

SAMARKAND HOTEL LIMITED

Company No: 634881

Financial Statements

For the year ended 31st December 1996

MYRUS SMITH
Chartered Accountants

Times House
Throwley Way
Sutton, Surrey
SM1 4AF



SAMARKAND HOTEL LIMITED

Company Information

Company No: 634881

Registered Office

21 Lansdowne Crescent
London
W11 2NS

Director

H. Danvers Hall

Secretary

G. Vickers (From 22nd April 1997)
L. Ranvaud (To 21st April 1997)

Auditors

Myrus Smith
Times House
Throwley Way
Sutton
Surrey
SM1 4AF

Page No.

| | |
|---------|--|
| 1 and 2 | Director's Report |
| 3 | Auditors' Report |
| 4 | Profit and Loss Account |
| 5 | Statement of Total Recognised Gains and Losses |
| 6 | Balance Sheet |
| 7 to 9 | Notes to the Financial Statements |

SAMARKAND HOTEL LIMITED

Director's Report

For the year ended 31st December 1996

The director submits his report together with the audited financial statements for the year ended 31st December 1996.

Director's Statement

Company law requires the director to prepare financial statements 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 for that year. In preparing those financial statements the director is 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 company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Principal Activity

The principal activity of the company throughout the year was that of a staff centre for overseas banking personnel

Director's Interest

The director who served during the year and his interest in the share capital of the company were as follows:

| | Ordinary £1 shares | |
|-----------------|---------------------------|-------------|
| | 1996 | 1995 |
| H. Danvers Hall | 1,000 | 1,000 |

Cashflow Statement

In the opinion of the director the company qualifies as a small company and as such no cashflow statement has been prepared.

SAMARKAND HOTEL LIMITED

Director's Report

For the year ended 31st December 1996

Auditors

The Auditors, Myrus Smith, Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

Exemption Statement

Advantage has been taken, in the preparation of these financial statements, of the special exemptions applicable to small companies under the Companies Act 1985.

Approved and signed on behalf of the Board

**21 Lansdowne Crescent
London
W11 2NS**

Registered Office of the Company



**G. Vickers
Secretary
23rd April 1997**

SAMARKAND HOTEL LIMITED

Auditors' Report to the Shareholders

For the year ended 31st December 1996

We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with 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 director 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 information and explanations which we consider 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 the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

**Times House
Throwley Way
Sutton
Surrey
SM1 4AF**


**MYRUS SMITH
Chartered Accountants
and Registered Auditor**

1st May 1997

SAMARKAND HOTEL LIMITED**Profit and Loss Account****For the year ended 31st December 1996**

| | Notes | 1996 £ | 1995 £ |
|--|--------------|-----------------------|------------------------|
| Turnover | | 94,396 | 66,577 |
| Administrative expenses | | 95,693 | 99,004 |
| Operating loss | 2 | <u>(1,297)</u> | <u>(32,427)</u> |
| Interest payable | | <u>(5,524)</u> | <u>(3,814)</u> |
| Loss on ordinary activities before Taxation | | (6,821) | (36,241) |
| Retained (loss)/profit at 1st January 1996 | | <u>(11,917)</u> | <u>6,824</u> |
| | | (18,738) | (29,417) |
| Transfer from Revaluation Reserve | 8 | <u>17,500</u> | <u>17,500</u> |
| Retained loss at 31st December 1996 | | <u><u>(1,238)</u></u> | <u><u>(11,917)</u></u> |

All amounts relate to continuing activities.

SAMARKAND HOTEL LIMITED**Total Recognised Gains and Losses****For the Year ended 31st December 1996**

| | 1996 £ | 1995 £ |
|---|----------------|----------------|
| Statement of Total Recognised Gains and Losses | | |
| Loss for the financial year | (6,821) | (36,241) |
| Unrealised Surplus on revaluations of freehold land and buildings | - | 973,218 |
| Total recognised (losses)/gains since the last financial statements | <u>(6,821)</u> | <u>936,977</u> |

Note of Historical Cost Profits and Losses

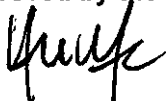
| | | |
|--|---------------|-----------------|
| Loss on ordinary activities before taxation | (6,821) | (36,241) |
| Difference between historical cost depreciation charge and depreciation charge based on revalued amounts | 17,500 | 17,500 |
| Historical cost profits/(losses) on ordinary activities before taxation | <u>10,679</u> | <u>(18,741)</u> |
| Historical cost profit/(loss) transferred to/(from) reserves | <u>10,679</u> | <u>(18,741)</u> |

SAMARKAND HOTEL LIMITED**Balance Sheet****As at 31st December 1996**

| | Notes | 1996 £ | 1996 £ | 1995 £ | 1995 £ |
|-------------------------------------|-------|-----------|-----------|-----------|-----------|
| Fixed Assets | | | | | |
| Tangible Fixed Assets | 4 | | 974,938 | | 995,220 |
| Current Assets | | | | | |
| Debtors | 5 | 2,341 | | 11,512 | |
| Creditors: | | | | | |
| Amounts falling due within one year | 6 | (39,299) | | (61,931) | |
| Net Current (Liabilities) | | | (36,958) | | (50,419) |
| Net Assets | | | 937,980 | | 944,801 |
| Capital and Reserves | | | | | |
| Called up share capital | 7 | | 1,000 | | 1,000 |
| Revaluation reserve | | | 938,218 | | 955,718 |
| Profit and loss account | | | (1,238) | | (11,917) |
| | 9 | | 937,980 | | 944,801 |

In preparing these financial statements, I have taken advantage of the special exemptions applicable to small companies, conferred by section A of Part 1 of Schedule 8 of the Companies Act 1985 and I do so on the grounds that this company is entitled to the benefit of those special exemptions as a small company.

Approved by the director on 23rd April 1997.



H. Danvers Hall
Director

Signed on behalf of the Board

Notes to the Financial Statements

For the Year ended 31st December 1996

1 Principal Accounting Policies

Accounting Convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash Flow Statement

In the opinion of the director the company qualifies as a small company and accordingly a cash flow statement is not required.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land, over their expected useful lives. The rates generally applicable are:

| | |
|---|----------------------|
| Freehold buildings | 2% straight line |
| Soft furnishings, crockery and utensils | 15% reducing balance |
| Furniture, fittings and equipment | 15% reducing balance |

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account reserve.

2 Operating Loss

The operating loss is stated after charging:

| | 1996 | 1995 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Audit fees | 1,968 | 1,998 |
| Depreciation - owned assets | 20,282 | 20,686 |
| | <u>22,250</u> | <u>22,684</u> |

3 Director

| | 1996 | 1995 |
|--------------------|--------------|--------------|
| | £ | £ |
| Total remuneration | 6,000 | 6,000 |
| | <u>6,000</u> | <u>6,000</u> |

SAMARKAND HOTEL LIMITED

Notes to the Financial Statements

For the Year ended 31st December 1996

4 Tangible Fixed Assets

| | Freehold property | Furniture fittings and equipment | Total |
|---|----------------------|--|-----------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 1st January 1996 and at 31st December 1996 | 1,000,000 | 98,629 | 1,098,629 |
| Depreciation | | | |
| At 1st January 1996 | 20,000 | 83,409 | 103,409 |
| Charge for year | 18,000 | 2,282 | 20,282 |
| At 31st December 1996 | 38,000 | 85,691 | 123,691 |
| Net Book Value | | | |
| At 31st December 1996 | 962,000 | 12,938 | 974,938 |
| At 31st December 1995 | 980,000 | 15,220 | 995,220 |

The company's freehold property was revalued on 31st December 1995 by the director.

If freehold land and buildings had not been revalued they would have been included at the following amounts:

| | 1996 £ |
|--------------|---------------|
| Cost | 26,782 |
| Depreciation | (3,000) |
| | <u>23,782</u> |

5 Debtors

| | 1996 £ | 1995 £ |
|---------------|--------------|---------------|
| Other debtors | <u>2,341</u> | <u>11,512</u> |

6 Creditors: Amounts Falling Due Within One Year

| | 1996 £ | 1995 £ |
|---------------------------|---------------|---------------|
| Bank loans and overdrafts | 35,315 | 57,891 |
| Other creditors | 3,984 | 4,040 |
| | <u>39,299</u> | <u>61,931</u> |

SAMARKAND HOTEL LIMITED

Notes to the Financial Statements

For the Year ended 31st December 1996

| | | | |
|-----------|--|----------------------------|-------------------------|
| 7 | Share Capital | 1996 £ | 1995 £ |
| | Authorised | | |
| | <i>Equity shares</i> | | |
| | 1,000 Ordinary £1 shares | 1,000 | 1,000 |
| | Allotted and fully paid | | |
| | <i>Equity shares</i> | | |
| | 1,000 Ordinary £1 shares | 1,000 | 1,000 |
| 8 | Revaluation Reserve | | £ |
| | At 1st January 1996 | | 955,718 |
| | Transfer of excess depreciation on revalued assets | | (17,500) |
| | At 31st December 1996 | | 938,218 |
| 9 | Reconciliation of the Movement in Shareholders' Funds | 1996 £ | 1995 £ |
| | Loss for the financial year | (6,821) | (36,241) |
| | Other recognised gains | - | 973,218 |
| | Opening shareholders' funds | 944,801 | 7,824 |
| | Closing shareholders' funds | 937,980 | 944,801 |
| | All of the shareholders' funds relate to equity share capital. | | |
| 10 | Transactions With Directors | | |
| | Included in other debtors are loans to the directors as follows: | | |
| | | Amounts outstanding | |
| | | 1996 | 1995 |
| | | £ | £ |
| | H. Danvers Hall | 1,248 | 10,534 |
| | Maximum liabilities in the year amounted to: | | £ |
| | H. Danvers Hall | | 1,247 |
| | The directors loan account is free from any interest charged by the company. | | |