

Registered number
3779729

YELLOW NOTE LIMITED
Report and Financial Statements
29 December 2022

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YELLOW NOTE LIMITED
Company Information

Director
D Waddell

Secretary
Vistra Company Secretaries Limited

Auditor
BDO LLP
55 Baker Street
London
UK
W1U 7EU

Registered office
The Old Library
The Drive
Sevenoaks
Kent
TN13 3AB

Registered number
3779729

YELLOW NOTE LIMITED
Report and Financial Statements
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YELLOW NOTE LIMITED

Registered number: 3779729

Director's Report

The director presents his report and financial statement for the 52 week period ended 29 December 2022 (2021: 57 week period ended 30 December 2021).

Principal activities

The company has not traded during the current period.

Business review

The financial position of the company has remained relatively unchanged in the period.

Dividends

No dividends were paid during the current or previous period.

Going concern

The company and wider group have been negatively impacted by Coronavirus during 2020-22, and more recently impacted by high inflation, rising interest rates and other economic factors impacting on consumer spending and costs, including wages, utilities, food and beverage. These have been and continue to be closely monitored and responded to by the company and group directors. Further information in this regard is provided in note 1 to these financial statements, including the basis on which the board have concluded that it remains appropriate to adopt the going concern basis of preparation.

Directors

The following person served as directors during the period:

D Waddell

Director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Ireland". Under company law the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

YELLOW NOTE LIMITED

Registered number: 3779729

Director's Report (continued)

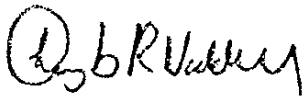
Provision of information to auditor

Each person who was a director at the time when this report was approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the board on **27 September 2023** and signed on its behalf.

A handwritten signature in black ink, appearing to read 'D Waddell', written over a circular stamp.

D Waddell
Director

YELLOW NOTE LIMITED
Independent Auditor's Report
to the members of YELLOW NOTE LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Yellow Note Limited (the 'company') for the period ended 29 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Material uncertainty relating to going concern

We draw attention to Note 1 to the financial statements which explains that the Company, and wider Hand Picked Hotels Limited group, remain reliant on the ongoing support of the ultimate shareholders, which is not legally binding, to enable them to continue as a going concern. As explained in note 1, these events, along with the other matters set out in note 1, indicate that a material uncertainty exists that may cast significant doubt over and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

YELLOW NOTE LIMITED
Independent Auditor's Report
to the members of YELLOW NOTE LIMITED

Other Companies Act 2006 reporting

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

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

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 Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.
- We considered compliance with these laws and regulations through discussions with management and those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We identified the potential for in the following areas and performed the following procedures:

YELLOW NOTE LIMITED
Independent Auditor's Report
to the members of YELLOW NOTE LIMITED

o management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements.

- We identified areas at risk of management bias and reviewed key estimates and judgements applied by Management in the financial statements to assess their appropriateness; and
- We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

DocuSigned by:
Ian Clayden
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Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 27 September 2023

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

YELLOW NOTE LIMITED
Statement of Comprehensive Income
for the period ended 29 December 2022

	Notes	Period ended 29 December 2022 £	Period ended 30 December 2021 £
Administrative expenses		(555)	(513)
Operating loss	3	<u>(555)</u>	<u>(513)</u>
Interest payable		-	-
Loss on ordinary activities before taxation		<u>(555)</u>	<u>(513)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the period		<u>(555)</u>	<u>(513)</u>
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		<u>(555)</u>	<u>(513)</u>

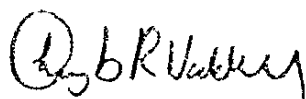
All amounts relate to continuing operations.

The notes on pages 9 to 13 form part of these financial statements.

YELLOW NOTE LIMITED
Registered number: 3779729
Statement of Financial Position
as at 29 December 2022

	Notes	29 December 2022 £	30 December 2021 £
Creditors: amounts falling due within one year	6	(1,325,450)	(1,324,895)
Net current liabilities		<u>(1,325,450)</u>	<u>(1,324,895)</u>
Net liabilities		<u>(1,325,450)</u>	<u>(1,324,895)</u>
Capital and reserves			
Called up share capital	7	1,250,002	1,250,002
Profit and loss account	8	(2,575,452)	(2,574,897)
Total deficit		<u>(1,325,450)</u>	<u>(1,324,895)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2023.



D Waddell
Director

The notes on pages 9 to 13 form part of these financial statements.

YELLOW NOTE LIMITED
Statement of Changes in Equity
for the period ended 29 December 2022

	Share capital £	Profit and loss account £	Total equity £
At 26 November 2020	1,250,002	(2,574,384)	(1,324,382)
Loss for the period	-	(513)	(513)
At 30 December 2021	<u>1,250,002</u>	<u>(2,574,897)</u>	<u>(1,324,895)</u>
Loss for the period	-	(555)	(555)
At 29 December 2022	<u><u>1,250,002</u></u>	<u><u>(2,575,452)</u></u>	<u><u>(1,325,450)</u></u>

The notes on pages 9 to 13 form part of these financial statements.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 29 December 2022

1 Accounting policies

General information

Yellow Note Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

Basis of preparation

The current year financial statements are prepared on a 52 week financial period (2021: 57 week period).

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

The following principal accounting policies have been applied consistently throughout the preceding and current periods.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hand Picked Hotels Limited as at 29 December 2022 and these financial statements may be obtained from Companies House.

Going Concern

The Company reports net current liabilities and net liabilities for the period. The company is no longer trading and is dependent on it's parent company in order to remain a going concern.

The director is aware that Hand Picked Hotels Limited, its intermediate parent company, has identified a material uncertainty with regard to the need for ongoing shareholder financial support that is not formally committed and therefore not guaranteed. In this regard, the director feels it is appropriate to also disclose a material uncertainty that may cast significant doubt in respect of the Company's own ability to continue as a going concern for the foreseeable future.

However, after reviewing forecasts for the business and having made appropriate enquiries of its ultimate parent company, including receipt of a non-binding letter of ongoing financial support, the director has a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 29 December 2022

Accounting policies (continued)

Interest

Interest income and expense is recognised in the income statement using the effective interest method.

Creditors

Short term creditors are measured at the transaction price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Financial instruments

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

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

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 29 December 2022

Accounting policies (continued)

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the company operates and generates taxable income.

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

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

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

Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 29 December 2022

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made no significant judgements.

3 Operating loss

The auditor's remuneration for the period ended 29 December 2022 has been borne by another group company.

4 Staff costs

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

	Number	Number
Administration	<u>1</u>	<u>3</u>

None of the directors received any remuneration for the period (2021: £nil).

5 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax at 19% (2021: 19%)	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

	2022 £	2021 £
Reconciliation of tax charge		
Loss on ordinary activities before tax	(555)	(513)
Loss on ordinary activities multiplied by the standard rate of corporation tax at 19% (2021: 19%)	(105)	(97)
Effects of:		
Deferred tax not recognised	139	158
Difference in tax rates	<u>(34)</u>	<u>(61)</u>
Tax charge for the period	<u>-</u>	<u>-</u>

Potential deferred tax assets of £394 (2021: £255) have not been recognised in respect of trading losses carried forward available for offset against future trading profits.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 29 December 2022

6 Creditors: amounts falling due within one year	2022	2021
	£	£
Amounts due to parent undertaking	1,321,355	1,320,800
Other taxes and social security costs	510	510
Other creditors	3,585	3,585
	<u>1,325,450</u>	<u>1,324,895</u>

7 Share capital	2022	2021	2022	2021
	Number	Number	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1,250,002	1,250,002	<u>1,250,002</u>	<u>1,250,002</u>

8 Reserves

Profit & loss account

This is cumulative profits or losses, net of dividends paid and other adjustments.

9 Ultimate parent company and controlling party

The company's immediate parent is Hand Picked Hotels Limited. The largest and smallest group in whose financial statements the results of the company will be consolidated is Hand Picked Hotels Limited. The consolidated accounts of Hand Picked Hotels Limited will be available to the public and will be obtainable in due course from the Registrar of Companies, Companies House, Crown Way, Cardiff.

The ultimate parent company is Julian Holdings Limited, and the ultimate controlling party is Mr G Hands.

Julian Holdings Limited is a company incorporated in Guernsey, whose registered office address is PO Box 286, Floor 2 Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.