

Registered number: 4406770

**Hotel Dynamics Services UK
Limited**

Report and Accounts

31 December 2002



Hotel Dynamics Services UK Limited

DIRECTORS

Nicholas Paul
John Paul Nichols

SECRETARY

Nicholas Paul

REGISTERED OFFICE

93 Rivington Street
London
EC2A 3AY

AUDITORS

Horwath Clark Whitehill LLP
10 Salisbury Square
London
EC4Y 8EH

Hotel Dynamics Services UK Limited

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 December 2002. The company was incorporated on 30 July 2002 and changed its name from Lagrain Limited to its current name on 1 August 2002.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company had no transactions requiring recording in the profit and loss account for the period and thus no profit and loss account is recorded within these financial statements. The present intention is to continue to develop the existing business of the company.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period were as follows:

Mr M Flynn (appointed 30 July 2002, resigned 31 July 2003)

Ms A Bell (appointed 30 July 2002, resigned 31 July 2003)

Mr N Paul, Mr J Verco and Mr J P Nichols were appointed directors on 31 July 2003. Mr J Verco resigned as director on 29 February 2004.

The directors have no beneficial interest in the shares of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare accounts for each financial year which 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 those accounts, 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 accounting standards have been followed; 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 to enable them to ensure that the accounts 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.

AUDITORS

Horwath Clark Whitehill LLP offer themselves for reappointment as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



N Paul, Director

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
HOTEL DYNAMICS SERVICES UK LIMITED**

We have audited the financial statements of Hotel Dynamics Services UK Limited for the period ended 31 December 2002 which comprise the balance sheet and the related notes 1 to 4. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

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

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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.

Unqualified Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP 29 OCTOBER 2003
Horwath Clark Whitehill LLP

Chartered Accountants and
Registered Auditors

10 Salisbury Square

London EC4Y 8EH

Hotel Dynamics Services UK Limited

BALANCE SHEET

at 31 December 2002

	Note	2002 £
CURRENT ASSETS		
Cash at bank and in hand		1,938
CREDITORS:		
amounts falling due within one year	2	(1,936)
NET ASSETS		<u>2</u>
CAPITAL AND RESERVES		
Called up share capital	3	<u>2</u>
Equity shareholders' funds		<u>2</u>

These financial statements were approved by the Board of Directors on 22 October 2003

Signed on behalf of the Board of Directors



N Paul
Director

Hotel Dynamics Services UK Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and on the going concern basis. The directors believe this basis to be appropriate as the immediate parent undertaking has indicated its intention to provide sufficient financial support to enable the company to continue to trade until at least twelve months from the date the accounts are signed. The directors have also estimated the company's likely cash requirements until that date and believe the immediate parent undertaking has adequate resources to provide the necessary support.

2.

Creditors: Amounts falling due within one year	2002
	£
Amounts owed to immediate parent undertaking	1,936

3. SHARE CAPITAL

Authorised, allotted, called up and fully paid

2 Ordinary shares of £1 each	2
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During the period the company allotted 2 ordinary shares with an aggregate nominal value of £2. The consideration received by the company was £2.

4. PARENT UNDERTAKINGS

The company's immediate parent undertaking is Hotel Dynamics International Limited, incorporated in Hong Kong. The company's ultimate parent undertaking is Hotel Dynamics Limited, also incorporated in Hong Kong.