REGISTERED NUMBER: 03707886 (England and Wales)

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2018

FOR

THE ARDEN HOTEL LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018

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:	Benee Consulting Limited 48 Durrell Drive Rugby Warwickshire CV22 7GW
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

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their strategic report for the year ended 30 June 2018.

REVIEW OF BUSINESS
Turnover has grown year on year by a satisfying 6.4%, following on from the previous 5 years of strong consecutive growth. This growth was largely driven by accommodation, but was helped by a 12.4% increase in conference and banqueting sales - although a comparatively small proportion of total sales, an encouraging sign none the less. The proximity of Resorts World had a continued adverse impact on beverage sales, although we did enjoy a small growth in food sales.

The importance of sales derived from electronic channels continues to grow in line with the broader economy. We therefore continue to invest in our IT infrastructure and look to join new channels which become available, exploiting our seamless booking integration. That said, we are still actively trying to drive direct sales via our booking engine and as such, we launched a new website and Direct Booking Manager shortly after the year end. We live in the era of social media and we actively manage our online reputation.

The wider area continues to prosper, with visitor numbers to both the NEC site and Birmingham Airport increasing. Longer term opportunities such as HS2, The Commonwealth Games 2022 and UK Central continue to present themselves and we feel well placed to capitalise on them. Conversely, we are mindful that local competition continues to grow in both number, quality and variety of offering - no one can stand still.

Generally, overheads remained relatively constant as a proportion of turnover (64.6% in 2018; 64.8% in 2017).

Cash generation continues to be a strength and our year end closing cash position was similar to that of the previous year.

In summary, a very pleasing year in which we built on the improved trading of recent years, but most importantly, a year in which we consolidated our position of being able to make the most of any new opportunities which may come our way.

PRINCIPAL RISKS AND UNCERTAINTIES
Risk management is overseen by the board of directors and is constantly reviewed to comply with statutory regulations and best practice.

The principal general economic risks include the impact of BREXIT, the stability of travel companies with whom the company take bookings, wage legislation, availability of hotel staff and duties on food and drinks. The principal IT risks include online presence and the security of guest information.

The directors believe that the hotel has little exposure in relation to credit, cashflow and liquidity risk. It shares similar competitive risks to other hotels in the area who suffer price fluctuations caused by variations in demand stimulated by local events and flight patterns at the local airport.

ON BEHALF OF THE BOARD:

D J Gardner - Director

22 March 2019

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report with the financial statements of the company for the year ended 30 June 2018.

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

DIVIDENDS
An interim dividend of £16.7224 per share on the Ordinary £1 shares was paid on 28 July 2017 and a further interim dividend of £16.7224 per share on the Ordinary £1 shares was paid on 31 December 2017. The directors recommend a final dividend of £16.7224 per share, making a total of £50.1672 per share for the year ended 30 June 2018.

The final dividend on the Ordinary £1 shares of £16.7224 per share was paid on 21 May 2018.

Dividends on the Redeemable Preference £1 shares accrue on a daily basis.

During the year to 30 June 2018, interim dividends on the Redeemable Preference £1 shares have been paid quarterly on 30 September 2017, 31 December 2017 and 31 March 2018 totalling £5,493, with a final dividend of £3,424 being paid on 30 June 2018.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2017 to the date of this report.

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

FINANCIAL POSITION
The company's balance sheet at 30 June 2018 now shows net current liabilities of £62,670 (2017: net current assets of £221).

The directors have considered the financial position of the company both now and for the future and they consider that it remains appropriate for the company to prepare its accounts on a going concern basis.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

Benee Consulting Limited were appointed as auditors to the company during the year.

ON BEHALF OF THE BOARD:

D J Gardner - Director

22 March 2019

Opinion

We have audited the financial statements of The Arden Hotel Limited (the 'company') for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 30 June 2018 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.

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 UK, including the FRC'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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, 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 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.

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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Sarah Flint BSc FCA (Senior Statutory Auditor)
for and on behalf of Benee Consulting Limited
48 Durrell Drive
Rugby
Warwickshire
CV22 7GW

22 March 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30.6.18 £	30.6.17 £
TURNOVER	3	6,308,812	5,928,100
Cost of sales		877,921	820,988
GROSS PROFIT		5,430,891	5,107,112
Administrative expenses		4,088,504	3,850,421
OPERATING PROFIT	5	1,342,387	1,256,691
Interest receivable and similar income		1,430	1,083
		1,343,817	1,257,774
Interest payable and similar expenses	6	58,051	58,675
PROFIT BEFORE TAXATION		1,285,766	1,199,099
Tax on profit	7	287,745	283,991
PROFIT FOR THE FINANCIAL YEAR		998,021	915,108
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		998,021	915,108

The notes form part of these financial statements

BALANCE SHEET
30 JUNE 2018

	Notes	30.6.18 £	30.6.18 £	30.6.17 £	30.6.17 £
FIXED ASSETS					
Tangible assets	9		7,132,799		7,440,518
Investments	10		50,000		50,000
			7,182,799		7,490,518
CURRENT ASSETS					
Stocks	11	24,380		23,814	
Debtors	12	202,125		237,335	
Cash at bank and in hand		927,116		908,077	
		1,153,621		1,169,226	
CREDITORS					
Amounts falling due within one year	13	1,216,291		1,169,005	
NET CURRENT (LIABILITIES)/ASSETS			(62,670)		221
TOTAL ASSETS LESS CURRENT LIABILITIES			7,120,129		7,490,739
CREDITORS					
Amounts falling due after more than one year	14		(3,701,347)		(3,854,680)
PROVISIONS FOR LIABILITIES	18		(31,346)		(46,644)
NET ASSETS			3,387,436		3,589,415
CAPITAL AND RESERVES					
Called up share capital	19		23,920		23,920
Capital redemption reserve	20		5,980		5,980
Retained earnings	20		3,357,536		3,559,515
SHAREHOLDERS' FUNDS			3,387,436		3,589,415

The financial statements were approved by the Board of Directors on 22 March 2019 and were signed on its behalf by:

D J Gardner - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 July 2016	23,920	3,444,407	5,980	3,474,307
Changes in equity				
Dividends	-	(800,000)	-	(800,000)
Total comprehensive income	-	915,108	-	915,108
Balance at 30 June 2017	23,920	3,559,515	5,980	3,589,415
Changes in equity				
Dividends	-	(1,200,000)	-	(1,200,000)
Total comprehensive income	-	998,021	-	998,021
Balance at 30 June 2018	23,920	3,357,536	5,980	3,387,436

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	30.6.18 £	30.6.17 £
Cash flows from operating activities			
Cash generated from operations	1	1,776,126	1,644,431
Interest paid		(49,134)	(50,999)
Finance costs paid		(8,917)	(7,676)
Tax paid		(299,542)	(271,583)
Net cash from operating activities		1,418,533	1,314,173
Cash flows from investing activities			
Purchase of tangible fixed assets		(47,591)	(50,217)
Interest received		1,430	1,083
Net cash from investing activities		(46,161)	(49,134)
Cash flows from financing activities			
Loan repayments in year		(153,333)	(153,334)
Equity dividends paid		(1,200,000)	(800,000)
Net cash from financing activities		(1,353,333)	(953,334)
Increase in cash and cash equivalents		19,039	311,705
Cash and cash equivalents at beginning of year	2	908,077	596,372
Cash and cash equivalents at end of year	2	927,116	908,077

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.6.18	30.6.17
	£	£
Profit before taxation	1,285,766	1,199,099
Depreciation charges	355,310	369,118
Finance costs	58,051	58,675
Finance income	(1,430)	(1,083)
	1,697,697	1,625,809
(Increase)/decrease in stocks	(566)	2,686
Decrease in trade and other debtors	35,210	21,578
Increase/(decrease) in trade and other creditors	43,785	(5,642)
Cash generated from operations	1,776,126	1,644,431

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	927,116	908,077

Year ended 30 June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	908,077	596,372

The notes form part of these financial statements

1. STATUTORY INFORMATION

The Arden Hotel Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounting policies have been consistently applied to all years in the preparation of these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed as a separate accounting policy.

Critical accounting judgements and key sources of estimation uncertainty
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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property; fixtures, fittings, plant and equipment; and computer equipment, and note 2 for the useful economic lives for each class of assets.

(ii) Impairment of debtors
The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. See note 12 for the net carrying amount of debtors and any significant impairment provision.

(iii) Commissions
The company makes an estimate of the payable value within accruals. When assessing the estimate of commissions payable, management considers factors including the due date of commissions payable, the credit terms of the suppliers and historical experience of the suppliers. See note 13 for the carrying amount of total accruals.

Turnover
Turnover is measured at the fair value of the consideration received or receivable in respect of hotel services, excluding discounts, rebates and value added tax.

continued...

2. **ACCOUNTING POLICIES - continued**

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	- 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.

Goodwill included in Freehold property is depreciated at 5% on cost. The directors believe this is the most appropriate rate to use given the nature of the business.

Impairment
A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.
When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
Tangible assets are derecognised on disposal or when no future economic benefits are expected.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

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

The stock is used on a first in - first out basis.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments
A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.
Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
Debt instruments are subsequently measured at amortised cost using the effective interest rate method. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.
Financial assets that are measured at a cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.
For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.
Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

continued...

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Provisions
Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.
Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

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

Going concern
The company's balance sheet at 30 June 2018 now shows net current liabilities of £62,670 (2017: net current assets of £221).

The directors have considered a period of 12 months following the year end and the company has adequate resources to continue to meet its liabilities as they fall due for the foreseeable future and they consider that it remains appropriate for the company to prepare its accounts on a going concern basis.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	30.6.18	30.6.17
	£	£
Hospitality & leisure services	6,308,812	5,928,100
	6,308,812	5,928,100

An analysis of turnover by geographical market is given below:

	30.6.18	30.6.17
	£	£
United Kingdom	6,308,812	5,928,100
	6,308,812	5,928,100

continued...

4. EMPLOYEES AND DIRECTORS

	30.6.18	30.6.17
	£	£
Wages and salaries	1,951,426	1,843,546
Social security costs	114,500	104,091
Other pension costs	13,946	9,486
	2,079,872	1,957,123

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

	30.6.18	30.6.17
Management and administration staff	3	3
Restaurant and hotel staff	138	134
	141	137

	30.6.18	30.6.17
	£	£
Directors' remuneration	148,808	149,246
Directors' pension contributions to money purchase schemes	2,346	1,610

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2

It is considered that the directors are the key personnel and accordingly the remuneration of key personnel is the remuneration as disclosed for the directors.

5. OPERATING PROFIT

The operating profit is stated after charging:

	30.6.18	30.6.17
	£	£
Equipment rental	23,316	22,865
Depreciation - owned assets	355,310	369,118
Auditors' remuneration	5,250	5,250

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.18	30.6.17
	£	£
Bank interest	49,134	50,999
Dividends - preference shares	8,917	7,676
	58,051	58,675

continued...

7. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	30.6.18	30.6.17
	£	£
Current tax:		
UK corporation tax	303,051	299,550
Prior year adjustments	(8)	-
Total current tax	303,043	299,550
Deferred tax	(15,298)	(15,559)
Tax on profit	287,745	283,991

UK corporation tax has been charged at 19% (2017 - 19.75%).

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.18	30.6.17
	£	£
Profit before tax	1,285,766	1,199,099
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.751%)	244,296	236,834
Effects of:		
Expenses not deductible for tax purposes	1,694	1,515
Depreciation in excess of capital allowances	57,061	61,201
Adjustments to tax charge in respect of previous periods	(8)	-
Movement on deferred tax	(15,298)	(15,559)
Total tax charge	287,745	283,991

Factors that may affect future tax charges:

The company expects to be able to claim capital allowances in excess of depreciation and it is probable that timing differences will not reverse in the foreseeable future.

8. DIVIDENDS

	30.6.18	30.6.17
	£	£
Ordinary shares of £1 each		
Final	400,000	200,000
Interim dividends	800,000	600,000
	1,200,000	800,000

continued...

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings, plant and equipment £	Computer equipment £	Totals £
COST				
At 1 July 2017	11,254,245	2,719,094	171,376	14,144,715
Additions	-	12,448	35,143	47,591
At 30 June 2018	11,254,245	2,731,542	206,519	14,192,306
DEPRECIATION				
At 1 July 2017	4,088,033	2,462,985	153,179	6,704,197
Charge for year	232,084	96,245	26,981	355,310
At 30 June 2018	4,320,117	2,559,230	180,160	7,059,507
NET BOOK VALUE				
At 30 June 2018	6,934,128	172,312	26,359	7,132,799
At 30 June 2017	7,166,212	256,109	18,197	7,440,518

Included in cost of land and buildings is freehold land of £1,900,000 (2017 - £1,900,000) which is not depreciated.

Included in land and buildings is goodwill with a cost of £1,500,000 and accumulated depreciation of £1,425,000 (2017 - accumulated depreciation of £1,350,000).

The carrying value of the freehold property has been held as security for the bank loan by means of a legal charge - refer to note 14 for full details.

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2017 and 30 June 2018	50,000
NET BOOK VALUE	
At 30 June 2018	50,000
At 30 June 2017	50,000

10. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Arden Restaurant & Hotel Limited
Registered office: United Kingdom
Nature of business: Dormant

Class of shares:	% holding
Ordinary	79.55

	30.6.18	30.6.17
	£	£
Aggregate capital and reserves	50,000	50,000

Kelube Limited
Registered office: United Kingdom
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	30.6.18	30.6.17
	£	£
Aggregate capital and reserves	1,000	1,000

11. STOCKS

	30.6.18	30.6.17
	£	£
Stocks	24,380	23,814

The amount of stock recognised as an expense in cost of sales during the year was £877,921 (2017: £820,988).

Stock of £24,380 (2017: £23,814) has been held as security for the bank loan by means of a debenture securing fixed and floating charges - refer to note 14 for full details.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.18	30.6.17
	£	£
Trade debtors	200,925	236,175
Prepayments and accrued income	1,200	1,160
	202,125	237,335

Trade debtors of £200,925 (2017: £236,175) have been held as security for the bank loan by means of a debenture securing fixed and floating charges - refer to note 14 for full details.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.18	30.6.17
	£	£
Bank loans and overdrafts (see note 15)	153,333	153,333
Trade creditors	332,509	343,303
Amounts owed to group undertakings	50,000	50,000
Tax	303,051	299,550
Social security and other taxes	222,236	187,430
Other creditors	1,664	1,559
Accruals and deferred income	153,498	133,830
	1,216,291	1,169,005

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.18	30.6.17
	£	£
Bank loans (see note 15)	1,801,667	1,955,000
Preference shares (see note 15)	1,899,680	1,899,680
	3,701,347	3,854,680

15. LOANS

An analysis of the maturity of loans is given below:

	30.6.18	30.6.17
	£	£
Amounts falling due within one year or on demand:		
Bank loans	153,333	153,333
Amounts falling due between one and two years:		
Bank loans	153,333	153,333
Amounts falling due between two and five years:		
Bank loans	1,648,334	1,801,667
Preference shares	1,899,680	1,899,680
	3,548,014	3,701,347

The bank loan is repayable by quarterly instalments, with the final repayment of £1,571,667 being due in March 2021. Interest on the bank loan is chargeable at 2.00% over Base Rate.

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.18	30.6.17
			£	£
1,899,680	Redeemable Preference	£1	1,899,680	1,899,680

continued...

15. **LOANS - continued**

The company pays quarterly dividends in arrears on the redeemable preference shares at a rate equal to LIBOR and the preference dividends accrue on a daily basis.
The redeemable preference shareholders are entitled to receive notice of and to attend and speak, but not vote at any general meeting of the company.

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.6.18	30.6.17
	£	£
Bank loans	1,955,000	2,108,333

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

17. **FINANCIAL INSTRUMENTS**

The carrying amount for each category of financial instrument is as follows:

	30.6.18	30.6.17
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	200,925	236,175
Other debtors	1,200	1,160
	202,125	237,335

	30.6.18	30.6.17
	£	£
Financial liabilities measured at amortised cost		
Trade creditors	332,509	343,303
Other creditors	730,449	672,369
Bank loans	1,955,000	2,108,333
Preference shares	1,899,680	1,899,680
	4,917,638	5,023,685

18. **PROVISIONS FOR LIABILITIES**

	30.6.18	30.6.17
	£	£
Deferred tax	31,346	46,644

continued...

18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 July 2017	46,644
Provided during year	(15,298)
Balance at 30 June 2018	31,346

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.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.18 £	30.6.17 £
23,920	Ordinary	£1	23,920	23,920

20. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 July 2017	3,559,515	5,980	3,565,495
Profit for the year	998,021		998,021
Dividends	(1,200,000)		(1,200,000)
At 30 June 2018	3,357,536	5,980	3,363,516

continued...

21. RELATED PARTY DISCLOSURES

The 1,899,680 redeemable preference shares of £1 each which were issued during the year ended 30 June 2016, are all owned by 3 of the directors.

During the year ended 30 June 2018, quarterly interim dividends on the redeemable preference shares have been paid on 30 September 2017, 31 December 2017 and 31 March 2018, with a final dividend paid on 30 June 2018.

The total dividends paid on the redeemable preference shares in the year amounted to £8,917 (2017: £7,676).

The total dividends paid on the ordinary shares in the year amounted to £1,200,000 (2017: £800,000) which were paid to the directors and the trustees of the Gardner Settlement.

During the year, family members of the directors were paid wages and salaries of £36,133.

At 30 June 2018, the following amount was owed to a related party:

	30.6.18	30.6.17
	£	£
Arden Restaurant & Hotel Limited	50,000	50,000

The amount owed is interest free and repayable on demand.

22. GENERAL INFORMATION

The Arden Hotel Limited is a private limited company incorporated in England and limited by shares.

The company has its principal place of business and registered office at Coventry Road, Bickenhill, Solihull, West Midlands, B92 0EH.

The financial statements are presented in Sterling (£), which is also the functional currency of the company.