

Twenty Eight Hotels Limited

Report And Financial Statements

30 June 2017

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COMPANIES HOUSE

Rees Pollock
Chartered Accountants

Twenty Eighteen Hotels Limited

COMPANY INFORMATION

Directors	J R C Holder D Pasher V A Tchenguiz M D Payne M D Watson
Company secretary	M D Payne
Registered number	04439749
Registered office	5th Floor Leconfield House Curzon Street London W1J 5JA
Independent auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Barclays Bank plc 54 Lombard Street London EC3V 9EX

DIRECTORS' REPORT

For the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Directors

The directors who served during the year were:

J R C Holder
D Pasher
V A Tchenguiz
M D Payne
M D Watson

J R C Holder resigned as a director on 19 April 2017.

Directors' responsibilities statement

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 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 Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

Auditor

The auditor, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Twenty-Eighteen Hotels Limited

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 30 June 2017

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 March 2018 and signed on its behalf:



M.D. Payne
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TWENTY EIGHTEEN HOTELS LIMITED

Opinion

We have audited the financial statements of Twenty Eighteen Hotels Limited (the 'Company') for the year ended 30 June 2017, which comprise the statement of income and retained earnings, the balance sheet and the related notes, 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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 included in the Annual Report, 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 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TWENTY EIGHTEEN HOTELS LIMITED (CONTINUED)

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 directors' 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; or
- 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 on page 1, 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.

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 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. 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 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.



Alexander Macpherson (senior statutory auditor)
for and on behalf of

Rees Pollock

Date: 27 March 2018

STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended 30 June 2017

	Note	2017 £	2016 £
Turnover		535,516	529,382
Cost of sales		(535,516)	(526,148)
Gross profit		<u>-</u>	<u>3,234</u>
Administrative expenses		(3,027)	(3,407)
Operating loss		<u>(3,027)</u>	<u>(173)</u>
Tax on loss		38	(38)
Loss after tax		<u>(2,989)</u>	<u>(211)</u>
Retained earnings at the beginning of the year		(5,110)	(4,899)
		(5,110)	(4,899)
Loss for the year		(2,989)	(211)
Retained earnings at the end of the year		<u>(8,099)</u>	<u>(5,110)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 7 to 9 form part of these financial statements.

BALANCE SHEET
As at 30 June 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	5	162,031	2
Cash at bank and in hand	6	(2,704)	1,379
		<u>159,327</u>	<u>1,381</u>
Creditors: amounts falling due within one year	7	(167,424)	(6,489)
Net current liabilities		<u>(8,097)</u>	<u>(5,108)</u>
Net liabilities		<u>(8,097)</u>	<u>(5,108)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(8,099)	(5,110)
		<u>(8,097)</u>	<u>(5,108)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 March 2018


M.D. Payne
Director

The notes on pages 7 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

1. General information

The Company is a private company limited by shares which is incorporated in the United Kingdom and registered in England and Wales at 5th Floor Leconfield House, Curzon Street, London, W1J 5JA. The principal activity was the provision of management services to related undertakings.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These are the company's first financial statements prepared in accordance with Financial Reporting Standard 102. The date of transition was 1 July 2015 but no changes to previously published financial position or performance were required on first time adoption, and no exemptions from retrospective application were taken advantage of.

2.2 Going concern

The Company's sole customer entered administration in January 2018 and no further turnover is anticipated from this date. The Company has significantly reduced its outgoings as a result of this.

The directors have a valid expectation that the wider group of which the Company forms part will provide sufficient financial support to allow the Company to meet its liabilities as they fall due for a period of not less than twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern assumption in the preparation of these financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied: the amount of revenue can be measured reliably; it is probable that the Company will receive the consideration due under the contract; the stage of completion of the contract at the end of the reporting period can be measured reliably; and the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.5 Taxation

Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and 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 balance sheet date in the countries where the Company operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2017

3. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,000	3,000

4. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 5).

5. Debtors

	2017 £	2016 £
Trade debtors	162,029	-
Called up share capital not paid	2	2
	<u>162,031</u>	<u>2</u>

6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	(2,704)	1,379

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	3,000	-
Corporation tax	-	38
Other taxation and social security	26,400	451
Accruals and deferred income	138,024	6,000
	<u>167,424</u>	<u>6,489</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

8. Related party transactions

The company is contracted to act on behalf of Zinc Hotels Limited, a fellow subsidiary undertaking. All turnover relates to this contract and during the year the company recorded £670,540 (2016: £529,382) from Zinc Hotels Limited in relation to management services provided. An amount of £162,029 (2016: £nil) is included in trade debtors and £135,024 (2016: £nil) is included in deferred income at the balance sheet date in respect of this invoicing.

During the year, the company incurred costs relating to management services of £252,758 (2016: £278,074) from Vincos Limited and £282,758 (2016: £248,074) from Farnsworth Limited. V Tchenguiz is a director of Vincos Limited and D Pasher is a director of Farnsworth Limited.

9. Controlling party

The company's immediate and ultimate parent company is Top Zinc Limited, a company registered in Jersey. There is no ultimate controlling party.