

# **The Abbey Hotel Limited**

Report and Financial Statements

Year Ended

30 September 2012

Company Number 3389220



# **The Abbey Hotel Limited**

## **Report and financial statements for the year ended 30 September 2012**

---

### **Contents**

#### **Page.**

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

---

### **Directors**

R S Vohra  
A S Vohra  
K S Mahindru  
S S Vohra

### **Secretary and registered office**

R S Vohra, 11 Thurloe Place, London, SW7 2RS

### **Company number**

3389220

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **The Abbey Hotel Limited**

## **Report of the directors for the year ended 30 September 2012**

---

The directors present their report together with the audited financial statements for the year ended 30 September 2012

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the loss for the year

The directors do not recommend the payment of any dividends (2011 - £Nil)

### **Principal activity**

The principal activity of the company is that of hoteliers and this will continue for the foreseeable future

### **Charitable donations**

During the year, the company made charitable donations of £Nil (2011 - £2,000)

### **Directors**

The directors of the company during the year were

R S Vohra  
A S Vohra  
K S Mahindru  
S S Vohra

### **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 the directors have 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 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 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 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 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.

# **The Abbey Hotel Limited**

## **Report of the directors for the year ended 30 September 2012 (continued)**

---

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

### **By order of the Board**

R S Vohra



### **Secretary**

Date **27 MAR 2013**

# **The Abbey Hotel Limited**

## **Independent auditor's report**

---

### **TO THE MEMBERS OF THE ABBEY HOTEL LIMITED**

We have audited the financial statements of The Abbey Hotel Limited for the year ended 30 September 2012 which comprise the profit and loss account, the balance sheet 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 an auditor's 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 explained more fully in the statement of directors' responsibilities, the directors are 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its loss for the year 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# The Abbey Hotel Limited

## Independent auditor's report (*continued*)

---

### 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, 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Marc Reinecke (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date 27-3-2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# The Abbey Hotel Limited

## Profit and loss account for the year ended 30 September 2012

	Note	2012 £	2011 £
<b>Turnover</b>	2	<b>2,495,878</b>	2,414,378
Cost of sales		<b>(1,646,376)</b>	(1,602,121)
<b>Gross profit</b>		<b>849,502</b>	812,257
Administrative expenses		<b>(912,701)</b>	(902,272)
<b>Operating loss</b>	5	<b>(63,199)</b>	(90,015)
Interest receivable		<b>2,363</b>	1,745
Interest payable and similar charges	6	<b>(1,746)</b>	(1,610)
<b>Loss on ordinary activities before taxation</b>		<b>(62,582)</b>	(89,880)
Tax credit on loss on ordinary activities	7	<b>32,522</b>	-
<b>Loss for the financial year</b>		<b>(30,060)</b>	(89,880)

All amounts relate to continuing activities

There are no recognised gains or losses other than the loss for the year

The notes on pages 7 to 14 form part of these financial statements

# The Abbey Hotel Limited

## Balance sheet at 30 September 2012

<b>Company number 3389220</b>	<b>Note</b>	<b>2012 £</b>	<b>2012 £</b>	<b>2011 £</b>	<b>2011 £</b>
<b>Fixed assets</b>					
Tangible assets	8		991,641		1,011,314
<b>Current assets</b>					
Stocks	9	17,788		20,259	
Debtors	10	143,182		101,238	
Cash at bank and in hand		150,909		59,320	
		<u>311,879</u>		<u>180,817</u>	
<b>Creditors, amounts falling due within one year</b>	11	<u>(1,408,430)</u>		<u>(1,230,159)</u>	
<b>Net current liabilities</b>			<u>(1,096,551)</u>		<u>(1,049,342)</u>
<b>Total assets less current liabilities</b>			<u>(104,910)</u>		<u>(38,028)</u>
<b>Creditors: amounts falling due after more than one year</b>	12		(130,806)		(135,106)
<b>Provisions for liabilities</b>					
Deferred tax			(109,720)		(142,242)
			<u>(345,436)</u>		<u>(315,376)</u>
<b>Capital and reserves</b>					
Called up share capital	15		2		2
Profit and loss account	16		(345,438)		(315,378)
<b>Shareholders' funds</b>	16		<u>(345,436)</u>		<u>(315,376)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the Board of Directors and authorised for issue on **27 MAR 2013**

R S Vohra  
Director



The notes on pages 7 to 14 form part of these financial statements



# The Abbey Hotel Limited

## Notes forming part of the financial statements for the year ended 30 September 2012

---

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

#### *Going concern*

The company is dependent on support from related group companies which share the same ultimate controlling party in order to meet its liabilities as they fall due. The company's related group companies have committed to provide the company with financial support, if required, for a period of at least twelve months from the date the financial statements are approved and therefore the directors consider that it is appropriate to prepare the accounts on a going concern basis

#### *Statement of cash flows*

The directors have taken advantage of the exemption available to small companies under FRS 1 - Statement of cash flows, and have not included a cash flow statement as part of these financial statements

#### *Fixed assets*

All fixed assets are initially recorded at cost

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Leasehold buildings	-	Over the term of the lease
Hotel renovations	-	Over 5 to 10 years
Furniture, fittings and equipment	-	Over 5 to 10 years

#### *Impairment*

The carrying amount of the company's assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets recoverable amount is estimated

The recoverable amount of an asset is the greater of its selling price less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value

# The Abbey Hotel Limited

## Notes forming part of the financial statements for the year ended 30 September 2012 (continued)

### 1 Accounting policies (continued)

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

#### Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

### 2 Turnover

Turnover, which is stated net of value added tax, represents amounts received and receivable from the company's continuing principal activity and arises in the United Kingdom only

### 3 Employees

	2012 £	2011 £
Staff costs consist of		
Wages and salaries	948,894	910,169
Social security costs	62,970	61,959
Other pension costs (note 14)	3,995	1,340
	<b>1,015,859</b>	<b>973,468</b>
The monthly average number of employees during the year was	<b>Number</b>	<b>Number</b>
Administration	15	15
Hotel operations	56	61
	<b>71</b>	<b>76</b>

# The Abbey Hotel Limited

Notes forming part of the financial statements  
for the year ended 30 September 2012 (*continued*)

## 4 Directors' remuneration

The directors of The Abbey Hotel Limited are also the directors of Sarova Hotels Limited, Rembrandt Hotel Limited and The Bull Hotel Limited which are related group companies. The directors' remuneration in respect of services provided to this company was paid by Sarova Hotels Limited.

## 5 Operating loss

	2012 £	2011 £
This has been arrived at after charging		
Depreciation of own fixed assets	142,528	128,047
Auditors' remuneration		
- audit services	12,550	12,000
- tax services	3,500	3,150
Operating lease rentals		
- land and buildings	229,167	250,000
	<u>          </u>	<u>          </u>

## 6 Interest payable and similar charges

	2012 £	2011 £
Bank interest payable	1,746	1,610
	<u>          </u>	<u>          </u>

## 7 Taxation on loss from ordinary activities

	2012 £	2011 £
a) Tax credit on loss on ordinary activities		
<i>Current tax</i>		
UK corporation tax on the loss for the year	-	-
	<u>          </u>	<u>          </u>
Total current tax (note 7(b))	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	(32,522)	-
Adjustment in respect of change to UK corporation tax rate	-	-
	<u>          </u>	<u>          </u>
Total deferred tax (note 7(c))	(32,522)	-
	<u>          </u>	<u>          </u>
Total tax on loss on ordinary activities	(32,522)	-
	<u>          </u>	<u>          </u>

# The Abbey Hotel Limited

Notes forming part of the financial statements  
for the year ended 30 September 2012 (continued)

## 7 Taxation on loss from ordinary activities (continued)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK The differences are explained below

	2012 £	2011 £
b) Loss on ordinary activities before tax	<b>(62,582)</b>	(89,880)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 25% (2011 - 27%)	<b>(15,646)</b>	(24,268)
Effect of		
Expenses not deductible for tax purposes	-	(2,292)
Capital allowances in excess of depreciation	<b>10,058</b>	(7,067)
Group relief surrendered for nil payment	<b>706</b>	25,733
Utilisation of tax losses	-	7,532
Other timing differences	<b>(118)</b>	(178)
Charges on income	-	540
Total current tax	-	-
c) Deferred tax		
The deferred taxation liability included in the balance sheet is as follows		
Balance at start of year	<b>142,242</b>	142,242
Movement in year	<b>(32,522)</b>	-
Balance at end of year	<b>109,720</b>	142,242

# The Abbey Hotel Limited

Notes forming part of the financial statements  
for the year ended 30 September 2012 (*continued*)

## 8 Tangible assets

	Short leasehold £	Hotel renovations £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>				
At 1 October 2011	36,156	665,072	2,007,246	2,708,474
Additions	-	-	122,855	122,855
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2012	<b>36,156</b>	<b>665,072</b>	<b>2,130,101</b>	<b>2,831,329</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 October 2011	36,156	623,578	1,037,426	1,697,160
Provided for the year	-	7,565	134,963	142,528
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2012	<b>36,156</b>	<b>631,143</b>	<b>1,172,389</b>	<b>1,839,688</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 September 2012	-	<b>33,929</b>	<b>957,712</b>	<b>991,641</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2011	-	41,494	969,820	1,011,314
	<hr/>	<hr/>	<hr/>	<hr/>

## 9 Stocks

	2012 £	2011 £
Food and beverage stock	<b>17,788</b>	20,259
	<hr/>	<hr/>

The replacement cost of stock is not materially different to its carrying value

# The Abbey Hotel Limited

## Notes forming part of the financial statements for the year ended 30 September 2012 (*continued*)

### 10 Debtors

	2012 £	2011 £
Trade debtors	52,100	46,651
Prepayments and accrued income	54,769	54,587
Amounts owed from related parties	36,313	-
	<u>143,182</u>	<u>101,238</u>

### 11 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loan (note 13)	6,608	2,308
Trade creditors	100,810	112,159
Amounts owed to related parties	1,011,124	761,124
Corporation tax	2,836	2,836
Other taxation and social security	69,334	85,184
Accruals and deferred income	217,718	266,548
	<u>1,408,430</u>	<u>1,230,159</u>

### 12 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loan (note 13)	80,806	85,106
Amounts owed to related parties (note 19)	50,000	50,000
	<u>130,806</u>	<u>135,106</u>

Amounts owed to related parties of £50,000 (2011 - £50,000) is subordinated to the bank

# The Abbey Hotel Limited

## Notes forming part of the financial statements for the year ended 30 September 2012 (continued)

### 13 Loans

	2012 £	2011 £
Amounts payable		
In one year or less or on demand	6,608	2,308
In more than one year but not more than two years	5,386	4,681
In more than two years but not more than five years	11,043	14,588
	<hr/>	<hr/>
	23,037	21,577
In more than five years	64,377	115,837
	<hr/>	<hr/>
	87,414	137,414
	<hr/>	<hr/>

The bank loan is secured by way of a first and only debenture over the assets and undertakings of the company and the leasehold interest of the hotel. The rate of interest payable on the loan facility was 3 month LIBOR plus 1% at the balance sheet date.

### 14 Pensions

The company operates a group personal pension scheme. Contributions during the year amounted to £3,995 (2011 - £1,340).

### 15 Share capital

	2012 Number	2011 Number	Allotted, called up and fully paid 2012 £	2011 £
Ordinary shares of £1 each	2	2	2	2
	<hr/>	<hr/>	<hr/>	<hr/>

### 16 Reconciliation of shareholders' deficit and movement on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 October 2011	2	(315,378)	(315,376)
Loss for the year	-	(30,060)	(30,060)
	<hr/>	<hr/>	<hr/>
At 30 September 2012	2	(345,438)	(345,436)
	<hr/>	<hr/>	<hr/>

# The Abbey Hotel Limited

## Notes forming part of the financial statements for the year ended 30 September 2012 (continued)

### 17 Commitments under operating leases

As at 30 September 2012, the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £	Land and buildings 2011 £
Operating leases which expire		
Within one year	-	250,000
In two to five years	-	-
Over five years	12,500	-
	<hr/>	<hr/>
	12,500	250,000
	<hr/>	<hr/>

### 18 Contingent liabilities

A cross guarantee in relation to bank borrowings exists between this company and two related companies within the group. At 30 September 2012, this totalled £13,129,211 (2011 - £13,129,211)

### 19 Related party transactions

During the year the company was charged management fees of £45,013 (2011 - £42,386) by Sarova Hotels Limited and rent of £229,167 (2011 - £250,000) by Sparco International Limited, a company incorporated in Tortola, British Virgin Islands. All the companies are ultimately controlled by Vohra family interests.

At the year end, the company had outstanding amounts of £1,061,124 due to related group companies (2011 - £811,124). £50,000 (2011 - £50,000) relates to a loan from Sparco International Limited, a company ultimately controlled by Vohra family interests. £911,124 (2011 - £711,124) is due to Sparco International Limited in respect of rent. £100,000 (2011 - £50,000) relates to a loan from The Bull Hotel Limited, a company ultimately controlled by Vohra family interests.

During the year, sales of £11,796 (2011 - £18,517) were made to Aboutrooms.com Limited, a company which holds a common director. All transactions were conducted at arm's length basis on normal trading terms. At 30 September 2012, £1,742 (2011 - £4,301) was owed from Aboutrooms.com Limited.

£36,313 (2011 - £Nil) is owed from Sarova Hotels, a sister company.

### 20 Ultimate parent undertaking and controlling party

The shares in the company are held on behalf of the ultimate controlling party by the immediate parent, a nominee company, which has no beneficial interest in the shares of the company.

The ultimate controlling party is Vohra family interests.