

Registered number  
6456130

# AUDLEYS WOOD HOTEL LIMITED

## Report and Accounts

26 November 2015

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**AUDLEYS WOOD HOTEL LIMITED**  
**Report and Accounts**  
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**AUDLEYS WOOD HOTEL LIMITED**  
**Company Information**

**Directors**

K Arkley  
J Hands

**Secretary**

Jordans Company Secretaries Limited

**Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Registered office**

The Old Library  
The Drive  
Sevenoaks  
Kent  
TN13 3AB

**Registered number**

6456130

## **AUDLEYS WOOD HOTEL LIMITED**

**Registered number:** 6456130

### **Directors' Report**

The directors present their report and accounts for the period ended 26 November 2015.

#### **Principal activities**

The company's principal activity during the period was the ownership and operation of the Audleys Wood Hotel.

#### **Business review**

The results for the period and financial position of the company are as shown in the annexed financial statements. The directors are optimistic as to the future success of the company.

#### **Dividends**

No dividends were paid during the period ended 26 November 2015 (2014 £Nil).

#### **Directors**

The following persons served as directors during the period:

K Arkley  
J Hands

#### **Directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDLEYS WOOD HOTEL LIMITED****Registered number:** 6456130**Directors' Report****Provision 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 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 20 May 2016.



J Hands  
Director

**AUDLEYS WOOD HOTEL LIMITED**  
**Independent Auditor's Report**  
**to the members of AUDLEYS WOOD HOTEL LIMITED**

We have audited the financial statements of Audleys Wood Hotel Limited for the period ended 26 November 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 November 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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

*BDO LLP*

Stuart Collins (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

*24 May 2016*

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

**AUDLEYS WOOD HOTEL LIMITED**  
**Profit and Loss Account**  
**for the period from 28 November 2014 to 26 November 2015**

	Notes	2015 £	2014 £
<b>Turnover</b>		3,294,817	3,135,038
Cost of sales		(765,103)	(698,051)
<b>Gross profit</b>		<u>2,529,714</u>	<u>2,436,987</u>
Exceptional item	7	-	(1,500,000)
Other administrative expenses		(2,655,715)	(2,506,234)
Total administrative expenses		<u>(2,655,715)</u>	<u>(4,006,234)</u>
<b>Operating loss</b>	2	<u>(126,001)</u>	<u>(1,569,247)</u>
Interest payable and similar charges	4	(498,754)	(488,693)
<b>Loss on ordinary activities before taxation</b>		<u>(624,755)</u>	<u>(2,057,940)</u>
Tax on loss on ordinary activities	5	-	-
<b>Loss for the period</b>	13	<u>(624,755)</u>	<u>(2,057,940)</u>

**Continuing operations**

All results are derived from continuing operations.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the loss for the above two periods.

**AUDLEYS WOOD HOTEL LIMITED**  
**Balance Sheet**  
**as at 26 November 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	6	7	7
Tangible assets	7	10,339,199	10,637,958
Investments	8	6	6
		<u>10,339,212</u>	<u>10,637,971</u>
<b>Current assets</b>			
Stocks	9	23,507	16,496
Debtors	10	314,476	181,745
Cash at bank and in hand		<u>161,919</u>	<u>33,096</u>
		499,902	231,337
<b>Creditors: amounts falling due within one year</b>	11	(16,834,003)	(16,239,442)
<b>Net current liabilities</b>		<u>(16,334,101)</u>	<u>(16,008,105)</u>
<b>Total assets less current liabilities</b>		<u>(5,994,889)</u>	<u>(5,370,134)</u>
<b>Net liabilities</b>		<u>(5,994,889)</u>	<u>(5,370,134)</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	(5,994,891)	(5,370,136)
<b>Shareholders' deficit</b>	14	<u>(5,994,889)</u>	<u>(5,370,134)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 May 2016.



J Hands  
Director



# AUDLEYS WOOD HOTEL LIMITED

## Notes to the Accounts

for the period from 28 November 2014 to 26 November 2015

### 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and preceding period.

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

#### ***Basis of preparation: going concern***

The Company reports net current liabilities, net liabilities and losses for the period. The parent company Hand Picked Hotels Limited has indicated that it will continue to provide financial support as necessary for the foreseeable future to ensure the Company can meet all liabilities as they fall due. On this basis the directors are satisfied that it is appropriate to prepare these accounts on a going concern basis.

#### ***Turnover***

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer. Deposits which have been received at the balance sheet date for which services have not yet been provided are shown as payments in advance within creditors.

#### ***Goodwill***

Positive goodwill arising on acquisition is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its economic life up to a presumed maximum of 20 years.

#### ***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings core	50 years
Freehold buildings surface finishes and services	20 years
Fixtures and fittings	4 to 25 years

#### ***Stocks***

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

#### ***Cash flow statement***

Under the provisions of FRS 1 (Revised): Cash Flow Statements, the Company has not prepared a cash flow statement because its parent company, Hand Picked Hotels Limited, prepares consolidated accounts. The cash flows of the Company are included in the consolidated cash flow statement.

# AUDLEYS WOOD HOTEL LIMITED

## Notes to the Accounts

for the period from 28 November 2014 to 26 November 2015

### 1 Accounting policies (continued)

#### ***Taxation***

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax balances are not discounted.

#### ***Related party transactions***

The company has taken advantage of the exemptions in FRS 8 in connection with the disclosure of transactions with other wholly owned group undertakings.

#### ***Leasing***

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### ***Exemption from preparation of consolidated accounts***

The Company has taken advantage of section 400 of the Companies Act 2006 and elected not to prepare consolidated accounts as it is included in the consolidated accounts of a larger group. Accordingly these financial statements show company only results and not group.

#### ***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2 Operating loss

	2015 £	2014 £
This is stated after charging:		
Depreciation of owned fixed assets	421,114	416,534
Impairment of land and buildings (note 7)	-	1,500,000
Operating lease rentals - plant and machinery	7,067	7,557
Auditor's remuneration for audit services	3,900	3,640

**AUDLEYS WOOD HOTEL LIMITED****Notes to the Accounts****for the period from 28 November 2014 to 26 November 2015**

<b>3 Staff costs</b>	<b>2015 £</b>	<b>2014 £</b>
Wages and salaries	1,170,855	1,054,856
Social security costs	83,920	80,442
Other pension costs	27,338	19,916
	<u>1,282,113</u>	<u>1,155,214</u>
Agency staff	28,878	75,032
	<u>1,310,991</u>	<u>1,230,246</u>

None of the directors received any remuneration for the period (2014: £nil).

<b>Average number of employees during the year</b>	<b>2015 Number</b>	<b>2014 Number</b>
Hotel operations	49	43
Administration	7	6
	<u>56</u>	<u>49</u>

<b>4 Interest payable and similar charges</b>	<b>2015 £</b>	<b>2014 £</b>
Group interest payable	<u>498,754</u>	<u>488,693</u>

# AUDLEYS WOOD HOTEL LIMITED

## Notes to the Accounts

for the period from 28 November 2014 to 26 November 2015

5 Taxation	2015 £	2014 £
<b>Analysis of charge in period</b>		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-

### Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2015 £	2014 £
Loss on ordinary activities before tax	(624,755)	(2,057,940)
Standard rate of corporation tax in the UK	20.3%	21.7%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(127,125)	(446,488)
Effects of:		
Expenses not deductible for corporation tax purposes	66,572	398,747
Differences between capital allowances and depreciation	(19,981)	16,676
Other short term timing differences	(344)	-
Group relief surrendered	80,878	31,065
	<hr/>	<hr/>
Current tax charge for period	-	-

The company has unrecognised deferred tax assets of £181,000 (2014: £221,000) and £129,000 (2014: £143,000) in respect of depreciation charged in excess of capital allowances at the end of the period and trade losses carried forward available for offset against future trading profits respectively.

6 Intangible fixed assets	£
Goodwill:	
Cost	
At 28 November 2014 and at 26 November 2015	<hr/> 7

**AUDLEYS WOOD HOTEL LIMITED**  
**Notes to the Accounts**  
**for the period from 28 November 2014 to 26 November 2015**

**7 Tangible fixed assets**

	Freehold Land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 28 November 2014	10,184,366	4,353,081	14,537,447
Additions	-	122,355	122,355
Disposals	-	(4,122)	(4,122)
At 26 November 2015	<u>10,184,366</u>	<u>4,471,314</u>	<u>14,655,680</u>
<b>Depreciation</b>			
At 28 November 2014	1,897,186	2,002,303	3,899,489
Charge for the period	56,741	364,373	421,114
On disposals	-	(4,122)	(4,122)
At 26 November 2015	<u>1,953,927</u>	<u>2,362,554</u>	<u>4,316,481</u>
<b>Net book value</b>			
At 26 November 2015	<u>8,230,439</u>	<u>2,108,760</u>	<u>10,339,199</u>
At 27 November 2014	<u>8,287,180</u>	<u>2,350,778</u>	<u>10,637,958</u>

Included in freehold land and buildings is freehold land of £1,455,000 (2014: £1,455,000) which is not depreciated.

During the period ended 27 November 2014, an impairment charge of £1,500,000 was recognised against freehold land and buildings (note 2). The impairment charge arose from value in use calculations taking into account estimated future cash flows reflecting the current economic climate. These have been discounted at a rate of 10%. The charge was included within administrative expenses in the profit and loss account and shown as an exceptional item.

**8 Investments**

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 28 November 2014 and at 26 November 2015	<u>6</u>

The company has an investment in the following wholly owned subsidiary:

Company	Country of incorporation	Shares held Class	%
Audleys Wood Hotel (No. 2) Limited	England and Wales	Ordinary	100
		<b>2015</b>	<b>2014</b>
		£	£
Aggregate capital and reserves		<u>6</u>	<u>6</u>

**AUDLEYS WOOD HOTEL LIMITED**  
**Notes to the Accounts**  
**for the period from 28 November 2014 to 26 November 2015**

<b>9 Stocks</b>			<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
Goods for resale			<u>23,507</u>	<u>16,496</u>
<b>10 Debtors</b>			<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
Trade debtors			245,267	125,866
Amounts due from fellow subsidiary undertaking			17,574	6,810
Other debtors			12,802	13,349
Prepayments and accrued income			<u>38,833</u>	<u>35,720</u>
			<u>314,476</u>	<u>181,745</u>
<b>11 Creditors: amounts falling due within one year</b>			<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
Payments in advance			240,312	223,495
Trade creditors			137,092	154,232
Amounts due to parent undertaking			16,170,174	15,667,104
Amounts due to subsidiary undertaking			18,550	14,437
Other taxes and social security costs			121,169	90,859
Other creditors			4,299	5,745
Accruals and deferred income			<u>142,407</u>	<u>83,570</u>
			<u>16,834,003</u>	<u>16,239,442</u>
<b>12 Share capital</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2	2	<u>2</u>	<u>2</u>
<b>13 Profit and loss account</b>			<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
Opening profit and loss account			(5,370,136)	(3,312,196)
Loss for the period			(624,755)	(2,057,940)
			<u>(5,994,891)</u>	<u>(5,370,136)</u>
<b>14 Reconciliation of movement in shareholders' deficit</b>			<b>2015</b>	<b>2014</b>
			<b>£</b>	<b>£</b>
Opening shareholders' deficit			(5,370,134)	(3,312,194)
Loss for the period			(624,755)	(2,057,940)
			<u>(5,994,889)</u>	<u>(5,370,134)</u>

**AUDLEYS WOOD HOTEL LIMITED**  
**Notes to the Accounts**  
**for the period from 28 November 2014 to 26 November 2015**

**15 Operating leases**

At the period end the company had annual commitments under non-cancellable operating leases as set out below:

	2015 £	2014 £
Operating leases which expire:		
within one year	5,767	-
within two to five years	1,300	7,557
	<u>7,067</u>	<u>7,557</u>

**16 Contingent liabilities**

The company has granted fixed and floating charges over its assets in respect of group borrowing facilities. The amount owed by the Hand Picked Hotels Limited group as at 26 November 2015 was £80,000,000 (2014: £80,000,000).

**17 Ultimate parent company and controlling party**

The company's ultimate parent company is Alscot Sarl, a company incorporated in Luxembourg. The company's immediate parent undertaking 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 controlling party is Mr G Hands.