
ABBHEY HOTEL (BATH) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

ABBHEY HOTEL (BATH) LIMITED

COMPANY INFORMATION

Director	A Khanna (appointed 1 February 2018)
Registered number	02361773
Registered office	Aston House Cornwall Avenue London N3 1LF
Independent auditors	Adler Shine LLP Chartered Accountants & Statutory Auditors Aston House Cornwall Avenue London N3 1LF

ABBHEY HOTEL (BATH) LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9 - 10
Statement of Cash Flows	11 - 12
Notes to the Financial Statements	13 - 26

ABBEY HOTEL (BATH) LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

Introduction

The principal activity of the company continued to be that of the operation of hotels.

Business review

On 1 February 2018 the company was acquired by KE Hotels (Bath) Ltd, a company in which A Khanna is the controlling party. The company changed its accounting reference date from 31 March 2018 to 31 December 2017, shortening the reporting period from 12 months to 9 months, as the director considered it appropriate to align the period-end to all group companies. Hence, the comparative amounts presented in the financial statements are not entirely comparable.

Principal risks and uncertainties

Liquidity risk

Liquidity risk is the risk that the company will have difficulty raising funds to meet its short-term financial demands. The company limits its liquidity risk by ensuring that working capital remains in excess of expected requirements.

Employee turnover

The success of the business is partly dependent on key members of staff and failure to retain key personnel could impact the quality of service. The company limits this risk by implementing appropriate performance management rewards and incentives, and through offering comprehensive training programmes.

Competition Risk

The success of the business will be impacted by the arrival of new competitors serving the same market, such as the opening of The Apex City of Bath Hotel in September 2017. The company has mitigated this risk through reducing their average room rates. The company is also set to launch a new restaurant from Marco Pierre White in September 2018, which is expected to increase revenue.

Financial key performance indicators

The director is of the opinion that the financial key performance indicators for assessing the company are average day rates, revenue per available room and occupancy levels.

Other key performance indicators

The director is of the opinion that other key performance indicators for assessing the company are customer satisfaction levels.

This report was approved by the board on 28 September 2018 and signed on its behalf.

A Khanna

Director

ABBHEY HOTEL (BATH) LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the period ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The profit for the period, after taxation, amounted to £304,011 (31 March 2017 - £363,839).

No dividends were paid during the period ended 31 December 2017 (31 March 2017: £Nil)

Directors

The directors who served during the period were:

I Taylor (resigned 1 February 2018)
C Taylor (resigned 1 February 2018)
M G Maton (resigned 1 February 2018)
D A Clarke (resigned 1 February 2018)
S C Holmes (resigned 1 February 2018)
A D Foulkes (resigned 1 February 2018)

ABBHEY HOTEL (BATH) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

On 1 February 2018 the company was acquired by KE Hotels (Bath) Ltd. Anil Khanna is the controlling party of KE Hotels (Bath) Ltd.

Auditors

During the period Adler Shine LLP were appointed auditors to the company. Adler Shine LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 September 2018 and signed on its behalf.

A Khanna
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABBEY HOTEL (BATH) LIMITED

Opinion

We have audited the financial statements of Abbey Hotel (Bath) Limited (the 'Company') for the period ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABBAY HOTEL (BATH) LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABBEY HOTEL (BATH) LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Other matters

The comparative financial statements are unaudited.

Use of our report

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 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.

Paul O'Rourke (Senior Statutory Auditor)

for and on behalf of

Adler Shine LLP

Chartered Accountants

Statutory Auditors

Aston House

Cornwall Avenue

London

N3 1LF

28 September 2018

ABBHEY HOTEL (BATH) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017

		Period ended 31 December 2017 £	Year ended 31 March 2017 £
	Note		
Turnover	4	3,502,854	4,337,465
Cost of sales		(1,683,333)	(2,176,879)
Gross profit		1,819,521	2,160,586
Administrative expenses		(1,344,954)	(1,729,314)
Other operating income	5	-	10,000
Operating profit		474,567	441,272
Interest receivable and similar income	8	-	671
Interest payable and expenses	9	(10,829)	(10,281)
Profit before tax		463,738	431,662
Tax on profit	10	(159,727)	(67,823)
Profit for the financial period		304,011	363,839
Other comprehensive income for the period			
Total comprehensive income for the period		304,011	363,839

The notes on pages 13 to 26 form part of these financial statements.

ABBHEY HOTEL (BATH) LIMITED
REGISTERED NUMBER: 02361773

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	31 March 2017 £
Fixed assets			
Tangible assets	11	6,383,918	6,582,106
		<u>6,383,918</u>	<u>6,582,106</u>
Current assets			
Stocks	12	49,159	26,449
Debtors: amounts falling due within one year	13	136,035	95,913
Cash at bank and in hand	14	245,355	268,197
		<u>430,549</u>	<u>390,559</u>
Creditors: amounts falling due within one year	15	(799,865)	(1,385,038)
Net current liabilities		(369,316)	(994,479)
Total assets less current liabilities		<u>6,014,602</u>	<u>5,587,627</u>
Provisions for liabilities			
Deferred tax	17	(122,964)	-
		<u>(122,964)</u>	<u>-</u>
Net assets		<u><u>5,891,638</u></u>	<u><u>5,587,627</u></u>
Capital and reserves			
Called up share capital	18	4,500,000	4,500,000
Profit and loss account	19	1,391,638	1,087,627
		<u><u>5,891,638</u></u>	<u><u>5,587,627</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2018.

A Khanna
Director

The notes on pages 13 to 26 form part of these financial statements.

ABBHEY HOTEL (BATH) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2017	4,500,000	1,087,627	5,587,627
Comprehensive income for the period			
Profit for the period	-	304,011	304,011
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	304,011	304,011
Total transactions with owners	-	-	-
At 31 December 2017	4,500,000	1,391,638	5,891,638

The notes on pages 13 to 26 form part of these financial statements.

ABBHEY HOTEL (BATH) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2016	4,500,000	723,788	5,223,788
Comprehensive income for the year			
Profit for the year	-	363,839	363,839
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	363,839	363,839
Total transactions with owners	-	-	-
At 31 March 2017	4,500,000	1,087,627	5,587,627

The notes on pages 13 to 26 form part of these financial statements.

ABBNEY HOTEL (BATH) LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017

	31 December 2017 £	31 March 2017 £
Cash flows from operating activities		
Profit for the financial period	304,011	363,839
Adjustments for:		
Depreciation of tangible assets	271,585	379,107
Government grants	-	(10,000)
Interest paid	10,829	10,281
Interest received	-	(671)
Taxation charge	159,727	67,823
(Increase)/decrease in stocks	(22,711)	18,047
(Increase)/decrease in debtors	(38,861)	27,143
(Increase)/decrease in amounts owed by groups	(1,262)	190,250
Increase/(decrease) in creditors	167,672	(174,412)
(Decrease)/increase in amounts owed to groups	(666,994)	26,350
Corporation tax (paid)/received	(12,928)	-
Net cash generated from operating activities	171,068	897,757
Cash flows from investing activities		
Purchase of tangible fixed assets	(73,397)	(510,170)
Government grants received	-	10,000
Interest received	-	671
HP interest paid	(10,829)	(10,281)
Net cash from investing activities	(84,226)	(509,780)
Cash flows from financing activities		
Repayment of loans	-	(55,000)
Repayment of/new finance leases	(109,684)	(113,362)
Net cash used in financing activities	(109,684)	(168,362)

ABBAY HOTEL (BATH) LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017

	31 December 2017 £	31 March 2017 £
Net (decrease)/increase in cash and cash equivalents	(22,842)	219,615
Cash and cash equivalents at beginning of period	268,197	48,582
Cash and cash equivalents at the end of period	245,355	268,197
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	245,355	268,197
	245,355	268,197

The notes on pages 13 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

1. General information

Abbey Hotel (Bath) Limited is a private limited company incorporated in England. Its registered office is as stated in the company information page. Its principal place of business is 1-3 North Parade, Bath, BA1 1LF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	20%	reducing balance
Fixtures and fittings	-	25%	reducing balance
Other fixed assets	-	33%	on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on managements's best knowledge of the amounts, events or actions, actual results ultimately may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates include:

Stocks

The Company carries significant levels of stocks and key judgements are made by management in estimating the level of provisioning required for slow moving inventory. In arriving at its conclusion, the Directors consider stock ageing and stock turn analysis.

4. Turnover

An analysis of turnover by class of business is as follows:

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Accommodation	2,213,008	2,643,613
Food and beverages	1,248,593	1,645,265
Other	41,254	48,587
	<u>3,502,855</u>	<u>4,337,465</u>

Analysis of turnover by country of destination:

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
United Kingdom	3,502,854	4,337,465
	<u>3,502,854</u>	<u>4,337,465</u>

ABBHEY HOTEL (BATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

5. Other operating income

	Period ended 31 December 2017 £	<i>Year ended 31 March 2017 £</i>
Grants receivable	-	10,000
	<u>-</u>	<u>10,000</u>

6. Auditors' remuneration

	Period ended 31 December 2017 £	<i>Year ended 31 March 2017 £</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>10,000</u>	<u>-</u>

ABBAY HOTEL (BATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

7. Employees

Staff costs were as follows:

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Wages and salaries	886,124	1,084,591
Social security costs	65,685	95,215
Cost of defined contribution scheme	4,498	-
	<u>956,307</u>	<u>1,179,806</u>

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

	Period ended 31 December 2017 No.	Year ended 31 March 2017 No.
Employees	<u>71</u>	<u>60</u>

8. Interest receivable

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Other interest receivable	-	671
	<u>-</u>	<u>671</u>

ABBAY HOTEL (BATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

9. Interest payable and similar expenses

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Finance leases and hire purchase contracts	10,829	10,281
	<u>10,829</u>	<u>10,281</u>

10. Taxation

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Corporation tax		
Current tax on profits for the year	91,658	67,823
Adjustments in respect of previous periods	(54,895)	-
	<u>36,763</u>	<u>67,823</u>
Total current tax	<u>36,763</u>	<u>67,823</u>
Deferred tax		
Origination and reversal of timing differences	122,964	-
	<u>122,964</u>	<u>-</u>
Total deferred tax	<u>122,964</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>159,727</u>	<u>67,823</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

10. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	Period ended 31 December 2017 £	Year ended 31 March 2017 £
Profit on ordinary activities before tax	<u>463,738</u>	<u>431,662</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	88,110	86,332
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	122	-
Capital allowances for period/year in excess of depreciation	4,253	(18,509)
Adjustments to tax charge in respect of prior periods	(54,895)	-
Other timing differences leading to an increase (decrease) in taxation	122,964	-
Other differences leading to an increase (decrease) in the tax charge	(827)	-
Total tax charge for the period/year	<u>159,727</u>	<u>67,823</u>

ABBNEY HOTEL (BATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation					
At 1 April 2017	5,379,133	728,602	3,031,503	23,433	9,162,671
Additions	16,039	3,246	46,791	7,321	73,397
At 31 December 2017	5,395,172	731,848	3,078,294	30,754	9,236,068
Depreciation					
At 1 April 2017	-	400,904	2,157,154	22,507	2,580,565
Charge for the period on owned assets	14,754	46,644	206,254	3,933	271,585
At 31 December 2017	14,754	447,548	2,363,408	26,440	2,852,150
Net book value					
At 31 December 2017	5,380,418	284,300	714,886	4,314	6,383,918
At 31 March 2017	5,379,133	327,698	874,349	926	6,582,106

The net book value of land and buildings may be further analysed as follows:

	31 December 2017 £	31 March 2017 £
Freehold	5,380,418	5,379,133
	<u>5,380,418</u>	<u>5,379,133</u>

ABBAY HOTEL (BATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

11. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 December 2017 £	31 March 2017 £
Furniture, fittings and equipment	69,635	155,431
	<u>69,635</u>	<u>155,431</u>

12. Stocks

	31 December 2017 £	31 March 2017 £
Food and drinks	49,159	26,449
	<u>49,159</u>	<u>26,449</u>

13. Debtors

	31 December 2017 £	31 March 2017 £
Trade debtors	78,255	72,105
Amounts owed by group undertakings	1,262	-
Prepayments and accrued income	56,518	23,808
	<u>136,035</u>	<u>95,913</u>

ABBNEY HOTEL (BATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

14. Cash and cash equivalents

	31 December 2017 £	31 March 2017 £
Cash at bank and in hand	245,355	268,197
	<u>245,355</u>	<u>268,197</u>

15. Creditors: Amounts falling due within one year

	31 December 2017 £	31 March 2017 £
Trade creditors	286,200	111,996
Amounts owed to group undertakings	75,338	742,332
Corporation tax	91,658	67,823
Other taxation and social security	164,121	146,827
Obligations under finance lease and hire purchase contracts	34,369	144,056
Other creditors	149	164
Accruals and deferred income	148,030	171,840
	<u>799,865</u>	<u>1,385,038</u>

ABBAY HOTEL (BATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

16. Financial instruments

	31 December 2017 £	31 March 2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	245,355	268,197
Financial assets that are debt instruments measured at amortised cost	79,518	72,105
	<u>324,873</u>	<u>340,302</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(509,716)</u>	<u>(1,026,332)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors.

17. Deferred taxation

	2017 £
Charged to profit or loss	(122,964)
At end of year	<u>(122,964)</u>

The deferred taxation balance is made up as follows:

	31 December 2017 £	31 March 2017 £
Accelerated capital allowances	(122,964)	-
	<u>(122,964)</u>	<u>-</u>

ABBNEY HOTEL (BATH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

18. Share capital

	31 December 2017 £	31 March 2017 £
Allotted, called up and fully paid		
3,600,000 (2017 - 3,600,000) Ordinary A shares of £1.00 each	3,600,000	3,600,000
900,000 (2017 - 900,000) Ordinary B shares of £1.00 each	900,000	900,000
	<u>4,500,000</u>	<u>4,500,000</u>

19. Reserves

Profit and loss account

The profit and loss account represents cumulative net gains and losses less distributions made.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to 4,498 (2017 - £Nil) . Contributions totalling £643 (2017 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

21. Related party transactions

The company has taken advantage of the exemption contained in Section 33 of FRS 102 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group.

22. Post balance sheet events

On 1 February 2018 the company was acquired by KE Hotels (Bath) Ltd. Anil Khanna is the controlling party of KE Hotels (Bath) Ltd.

23. Controlling party

The ultimate controlling party for the period ended 31 December 2017 was The Kaleidoscope Collection Ltd, who owned 100% of the shares in Abbey Hotel (Bath) Limited.

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