

**REGISTERED NUMBER:07385695 (England and Wales)**

**REPORT OF THE DIRECTOR AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**  
**FOR**  
**BM MANCHESTER LIMITED**

MONDAY



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30/01/2012  
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**BM MANCHESTER LIMITED**

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**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

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**BM MANCHESTER LIMITED**

**COMPANY INFORMATION**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**DIRECTOR:** L Louca

**REGISTERED OFFICE:** 363 Goswell Road  
London  
EC1V 7JL

**REGISTERED NUMBER:** 07385695 (England and Wales)

**AUDITORS:** Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

**BM MANCHESTER LIMITED**

**REPORT OF THE DIRECTOR**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

The director presents his report with the financial statements of the company and the group for the period 23 September 2010 to 30 April 2011

**COMMENCEMENT OF TRADING**

The group commenced trading on 24 March 2011

**PRINCIPAL ACTIVITY**

The principal activity of the group in the period under review was that of the operation of a hotel

**REVIEW OF BUSINESS**

The results for the period and the financial position of the group are as shown in the annexed financial statements

During the period under review the group purchased the Hilton hotel in Manchester

**DIVIDENDS**

No dividends will be distributed for the period ended 30 April 2011

**FUTURE DEVELOPMENTS**

It is anticipated that the group will maintain its turnover and balance sheet position for the foreseeable future

**DIRECTOR**

L. Louca was appointed as a director on 23 September 2010 and held office during the whole of the period from then to the date of this report

The director, being eligible, offers himself for election at the forthcoming first Annual General Meeting

**FINANCIAL INSTRUMENTS**

Information on financial instruments and other risks is set out below

Treasury activities take place under procedures and policies monitored by the directors. They are designed to minimise the financial risks faced by the company which primarily arise from interest rate, currency, credit and liquidity risks. It is not the policy of the group to enter into speculative transactions.

**FINANCIAL INSTRUMENTS - RISK MANAGEMENT**

The most significant treasury exposures faced by the group are managing interest rate and currency positions. Treasury policies are in place for managing each of these exposures including the type and use of financial instruments.

The group has no financial instruments to hedge foreign exchange exposure.

The group does not enter into derivative transactions.

The fair values of the receivables, payables and cash balances in the accounts approximate their book value.

The main financial risks faced by the company are funding risk and credit risk. As with any business there remains uncertainty and risk about the ability of the group to achieve its business objectives within its current funding. The director continually reviews the funding status of the group and its exposure to liquidity risk.

**BM MANCHESTER LIMITED**

**REPORT OF THE DIRECTOR**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 period. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he 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 group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



L. Louca - Director

Date

28/01/2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BM MANCHESTER LIMITED**

We have audited the financial statements of BM Manchester Limited for the period ended 30 April 2011 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities, the director is 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.

**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 the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements 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.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2011 and of the group's profit for the period 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BM MANCHESTER LIMITED**

**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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Giles Cohen (Senior Statutory Auditor)  
for and on behalf of Numera Partners LLP  
Statutory Auditors  
6th Floor  
Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

Date



Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

**BM MANCHESTER LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

	Notes	£
<b>TURNOVER</b>		1,550,173
Cost of sales		<u>117,037</u>
<b>GROSS PROFIT</b>		1,433,136
Administrative expenses		<u>1,207,297</u>
		225,839
Other operating income		<u>278</u>
<b>OPERATING PROFIT</b>	3	226,117
Interest payable and similar charges	4	<u>153,171</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		72,946
Tax on profit on ordinary activities	5	<u>-</u>
<b>PROFIT FOR THE FINANCIAL PERIOD FOR THE GROUP</b>		<u><u>72,946</u></u>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current period

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profit for the current period

The notes form part of these financial statements



**BM MANCHESTER LIMITED**

**CONSOLIDATED BALANCE SHEET**  
**30 APRIL 2011**

	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	7		48,593,264
Investments	8		<u>-</u>
			48,593,264
<b>CURRENT ASSETS</b>			
Stocks	9	59,730	
Debtors	10	704,616	
Cash at bank and in hand		<u>3,611,369</u>	
		4,375,715	
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>2,526,107</u>	
<b>NET CURRENT ASSETS</b>			<u>1,849,608</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			50,442,872
<b>CREDITORS</b>			
Amounts falling due after more than one year	12		(47,229,925)
<b>MINORITY INTERESTS</b>	15		<u>(40,000)</u>
<b>NET ASSETS</b>			<u>3,172,947</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16		2
Share premium	17		3,099,999
Profit and loss account	17		<u>72,946</u>
<b>SHAREHOLDERS' FUNDS</b>	20		<u>3,172,947</u>

The financial statements were approved by the director on

26/01/2012

and were signed by



L. Louca - Director


The notes form part of these financial statements

**BM MANCHESTER LIMITED**  
**COMPANY BALANCE SHEET**  
**30 APRIL 2011**

	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	7		-
Investments	8		<u>80,000</u>
			80,000
<b>CURRENT ASSETS</b>			
Debtors amounts falling due after more than one year	10	3,020,000	
Cash in hand		<u>1</u>	
		<u>3,020,001</u>	
<b>NET CURRENT ASSETS</b>			<u>3,020,001</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,100,001</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16		2
Share premium	17		<u>3,099,999</u>
<b>SHAREHOLDERS' FUNDS</b>	20		<u>3,100,001</u>

The financial statements were approved by the director on

and were signed by



L. Louca - Director

The notes form part of these financial statements

**BM MANCHESTER LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

	Notes	£	£
<b>Net cash inflow from operating activities</b>	1		1,890,559
<b>Returns on investments and servicing of finance</b>	2		(153,171)
<b>Capital expenditure</b>	2		<u>(48,622,132)</u>
			(46,884,744)
<b>Financing</b>	2		<u>50,369,926</u>
<b>Increase in cash in the period</b>			<u>3,485,182</u>

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<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase in cash in the period		3,485,182	
Cash inflow from increase in debt		<u>(47,229,925)</u>	
Change in net debt resulting from cash flows			<u>(43,744,743)</u>
<b>Movement in net debt in the period</b>			(43,744,743)
<b>Net debt at 23 September</b>			<u>-</u>
<b>Net debt at 30 April</b>			<u>(43,744,743)</u>

The notes form part of these financial statements

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	£
Operating profit	226,117
Depreciation charges	28,868
Increase in stocks	(59,730)
Increase in debtors	(704,616)
Increase in creditors	<u>2,399,920</u>
<b>Net cash inflow from operating activities</b>	<b><u>1,890,559</u></b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	£
<b>Returns on investments and servicing of finance</b>	
Interest paid	<u>(153,171)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(153,171)</u></b>
 <b>Capital expenditure</b>	
Purchase of tangible fixed assets	<u>(48,622,132)</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(48,622,132)</u></b>
 <b>Financing</b>	
New loans in year	47,229,925
Share issue	<u>3,140,001</u>
<b>Net cash inflow from financing</b>	<b><u>50,369,926</u></b>

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 23 9 10 £	Cash flow £	At 30 4 11 £
<b>Net cash</b>			
Cash at bank and in hand	-	3,611,369	3,611,369
Bank overdraft	<u>-</u>	<u>(126,187)</u>	<u>(126,187)</u>
	<u>-</u>	<u>3,485,182</u>	<u>3,485,182</u>
 <b>Debt</b>			
Debts falling due after one year	<u>-</u>	<u>(47,229,925)</u>	<u>(47,229,925)</u>
	<u>-</u>	<u>(47,229,925)</u>	<u>(47,229,925)</u>
 <b>Total</b>	<u><u>-</u></u>	<u><u>(43,744,743)</u></u>	<u><u>(43,744,743)</u></u>

The notes form part of these financial statements

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Basis of consolidation**

The consolidated financial statements of the group include the financial statements of the company and its direct and indirect subsidiary undertakings made up to 30 April 2011. The results of subsidiaries acquired are included in the consolidated profit and loss account from the date control passes. Intra group sales and profits are eliminated fully on consolidation.

**Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Long leasehold	- 0.5% on cost
Fixtures and fittings	- 25% on reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pensions**

The group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**Debt instruments**

Debt instruments are stated at their net proceeds on issue. Issue costs are amortised to the profit and loss account over the life of the instrument.

**Fixed asset investments**

Investments in subsidiaries are carried at cost less impairment.

**2 STAFF COSTS**

	£
Wages and salaries	<u>509,588</u>

The average monthly number of employees during the period was as follows:

Operational	266
Administration	<u>10</u>
	<u>276</u>

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**3 OPERATING PROFIT**

The operating profit is stated after charging

	£
Hire of plant and machinery	10,210
Depreciation - owned assets	28,868
Auditors' remuneration	<u>10,000</u>
Director's remuneration	<u>-</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	£
Bank loan interest	<u>153,171</u>

**5 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the period

**Factors affecting the tax charge**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	£
Profit on ordinary activities before tax	<u>72,946</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26%	18,966
Effects of Capital allowances in excess of depreciation charges	(69,119)
Loss available for future period	<u>50,153</u>
Current tax charge	<u>-</u>

**6 PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £0

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**7 TANGIBLE FIXED ASSETS**

**Group**

	Long leasehold £	Fixtures and fittings £	Totals £
<b>COST</b>			
Additions	<u>48,593,222</u>	<u>28,910</u>	<u>48,622,132</u>
At 30 April 2011	<u>48,593,222</u>	<u>28,910</u>	<u>48,622,132</u>
<b>DEPRECIATION</b>			
Charge for period	<u>28,035</u>	<u>833</u>	<u>28,868</u>
At 30 April 2011	<u>28,035</u>	<u>833</u>	<u>28,868</u>
<b>NET BOOK VALUE</b>			
At 30 April 2011	<u>48,565,187</u>	<u>28,077</u>	<u>48,593,264</u>

**8 FIXED ASSET INVESTMENTS**

**Company**

	Shares in group undertakings £
<b>COST</b>	
Additions	<u>80,000</u>
At 30 April 2011	<u>80,000</u>
<b>NET BOOK VALUE</b>	
At 30 April 2011	<u>80,000</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following

**Subsidiary**

**Blue Manchester Limited**  
Nature of business Hotel operation

Class of shares	% holding
Ordinary	100.00

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**9 STOCKS**

	<b>Group £</b>
Stocks	<u>59,730</u>

**10 DEBTORS**

	<b>Group £</b>	<b>Company £</b>
Amounts falling due within one year		
Trade debtors	610,290	-
Other debtors	12,569	-
Prepayments	<u>81,757</u>	<u>-</u>
	<u>704,616</u>	<u>-</u>
 Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>-</u>	<u>3,020,000</u>
	<u>-</u>	<u>3,020,000</u>
 Aggregate amounts	<u>704,616</u>	<u>3,020,000</u>

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group £</b>
Bank loans and overdrafts (see note 13)	126,187
Trade creditors	363,262
Social security and other taxes	143,787
VAT	471,066
Other creditors	63,924
Advance deposits	430,512
Accrued expenses	<u>927,369</u>
	<u>2,526,107</u>

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group £</b>
Bank loans (see note 13)	<u>47,229,925</u>



**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**13 LOANS**

An analysis of the maturity of loans is given below

	Group £
Amounts falling due within one year or on demand	
Bank overdrafts	<u>126,187</u>
Amounts falling due in more than five years	
Repayable otherwise than by instalments	
Bank loans	<u>47,229,925</u>

Bank loan amounts falling due in more than five years repayable otherwise than by instalments incur a weighted average interest rate of 3% and mature in 2016

**14 SECURED DEBTS**

The following secured debts are included within creditors

	Group £
Bank loans	<u>47,229,925</u>

The bank loan is secured by way of debenture and legal charge over the assets of Blue Manchester Limited

**15 MINORITY INTERESTS**

This note gives details of the Group's minority interests and shows the movement during the year

	30 04 11 £
Minority Interests	<u>40,000</u>
Balance as at 30 April	<u>40,000</u>

**16 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	£
2	Ordinary	£1	<u>2</u>

1 Ordinary share of £1 was allotted and fully paid for cash at par during the period

1 Ordinary share of £1 was allotted as fully paid at a premium of £3,099,999 during the period

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**17 RESERVES**

**Group**

	Profit and loss account £	Share premium £	Totals £
Profit for the period	72,946		72,946
Cash share issue	-	3,099,999	3,099,999
	<u>72,946</u>	<u>3,099,999</u>	<u>3,172,945</u>
At 30 April 2011			

**Company**

	Profit and loss account £	Share premium £	Totals £
Profit for the period	-		-
Cash share issue	-	3,099,999	3,099,999
	<u>-</u>	<u>3,099,999</u>	<u>3,099,999</u>
At 30 April 2011			

**18 PENSION COMMITMENTS**

The hotel operates a defined contribution pension scheme for the benefit of its employees. The costs of the scheme are recognised in the period in which contributions are payable and total £2,119 for the period under review.

**19 ULTIMATE CONTROLLING PARTY**

The group is under the control of Blue Marques M Limited, a company incorporated in the British Virgin Islands.

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

	£
Profit for the financial period	72,946
Share capital	2
Share premium	<u>3,099,999</u>
<b>Net addition to shareholders' funds</b>	<b>3,172,947</b>
Opening shareholders' funds	<u>-</u>
<b>Closing shareholders' funds</b>	<b><u>3,172,947</u></b>
Equity interests	<u>3,172,947</u>

**BM MANCHESTER LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 23 SEPTEMBER 2010 TO 30 APRIL 2011**

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued**

**Company**

	£
Profit for the financial period	-
Share capital	2
Share premium	<u>3,099,999</u>
<b>Net addition to shareholders' funds</b>	<b>3,100,001</b>
Opening shareholders' funds	<u>-</u>
<b>Closing shareholders' funds</b>	<b><u>3,100,001</u></b>
 Equity interests	 <b><u>3,100,001</u></b>