

Registered number
6456146

HENDON HALL HOTEL LIMITED

Report and Accounts

26 November 2009



HENDON HALL HOTEL LIMITED
Report and accounts
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HENDON HALL HOTEL LIMITED
Company Information

Directors

K Arkley
J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London, UK
EC1M 3AP

Registered office

The Old Library
The Drive
Sevenoaks
Kent
TN13 3AB

Registered number

6456146

HENDON HALL HOTEL LIMITED

Directors' Report

The directors present their report and accounts for the period ended 26 November 2009

Principal activities

The company's principal activity during the period was the ownership and operation of the Hendon Hall Hotel. The company was incorporated on 18 December 2007 and commenced trading on 25 February 2008. On 27 November 2008 the trade and assets arising from the operation of the hotel were transferred from the company's subsidiary undertaking. The company has operated the hotel from that date.

Review of business and future developments

The results for the period and financial position of the company are as shown in the annexed financial statements.

Dividends

No dividends will be distributed for the period ended 26 November 2009 (2008: £nil).

Directors

The directors who served during the period under review were:

K. Arkley
J. Hands

Statement of 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 judgments and estimates that are reasonable and prudent, and
- 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.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

HENDON HALL HOTEL LIMITED

Directors' Report (continued)

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 *24* May 2010

A handwritten signature in black ink, appearing to read 'J Hands', written in a cursive style.

J Hands
Director

HENDON HALL HOTEL LIMITED
Independent auditors' report
to the members of HENDON HALL HOTEL LIMITED

We have audited the financial statements of Hendon Hall Hotel Limited for the period ended 26 November 2009 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2009 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year 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 take advantage of small companies exemptions in preparing the directors' report.

PKF (UK) LLP

Stuart Collins (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors

London, UK

~~16 June 2010~~

16 June 2010

HENDON HALL HOTEL LIMITED

Profit and Loss Account

for the period from 28 November 2008 to 26 November 2009

		Period ended 26 November 2009 £	Period ended 27 November 2008 £
	Notes		
Turnover		1,872,650	86,497
Cost of sales		(398,259)	-
Gross profit		<u>1,474,391</u>	<u>86,497</u>
Administrative expenses		(1,691,684)	(194,860)
Operating loss	2	<u>(217,293)</u>	<u>(108,363)</u>
Interest payable	4	(716,719)	(443,942)
Loss on ordinary activities before and after taxation and for the year	13	<u>(934,012)</u>	<u>(552,305)</u>

Continuing and acquired operations

The company's activities during the prior period arose wholly from acquired operations. The company's activities during the current period arose from continuing operations.

Statement of total recognised gains and losses

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

HENDON HALL HOTEL LIMITED

Registered number 6456146

Balance Sheet

as at 26 November 2009

	Notes	26 November 2009 £	27 November 2008 £
Fixed assets			
Intangible assets	6	8	8
Tangible assets	7	10,006,334	9,859,775
Investments	8	6	6
		<u>10,006,348</u>	<u>9,859,789</u>
Current assets			
Stocks	9	11,964	10,181
Debtors	10	80,327	137,420
Cash at bank and in hand		<u>57,509</u>	<u>2,650</u>
		149,800	150,251
Creditors: amounts falling due within one year	11	(11,642,463)	(10,562,343)
Net current liabilities		<u>(11,492,663)</u>	<u>(10,412,092)</u>
Total assets less current liabilities		<u>(1,486,315)</u>	<u>(552,303)</u>
		<u>(1,486,315)</u>	<u>(552,303)</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	(1,486,317)	(552,305)
Shareholder's deficit	14	<u>(1,486,315)</u>	<u>(552,303)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2010



J Hands
Director

HENDON HALL HOTEL LIMITED

Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

1 Accounting policies

Fundamental accounting concept

The accounts have been prepared on a going concern basis on the basis of continuing financial support from the immediate parent undertaking Hand Picked Hotels Limited. The directors of the immediate parent have confirmed that they will provide such support for the foreseeable future.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

On 27 November 2008 the trade and assets arising from the operation of the hotel were transferred from the company's subsidiary undertaking. The company has operated the hotel from that date.

Turnover

In the prior period turnover arose from management fees charged to the company's subsidiary undertaking, who operated the hotel property during the period. In the current period 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.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, 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.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking.

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 group undertakings.

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.

HENDON HALL HOTEL LIMITED**Notes to the Accounts****for the period from 28 November 2008 to 26 November 2009**

2 Operating loss	2009	2008
	£	£
This is stated after charging		
Depreciation of owned fixed assets	253,876	194,860
Auditors' remuneration - audit fees	<u>3,120</u>	<u>-</u>

3 Staff costs	2009	2008
	£	£
Wages and salaries	753,352	-
Social security costs	57,063	-
Other pension costs	<u>6,986</u>	<u>-</u>
	<u>817,401</u>	<u>-</u>
Agency staff	5,661	-
	<u>823,062</u>	<u>-</u>

None of the directors received any remuneration for the period (2008 £nil)

Average number of employees during the year	Number	Number
Hotel operations	32	-
Administration	<u>4</u>	<u>2</u>
	<u>36</u>	<u>2</u>

4 Interest payable	2009	2008
	£	£
Group interest payable	<u>716,719</u>	<u>443,942</u>

HENDON HALL HOTEL LIMITED

Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

5 Taxation

	2009 £	2008 £
Current year charge		
Corporation tax	-	-
Total current tax	-	-
Deferred taxation		
Total tax	-	-
Factors affecting tax charge for the period	2009 £	2008 £
Loss on ordinary activities before tax	(934,012)	(552,305)
Loss on ordinary activities multiplied by standard rate of corporation tax 28.0% (2008 28.7%)	(261,523)	(158,512)
<i>Explained by</i>		
Expenses not deductible for corporation tax purposes	43,888	42,157
Depreciation in excess of capital allowances	28,210	13,243
Non taxable income	(4,391)	(49,396)
Unutilised losses arising in the period	198,159	152,508
Enhanced tax relief	(4,343)	-
Total current tax	-	-

Potential deferred tax assets of £83,500 (2008 £13,500) and £300,500 (2008 £150,000) have not been recognised in respect of depreciation charged in excess of capital allowances at the end of the period and tax losses carried forward available for offset against future trading profits respectively

6 Intangible fixed assets

Goodwill

Cost

At 28 November 2008 and at 26 November 2009

£
8

HENDON HALL HOTEL LIMITED

Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

7 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Assets in course of construction £	Total £
Cost				
At 28 November 2008	7,873,829	2,180,806	-	10,054,635
Additions	-	390,804	9,631	400,435
At 26 November 2009	<u>7,873,829</u>	<u>2,571,610</u>	<u>9,631</u>	<u>10,455,070</u>
Depreciation				
At 28 November 2008	46,305	148,555	-	194,860
Charge for the period	46,305	207,571	-	253,876
At 26 November 2009	<u>92,610</u>	<u>356,126</u>	<u>-</u>	<u>448,736</u>
Net book value				
At 26 November 2009	<u>7,781,219</u>	<u>2,215,484</u>	<u>9,631</u>	<u>10,006,334</u>
At 27 November 2008	<u>7,827,524</u>	<u>2,032,251</u>	<u>-</u>	<u>9,859,775</u>

Included in freehold land and buildings is freehold land of £750,000 which is not depreciated (2008 £750,000)

8 Investments

	Other investments £
Cost	
At 28 November 2008 and at 26 November 2009	<u>6</u>

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

Company	Country of registration or incorporation	Shares held Class	%
Hendon Hall Hotel (No 2) Limited	England and Wales	Ordinary	100

	2009 £	2008 £
Aggregate capital and reserves	61,363	61,363
Profit for the period	<u>-</u>	<u>61,357</u>

HENDON HALL HOTEL LIMITED

Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

9 Stocks			2009	2008
			£	£
Goods for resale			<u>11,964</u>	<u>10,181</u>
10 Debtors			2009	2008
			£	£
Trade debtors			53,612	99,678
Amounts due from fellow subsidiary undertakings			210	2,173
Other debtors			7,988	16,784
Prepayments and accrued income			<u>18,517</u>	<u>18,785</u>
			<u>80,327</u>	<u>137,420</u>
11 Creditors amounts falling due within one year			2009	2008
			£	£
Bank loans and overdrafts			-	29,824
Payments in advance			97,630	35,195
Trade creditors			66,808	38,649
Amounts due to immediate parent undertaking			11,239,829	10,281,506
Amounts due to fellow group undertakings			122,770	10,125
Amounts due to subsidiary undertaking			-	61,363
Other taxes and social security costs			55,764	60,301
Other creditors			3,911	4,196
Accruals and deferred income			<u>55,751</u>	<u>41,184</u>
			<u>11,642,463</u>	<u>10,562,343</u>
12 Share capital	2009	2008	2009	2008
	No	No	£	£
Allotted, issued and fully paid				
Ordinary shares of £1 each	2	2	<u>2</u>	<u>2</u>
13 Profit and loss account			2009	2008
			£	£
At 28 November 2008			(552,305)	-
Loss for the period			<u>(934,012)</u>	<u>(552,305)</u>
At 26 November 2009			<u>(1,486,317)</u>	<u>(552,305)</u>

HENDON HALL HOTEL LIMITED

Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

14 Reconciliation of movement in shareholder's deficit	2009	2008
	£	£
Opening shareholders' deficit	(552,303)	-
Loss for the period	(934,012)	(552,305)
Shares issued in the period	-	2
Closing shareholder's deficit	<u>(1,486,315)</u>	<u>(552,303)</u>

15 Capital commitments

The amounts contracted for but not provided for in the accounts amount to £610,000. This amount relates to the refurbishment of the hotel property.

18 Contingent liability

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 2009 was £98,596,500.

19 Ultimate parent company

The company's ultimate parent undertaking is Alscot Sarl, which is registered in Luxembourg. The company's immediate parent is Hand Picked Hotels Limited, a company registered in England and Wales. The largest and smallest group, in whose financial statements the results of the company will be consolidated is Hand Picked Hotels Limited, which is registered in England and Wales. 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.