

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013
FOR
THE ARDEN HOTEL LIMITED

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THE ARDEN HOTEL LIMITED

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FOR THE YEAR ENDED 30 JUNE 2013**

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THE ARDEN HOTEL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013**

DIRECTORS.

D J Gardner
S J M Gardner
J E Gardner
Mrs R M Gardner
P L Bretherton

SECRETARY.

D J Gardner

REGISTERED OFFICE.

Coventry Road
Bickenhill
Solihull
West Midlands
B92 0EH

REGISTERED NUMBER

03707886 (England and Wales)

AUDITORS:

Williams, Anderson & Dudley
Registered Auditors
359 Yardley Road
Yardley
Birmingham
West Midlands
B25 8NB

BANKERS:

Barclays Bank Plc
One Snowhill
Snow Hill Queensway
Birmingham
West Midlands
B4 6GN

SOLICITORS:

Squire Sanders (UK) LLP
Rutland House
148 Edmund Street
Birmingham
West Midlands
B3 2JR

THE ARDEN HOTEL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report with the accounts of the company for the year ended 30 June 2013

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of a hotel, restaurant and leisure club

REVIEW OF BUSINESS

Turnover increased 9.0% compared to the previous year to £3,962,238. This increase is largely due to an increase in room occupancy having a positive effect on all income streams (with the exception of conference and banqueting).

This improvement in occupancy is largely attributed to the continued growth of online sales (30.5% year on year), with them now accounting for upward of 42% of all accommodation revenue. This accelerated growth can be traced back to March 2012 when we re-launched our website with improved content and a new booking engine. Since this date to 30 June 2013, total accommodation has increased month on month (prior year comparative) 12 out of 16 times. This experience supports the industry adage that customers "look before they book". In addition, we have joined several new websites in April 2013 and opened more rates during the year.

Encouragingly, this growth has continued into the new year and we are optimistic about the forthcoming full year's results. Although we don't anticipate them to be quite pre-recession levels, they will hopefully be approaching them.

Generally, overheads remained constant, with the exception of professional charges (see below). Despite the increase in turnover, staff costs only increased 1.0% to £1,395,260. This is still historically high and needs to be targeted going forward.

During the year the company undertook a restructuring of the share holdings which was financed by a bank loan. This explains a large increase in our professional charges and bank interest payments.

In summary, a good year which hopefully marks the start of a continued improvement in trading going forward.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2012 to the date of this report.

D J Gardner
S J M Gardner
J E Gardner
Mrs R M Gardner
P L Bretherton

Other changes in directors holding office are as follows:

A G Cheal - resigned 12 March 2013

THE ARDEN HOTEL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



D J Gardner - Director

30 October 2013

**REPORT OF THE INDEPENDENT AUDITORS TO
THE ARDEN HOTEL LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to sixteen, together with the full financial statements of The Arden Hotel Limited for the year ended 30 June 2013 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

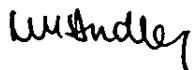
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Leigh Martyn Dudley FCCA (Senior Statutory Auditor)
for and on behalf of Williams, Anderson & Dudley
Registered Auditors
359 Yardley Road
Yardley
Birmingham
West Midlands
B25 8NB

30 October 2013

THE ARDEN HOTEL LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	30 6 13 £	30 6 12 £
TURNOVER		3,962,238	3,634,696
Cost of sales		(655,080)	(617,266)
		<u>3,307,158</u>	<u>3,017,430</u>
Administrative expenses		2,885,190	2,782,623
OPERATING PROFIT	3	421,968	234,807
Interest receivable and similar income		79	8
		<u>422,047</u>	<u>234,815</u>
Interest payable and similar charges	4	90,485	82,333
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		331,562	152,482
Tax on profit on ordinary activities	5	134,259	7,627
PROFIT FOR THE FINANCIAL YEAR		<u>197,303</u>	<u>144,855</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED (REGISTERED NUMBER: 03707886)

**ABBREVIATED BALANCE SHEET
30 JUNE 2013**

	Notes	30 6 13 £	£	30 6 12 £	£
FIXED ASSETS					
Tangible assets	6		8,286,142		8,165,078
Investments	7		50,000		50,000
			<u>8,336,142</u>		<u>8,215,078</u>
CURRENT ASSETS					
Stocks	8	22,076		26,634	
Debtors	9	131,920		108,637	
Cash at bank and in hand		786,015		8,223	
		<u>940,011</u>		<u>143,494</u>	
CREDITORS					
Amounts falling due within one year	10	934,092		1,213,492	
NET CURRENT ASSETS/(LIABILITIES)			<u>5,919</u>		<u>(1,069,998)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,342,061</u>		<u>7,145,080</u>
CREDITORS					
Amounts falling due after more than one year	11		(5,016,865)		(2,733,014)
PROVISIONS FOR LIABILITIES	15		(36,373)		(45,546)
NET ASSETS			<u><u>3,288,823</u></u>		<u><u>4,366,520</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		23,920		29,900
Capital redemption reserve	17		5,980		-
Profit and loss account	17		3,258,923		4,336,620
SHAREHOLDERS' FUNDS	19		<u><u>3,288,823</u></u>		<u><u>4,366,520</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 30 October 2013 and were signed on its behalf by



D J Gardner - Director

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	30 6 13 £	£	30 6 12 £	£
Net cash inflow from operating activities	1		890,974		591,952
Returns on investments and servicing of finance	2		(90,406)		(82,325)
Taxation			(91,081)		(96,529)
Capital expenditure	2		(400,000)		(1,915)
			<u>309,487</u>		<u>411,183</u>
Financing	2		741,770		(433,333)
Increase/(decrease) in cash in the period			<u>1,051,257</u>		<u>(22,150)</u>
Reconciliation of net cash flow to movement in net debt					
	3				
Increase/(decrease) in cash in the period		1,051,257		(22,150)	
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(2,016,770)</u>		<u>433,333</u>	
Change in net debt resulting from cash flows			<u>(965,513)</u>		<u>411,183</u>
Movement in net debt in the period			<u>(965,513)</u>		<u>411,183</u>
Net debt at 1 July			<u>(3,431,589)</u>		<u>(3,842,772)</u>
Net debt at 30 June			<u>(4,397,102)</u>		<u>(3,431,589)</u>

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30 6 13	30 6 12
	£	£
Operating profit	421,968	234,807
Depreciation charges	278,936	291,933
Decrease in stocks	4,558	10,663
(Increase)/decrease in debtors	(23,283)	51,479
Increase in creditors	208,795	3,070
Net cash inflow from operating activities	890,974	591,952

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30 6 13	30 6 12
	£	£
Returns on investments and servicing of finance		
Interest received	79	8
Interest paid	(90,485)	(82,333)
Net cash outflow for returns on investments and servicing of finance	(90,406)	(82,325)
Capital expenditure		
Purchase of tangible fixed assets	(400,000)	(1,915)
Net cash outflow for capital expenditure	(400,000)	(1,915)
Financing		
New loans in year	3,325,000	-
Loan repayments in year	(1,308,230)	(433,333)
Share buyback	(1,275,000)	-
Net cash inflow/(outflow) from financing	741,770	(433,333)

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 7 12 £	Cash flow £	At 30 6 13 £
Net cash			
Cash at bank and in hand	8,223	777,792	786,015
Bank overdraft	(273,465)	273,465	-
	<u>(265,242)</u>	<u>1,051,257</u>	<u>786,015</u>
Debt			
Debts falling due within one year	(433,333)	267,081	(166,252)
Debts falling due after one year	(2,733,014)	(2,283,851)	(5,016,865)
	<u>(3,166,347)</u>	<u>(2,016,770)</u>	<u>(5,183,117)</u>
Total	<u>(3,431,589)</u>	<u>(965,513)</u>	<u>(4,397,102)</u>

The notes form part of these abbreviated accounts

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 5% on cost and 2% on cost
Fixtures, fittings, plant and equipment	- 25% on cost and 15% on reducing balance
Computer equipment	- 25% on cost

No depreciation is provided on the land element of freehold property

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value

2 STAFF COSTS

	30 6 13 £	30 6 12 £
Wages and salaries	1,315,114	1,300,620
Social security costs	80,146	80,659
	<u>1,395,260</u>	<u>1,381,279</u>

The average monthly number of employees during the year was as follows

	30 6 13	30 6 12
Management and administration staff	3	3
Restaurant and hotel staff	110	111
	<u>113</u>	<u>114</u>

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2013**

3 OPERATING PROFIT

The operating profit is stated after charging

	30 6 13	30 6 12
	£	£
Equipment rental	68,609	62,398
Depreciation - owned assets	278,936	291,933
Other operating leases	-	10,000
Auditors' remuneration	4,800	4,800
	<u> </u>	<u> </u>
Directors' remuneration	150,000	150,000
	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 6 13	30 6 12
	£	£
Bank interest	77,889	63,460
Loan note interest	12,596	18,873
	<u> </u>	<u> </u>
	90,485	82,333
	<u> </u>	<u> </u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	30 6 13	30 6 12
	£	£
Current tax		
UK corporation tax	143,432	91,081
Deferred tax	(9,173)	(83,454)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	134,259	7,627
	<u> </u>	<u> </u>

UK corporation tax has been charged at 23 75% (2012 - 25 50%)

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2013**

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	30 6 13 £	30 6 12 £
Profit on ordinary activities before tax	331,562	152,482
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.750% (2012 - 25.500%)	78,746	38,883
Effects of		
Expenses not deductible for tax purposes	11,259	-
Depreciation in excess of capital allowances	61,509	67,104
Marginal tax relief	(8,082)	(14,906)
Current tax charge	143,432	91,081

Factors that may affect future tax charges

No deferred taxation has been provided in respect of any future capital gain on the company's freehold property as it is not anticipated that the property will be disposed of within the foreseeable future

6 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings, plant and equipment £	Computer equipment £	Totals £
COST				
At 1 July 2012	10,793,303	2,336,273	98,591	13,228,167
Additions	400,000	-	-	400,000
At 30 June 2013	11,193,303	2,336,273	98,591	13,628,167
DEPRECIATION				
At 1 July 2012	2,928,828	2,035,670	98,591	5,063,089
Charge for year	230,868	48,068	-	278,936
At 30 June 2013	3,159,696	2,083,738	98,591	5,342,025
NET BOOK VALUE				
At 30 June 2013	8,033,607	252,535	-	8,286,142
At 30 June 2012	7,864,475	300,603	-	8,165,078

Included in cost of land and buildings is freehold land of £1,900,000 (2012 - £1,500,000) which is not depreciated

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2013**

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2012 and 30 June 2013	<u>50,000</u>
NET BOOK VALUE	
At 30 June 2013	<u>50,000</u>
At 30 June 2012	<u>50,000</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Arden Restaurant & Hotel Limited

Country of incorporation England
Nature of business Dormant

	% holding	30 6 13	30 6 12
Class of shares			
Ordinary	79 55	£	£
Aggregate capital and reserves		<u>50,000</u>	<u>50,000</u>

Kelube Limited

Country of incorporation England
Nature of business Dormant

	% holding	30 6 13	30 6 12
Class of shares			
Ordinary	100 00	£	£
Aggregate capital and reserves		<u>1,000</u>	<u>1,000</u>

8 STOCKS

	30 6 13	30 6 12
Stocks	£	£
	<u>22,076</u>	<u>26,634</u>

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 6 13	30 6 12
Trade debtors	£	£
Prepayments and accrued income	127,270	100,097
	<u>4,650</u>	<u>8,540</u>
	<u>131,920</u>	<u>108,637</u>

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2013**

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 6 13	30 6 12
	£	£
Bank loans and overdrafts (see note 12)	166,252	706,798
Trade creditors	245,624	161,935
Amounts owed to group undertakings	50,000	50,000
Tax	143,432	91,081
Social security and other taxes	146,033	134,408
Accruals and deferred income	182,751	69,270
	<u>934,092</u>	<u>1,213,492</u>

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 6 13	30 6 12
	£	£
Bank loans (see note 12)	3,117,185	833,334
Other loans (see note 12)	1,899,680	1,899,680
	<u>5,016,865</u>	<u>2,733,014</u>

12 LOANS

An analysis of the maturity of loans is given below

	30 6 13	30 6 12
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	273,465
Bank loans	166,252	433,333
	<u>166,252</u>	<u>706,798</u>
Amounts falling due between one and two years		
Bank loans	166,252	433,333
	<u>166,252</u>	<u>433,333</u>
Amounts falling due between two and five years		
Bank loans	2,950,933	400,001
Other loans	1,899,680	1,899,680
	<u>4,850,613</u>	<u>2,299,681</u>

The bank loans is repayable by quarterly instalments Interest on the bank loan is chargeable at 2.75% over Libor

The loan notes are repayable at a date no earlier than the final repayment of the bank loan Interest is charged at Libor rate

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2013**

13 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	30 6 13	30 6 12	30 6 13	30 6 12
	£	£	£	£
Expiring				
Within one year	-	-	45,930	-
Between one and five years	-	10,000	-	45,930
	<u>-</u>	<u>10,000</u>	<u>45,930</u>	<u>45,930</u>

14 SECURED DEBTS

The following secured debts are included within creditors

	30 6 13	30 6 12
	£	£
Bank overdraft	-	273,465
Bank loans	3,283,437	1,266,667
	<u>3,283,437</u>	<u>1,540,132</u>

The bank loan is secured by a legal charge over the property at The Arden Hotel and restaurant, Coventry Road, Bickenhill, Solihull, a legal charge over the land adjoining The Arden Hotel and restaurant, Coventry Road, Bickenhill, Solihull, and by a debenture securing fixed and floating charges over the company's assets

15 PROVISIONS FOR LIABILITIES

	30 6 13	30 6 12
	£	£
Deferred tax	<u>36,373</u>	<u>45,546</u>
		Deferred tax
		£
Balance at 1 July 2012		45,546
Credit to profit and loss account during year		(9,173)
Balance at 30 June 2013		<u>36,373</u>

The provision for deferred taxation has not been discounted as it is the directors' belief that it will have no material impact upon the financial statements

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			30 6 13	30 6 12
Number	Class	Nominal value	£	£
		£1		
23,920	Ordinary		<u>23,920</u>	<u>29,900</u>

THE ARDEN HOTEL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 JUNE 2013**

17 RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 July 2012	4,336,620	-	4,336,620
Profit for the year	197,303		197,303
Purchase of own shares	(1,275,000)	5,980	(1,269,020)
At 30 June 2013	<u>3,258,923</u>	<u>5,980</u>	<u>3,264,903</u>

18 RELATED PARTY DISCLOSURES

The loan notes included within creditors are unsecured and are owned by J E Gardner and Mrs R M Gardner (£899,840) and P L Bretherton (£999,840). During the year ended 30 June 2013 the company paid interest on these loan notes amounting to £5,966 (2012 £8,940) to J E and Mrs R M Gardner and £6,630 (2012 £9,933) to P L Bretherton.

Also, during the year, the company was charged rent of £7,500 (2012 £10,000) for the use of certain land owned by J E Gardner, P L Bretherton, S J M Gardner, A G Cheal and D J Gardner. The land in question was purchased from J E Gardner, P L Bretherton, S J M Gardner, A G Cheal and D J Gardner on 12 March 2013 for £400,000.

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 6 13 £	30 6 12 £
Profit for the financial year	197,303	144,855
Payments to acquire own shares	(1,275,000)	-
Net (reduction)/addition to shareholders' funds	<u>(1,077,697)</u>	<u>144,855</u>
Opening shareholders' funds	4,366,520	4,221,665
Closing shareholders' funds	<u>3,288,823</u>	<u>4,366,520</u>