

The Abbey Hotel Limited

Report and Financial Statements

Year Ended

30 September 2013

Company Number 3389220

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The Abbey Hotel Limited

Report and financial statements for the year ended 30 September 2013

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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 2013

The directors present their report together with the audited financial statements for the year ended 30 September 2013.

Results and dividends

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

The directors do not recommend the payment of any dividends (2012 - £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 (2012 - £Nil).

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 2013 (*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.

On behalf of the Board

S S Vohra



Director

21 March 2014

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 2013 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its profit 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 and to the exemption from the requirement to prepare a strategic report.



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

21 March 2014

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 2013

	Note	2013 £	2012 £
Turnover	2	2,598,111	2,495,878
Cost of sales		1,710,554	(1,646,376)
Gross profit		887,557	849,502
Administrative expenses		(816,830)	(912,701)
Operating profit/(loss)	5	70,727	(63,199)
Interest receivable		3,027	2,363
Interest payable and similar charges	6	(1,348)	(1,746)
Profit/(loss) on ordinary activities before taxation		72,406	(62,582)
Tax credit on loss on ordinary activities	7	6,385	32,522
Profit/(loss) for the financial year		78,791	(30,060)

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 2013

Company number 3389220	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	8		1,006,441		991,641
Current assets					
Stocks	9	25,023		17,788	
Debtors	10	123,716		143,182	
Cash at bank and in hand		159,863		150,909	
		<u>308,602</u>		<u>311,879</u>	
Creditors: amounts falling due within one year	11	<u>(1,349,522)</u>		<u>(1,408,430)</u>	
Net current liabilities			(1,040,920)		(1,096,551)
Total assets less current liabilities			(34,479)		(104,910)
Creditors: amounts falling due after more than one year	12		(137,414)		(130,806)
Provisions for liabilities					
Deferred tax			(94,752)		(109,720)
			(266,645)		(345,436)
Capital and reserves					
Called up share capital	15		2		2
Profit and loss account	16		(266,647)		(345,438)
Shareholders' funds	16		(266,645)		(345,436)

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 21 March 2014


S 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 2013

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 2013 (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

	2013 £	2012 £
Staff costs consist of:		
Wages and salaries	974,548	948,894
Social security costs	64,517	62,970
Other pension costs (note 14)	5,743	3,995
	1,044,808	1,015,859
The monthly average number of employees during the year was:	Number	Number
Administration	14	15
Hotel operations	56	56
	70	71

The Abbey Hotel Limited

Notes forming part of the financial statements
for the year ended 30 September 2013 (*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 profit/(loss)

	2013 £	2012 £
This has been arrived at after charging:		
Depreciation of own fixed assets	154,476	142,528
Auditors' remuneration		
- audit services	12,925	12,550
- tax services	3,500	3,500
Operating lease rentals - land and buildings	100,000	229,167
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2013 £	2012 £
Bank interest payable	1,348	1,746
	<u> </u>	<u> </u>

7 Taxation on profit/(loss) from ordinary activities

	2013 £	2012 £
a) Tax credit on loss on ordinary activities		
<i>Current tax</i>		
UK corporation tax on the profit/(loss) for the year	11,419	-
Adjustments in respect of previous periods	(2,836)	-
	<u> </u>	<u> </u>
Total current tax (note 7(b))	8,583	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	(14,968)	(32,522)
Adjustment in respect of change to UK corporation tax rate	-	-
	<u> </u>	<u> </u>
Total deferred tax (note 7(c))	(14,968)	(32,522)
	<u> </u>	<u> </u>
Total tax on profit/(loss) on ordinary activities	6,385	(32,522)
	<u> </u>	<u> </u>

The Abbey Hotel Limited

Notes forming part of the financial statements
for the year ended 30 September 2013 (*continued*)

7 Taxation on profit/(los) 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:

	2013 £	2012 £
b) Profit/(loss) on ordinary activities before tax	72,405	(62,582)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 23.5% (2012 - 25%)	17,015	(15,646)
Effect of:		
Expenses not deductible for tax purposes	1,373	-
Depreciation in excess of capital allowances	13,874	10,058
Group relief received for nil payment	(18,845)	706
Utilisation of tax losses	-	-
Other timing differences	-	(118)
Charges on income	-	-
Adjustments in respect of prior year	(2,836)	-
Small profits relief	(1,998)	-
Total current tax	8,583	-
c) Deferred tax		
The deferred taxation liability included in the balance sheet is as follows:		
Balance at start of year	109,720	142,242
Movement in year	(14,968)	(32,522)
Balance at end of year	94,752	109,720

The Abbey Hotel Limited

Notes forming part of the financial statements
for the year ended 30 September 2013 (*continued*)

8 Tangible assets

	Short leasehold £	Hotel renovations £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>				
At 1 October 2012	36,156	665,072	2,130,101	2,831,329
Additions	-	375	168,901	169,276
	<u>36,156</u>	<u>665,447</u>	<u>2,299,002</u>	<u>3,000,605</u>
At 30 September 2013	<u>36,156</u>	<u>665,447</u>	<u>2,299,002</u>	<u>3,000,605</u>
<i>Depreciation</i>				
At 1 October 2012	36,156	631,143	1,172,389	1,839,688
Provided for the year	-	6,883	147,593	154,476
	<u>36,156</u>	<u>638,026</u>	<u>1,319,982</u>	<u>1,994,164</u>
At 30 September 2013	<u>36,156</u>	<u>638,026</u>	<u>1,319,982</u>	<u>1,994,164</u>
<i>Net book value</i>				
At 30 September 2013	-	27,421	979,020	1,006,441
At 30 September 2012	-	33,929	957,712	991,641

9 Stocks

	2013 £	2012 £
Food and beverage stock	25,023	17,788

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 2013 (continued)

10 Debtors	2013	2012
	£	£
Trade debtors	71,354	52,100
Prepayments and accrued income	52,362	54,769
Amounts owed from related parties	-	36,313
	<hr/>	<hr/>
	123,716	143,182
	<hr/>	<hr/>
11 Creditors: amounts falling due within one year	2013	2012
	£	£
Bank loan (note 13)	-	6,608
Trade creditors	91,630	100,810
Amounts owed to related parties	826,124	1,011,124
Corporation tax	11,419	2,836
Other taxation and social security	63,572	69,334
Accruals and deferred income	356,777	217,718
	<hr/>	<hr/>
	1,349,522	1,408,430
	<hr/>	<hr/>
12 Creditors: amounts falling due after more than one year	2013	2012
	£	£
Bank loan (note 13)	87,414	80,806
Amounts owed to related parties (note 19)	50,000	50,000
	<hr/>	<hr/>
	137,414	130,806
	<hr/>	<hr/>

Amounts owed to related parties of £50,000 (2012 - £50,000) is subordinated to the bank.

The Abbey Hotel Limited

Notes forming part of the financial statements
for the year ended 30 September 2013 (continued)

13 Loans

	2013 £	2012 £
Amounts payable:		
In one year or less or on demand	-	6,608
In more than one year but not more than two years	-	5,386
In more than two years but not more than five years	87,414	11,043
	<hr/>	<hr/>
	87,414	23,037
In more than five years	-	64,377
	<hr/>	<hr/>
	87,414	87,414
	<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 £5,743 (2012 - £3,995).

15 Share capital

	Allotted, called up and fully paid			2012
	2013 Number	2012 Number	2013 £	£
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 2012	2	(345,438)	(345,436)
Profit/(loss) for the year	-	78,791	78,790
	<hr/>	<hr/>	<hr/>
At 30 September 2013	2	(266,647)	(266,645)
	<hr/>	<hr/>	<hr/>

The Abbey Hotel Limited

Notes forming part of the financial statements for the year ended 30 September 2013 (continued)

17 Commitments under operating leases

As at 30 September 2013, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2013 £	Land and buildings 2012 £
Operating leases which expire:		
Within one year	-	-
In two to five years	-	-
Over five years	150,000	12,500
	<hr/>	<hr/>
	150,000	12,500
	<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 2013, this totalled £13,551,211 (2012 - £13,129,211).

19 Related party transactions

During the year the company was charged management fees of £36,133 (2012 - £45,013) by Sarova Hotels Limited and rent of £12,500 (2012 - £229,167) 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 £826,124 due to related group companies (2012 - £1,061,124). £50,000 (2012 - £50,000) relates to a loan from Sparco International Limited, a company ultimately controlled by Vohra family interests. £726,124 (2012 - £911,124) is due to Sparco International Limited in respect of rent. £100,000 (2012 - £100,000) relates to a loan from The Bull Hotel Limited, a company ultimately controlled by Vohra family interests.

During the year, sales of £5,809 (2012 - £11,796) 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 2013, £Nil (2012 - £1,742) was owed from Aboutrooms.com Limited.

£Nil (2012 - £36,313) 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.

The Bull Hotel Limited

Notes forming part of the financial statements for the year ended 30 September 2013 (continued)

19 Related party transactions

During the year the company was charged management fees of £118,526 (2012 - £155,374) by Sarova Hotels Limited and rent of £800,000 (2012 - £1,029,167) 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 receivable due from related group companies of £100,000 (2012 - £139,393). £100,000 (2012 - £100,000) relates to a loan to The Abbey Hotel Limited, a company ultimately controlled by Vohra family interests.

At the year end, the company had an outstanding payable of £1,624,833 due to related group companies (2012 - £1,455,104) of which £150,000 (2012 - £150,000) relates to a loan due to Sparco International Limited, a company ultimately controlled by Vohra family interests. £1,265,104 (2012 - £1,305,104) is due to Sparco International Limited in respect of rent. £209,729 (2012 - debtor of £39,393) relates to an amount owed to Sarova Hotels Limited, a sister company.

During the year, sales of £4,132 (2012 - £9,776) were made to Aboutrooms.com Limited, a company which holds a common director. All transactions were conducted at an arm's length basis on normal trading terms. At 30 September 2013, £164 (2012 - £511) was owed from Aboutrooms.com Limited.

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.