigned 5 October 2006
Martin Roberts	Appointed 5 October 2006
Glenn Tomkins	Appointed 5 October 2006
Anthony Tsang	Appointed 5 October 2006
Iain Habbick	Appointed 5 October 2006

No director had any interest in, or rights to subscribe for, shares or debentures in the company.

CURZON HOTEL PROPERTIES (GP) LIMITED

DIRECTORS' REPORT (continued)

PROVISION OF INFORMATION TO AUDITORS

In so far as the directors are 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

BDO Stoy Hayward LLP were appointed during the period and have expressed their willingness to continue in office

Approved by the board and signed on its behalf by



Iain Habbick

Secretary

25 April 2008

Registered Office 7 Curzon Street, London W1J 5HG

CURZON HOTEL PROPERTIES (GP) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (UK Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

CURZON HOTEL PROPERTIES (GP) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF CURZON HOTEL PROPERTIES (GP) LIMITED

We have audited the financial statements of Curzon Hotel Properties (GP) Limited for the period ended 30 December 2007, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of the directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


CURZON HOTEL PROPERTIES (GP) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CURZON HOTEL PROPERTIES (GP) LIMITED (CONTINUED)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 December 2007 and of the company's profit for the period ended 30 December 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements


BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
London

Date 26 April 2008



CURZON HOTEL PROPERTIES (GP) LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 30 December 2007

	Notes	Period 12 September 2006 to 30 December 2007 £
Investment income – share of partnership income	1	52,692
Profit on ordinary activities before taxation		<u>52,692</u>
Tax on profit on ordinary activities	1, 3	(15,994)
Profit on ordinary activities after taxation		<u><u>36,698</u></u>

All results relate to continuing operations and the company's principal activity which is solely conducted in the United Kingdom

The notes on pages 9 to 12 form part of these financial statements

CURZON HOTEL PROPERTIES (GP) LIMITED

BALANCE SHEET

As at 30 December 2007

	Notes	30 December 2007 £
Fixed assets		
Investment	4	10
Current assets		
Debtors	5	52,694
Creditors: amounts falling due within one year	6	(10)
Net current assets		52,684
Total assets less current liabilities		52,694
Provisions for liabilities	7	(15,994)
Net assets		36,700
Capital and reserves		
Share capital	8	2
Profit and loss account	9	36,698
Shareholders' funds	10	36,700

These financial statements were approved by the board of directors and authorised for issue on 25 April 2008
They were signed on its behalf by



Director

The notes on pages 9 to 12 form part of these financial statements

CURZON HOTEL PROPERTIES (GP) LIMITED

CASHFLOW STATEMENT Period ended 30 December 2007

	Notes	Period 12 September 2006 to 30 December 2007 £
Net cash inflow from operating activities	(1)	8
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets		(10)
Cash outflow before financing		(2)
Financing		
Issue of ordinary share capital		2
Increase in cash in the period		-

NOTE

(i) Reconciliation of operating profit to net cash inflow from operating activities

	Period 12 September 2006 to 30 December 2007 £
Profit on ordinary activities before taxation	52,692
Increase in debtors	(52,694)
Increase in creditors	10
Net cash inflow from operating activities	8

The notes on pages 9 to 12 form part of these financial statements

CURZON HOTEL PROPERTIES (GP) LIMITED

NOTES TO THE ACCOUNTS **Period ended 30 December 2007**

1. ACCOUNTING POLICIES

1.1 Basis of accounts preparation

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

1.2 Accounting convention

The financial statements are prepared under the historical cost convention, and on the going concern basis, in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

1.3 Investments

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

1.4 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences
- deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

1.5 Share of partnership income

This income is derived from a share of the revenue generated from The Curzon Hotel Properties Limited Partnership.

2. STAFF COSTS

No staff are employed apart from the directors, who do not receive emoluments as directors of the company.

CURZON HOTEL PROPERTIES (GP) LIMITED

NOTES TO THE ACCOUNTS Period ended 30 December 2007

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period 12 September 2006 to 30 December 2007 £
The tax charge comprises	
Deferred tax	
Origination of timing differences	15,994
The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows	
Profit on ordinary activities before tax	52,692
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	15,808
Capital allowances in excess of depreciation	(15,808)
Current tax charge for the period	-

4. FIXED ASSETS INVESTMENTS

	30 December 2007 £
Other investment	
Cost	
At 12 September 2006	-
Additions	10
At 30 December 2007	10
Net book value	
At 30 December 2007	10

The company has an investment in the following

Other investment	Principal activity	%
The Curzon Hotel Properties Limited Partnership	Hotel ownership	1

CURZON HOTEL PROPERTIES (GP) LIMITED

NOTES TO THE ACCOUNTS Period ended 30 December 2007

5. DEBTORS

30 December
2007
£

Amounts falling due within one year

Other debtors 12

Amounts falling due after more than one year

Prepayments and accrued income 52,692

Total debtors 52,704

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

30 December
2007
£

Other creditors 10

7. DEFERRED TAXATION

Deferred
taxation
£

At 12 September 2006
Charged to profit and loss account 15,994

At 30 December 2007 15,994

Deferred tax is provided as follows
Other timing differences 15,994

8. CALLED UP SHARE CAPITAL

30 December
2007
£

Authorised
100 Ordinary shares of £1 each 100

Allotted, called-up and fully paid
2 Ordinary shares of £1 each 2

During the period the company issued two ordinary shares with a nominal value of £1 each

CURZON HOTEL PROPERTIES (GP) LIMITED

NOTES TO THE ACCOUNTS Period ended 30 December 2007

9. RESERVES

	Profit and loss account £
As at 12 September 2006	-
Profit for the financial period	36,698
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As at 30 December 2007	36,698
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10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Period 12 September 2006 to 30 December 2007 £
Profit for the financial period	36,698
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Net addition to shareholders' funds	36,698
New shares issued	2
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Closing shareholders' funds	36,700
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11. RELATED PARTY TRANSACTIONS

During the period the company acted as the general partner of The Curzon Hotel Properties Limited Partnership. Related party transactions arising as a result of acting on behalf of the partnership are disclosed in the financial statement of the partnership.

12. CONTROLLING PARTIES

The immediate controlling party is Curzon Hotel Holdings Limited, a company registered in the British Virgin Islands.

The company is ultimately managed and controlled by the general partner of The CIT Real Estate Limited Partnership, CIT (GP) Limited. The general partner is 100% owned by CIT Group Plc, a wholly owned subsidiary of CIT Holdings Limited.