

# Financial Statements Hotel La Tour Birmingham Limited

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**For the period ended 31 March 2012**

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COMPANIES HOUSE

**Registered number: 06885620**

## Company Information

**Directors**

J A Schofield  
A H English (resigned 1 April 2011)  
S S Ahmad (resigned 2 March 2012)  
P A Slater

**Company number**

06885620

**Registered office**

Hotel La Tour  
Albert Street  
Birmingham  
B5 5JT

**Auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
Grant Thornton House  
Kettering Parkway  
Kettering Venture Park  
Kettering  
Northamptonshire  
NN15 6XR

**Bankers**

HSBC Bank plc  
22 Abington Street  
Northampton  
Northamptonshire  
NN3 6RW

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## **Directors' Report**

**For the period ended 31 March 2012**

The directors present their report and the financial statements for the period ended 31 March 2012

### **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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

### **Principal activities and review of business**

The principal activity of the company is the development of hotels.

The results for the period and the company's financial position at the period end are shown in the attached financial statements.

The company had entered into negotiations during the period to acquire a site in central Birmingham, and secure planning permission for the construction of a superior hotel. Completion of this land acquisition took place during October 2010, and soon afterwards the main contractors began construction of the building. The hotel is scheduled to be completed in early 2012, and open for guests from Spring 2012. The building will have 174 rooms and employ hundreds of hotel and catering staff in the area.

The directors have not recommended a dividend.

### **Results**

The loss for the period, after taxation, amounted to £2,290,262 (2010 - profit £NIL).

## **Directors' Report**

**For the period ended 31 March 2012**

### **Directors**

The directors who served during the period were

J A Schofield  
A H English (resigned 1 April 2011)  
S S Ahmad (resigned 2 March 2012)  
P A Slater

### **Political and charitable contributions**

Charitable contributions in the period totalled £2,000 (2010 - £nil)

### **Provision of information to auditor**

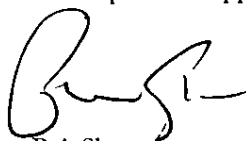
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- 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 its report and to establish that the company's auditor is aware of that information

### **Auditor**

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 18 December 2012 and signed on its behalf



P A Slater  
Director



## Independent Auditor's Report to the Members of Hotel La Tour Birmingham Limited

We have audited the financial statements of Hotel La Tour Birmingham Limited for the period ended 31 March 2012, 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 auditor**

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 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 Auditing Practices Board's (APB'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 Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 31 March 2012 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 period for which the financial statements are prepared is consistent with the financial statements.



## Independent Auditor's Report to the Members of Hotel La Tour Birmingham Limited

### **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

*Grant Thornton UK LLP*

Andrew Dixon (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Kettering  
Date

*19 DECEMBER 2012*

## Profit and Loss Account

For the period ended 31 March 2012

		Period ended 31 March 2012 £	Period ended 30 September 2010 £
	Note		
Turnover	1,2	13,114	-
Cost of sales		(193,027)	-
		<hr/>	<hr/>
Gross loss		(179,913)	-
Administrative expenses		(1,349,240)	-
		<hr/>	<hr/>
Operating loss	3	(1,529,153)	-
Interest receivable and similar income		901	-
Interest payable and similar charges	5	(762,010)	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(2,290,262)	-
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
Loss for the financial period	13	(2,290,262)	-
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2010 other than those included in the Profit and loss account

The notes on pages 7 to 14 form part of these financial statements



## Balance Sheet

As at 31 March 2012

	Note	£	31 March 2012 £	30 September 2010 £
<b>Fixed assets</b>				
Tangible assets	7		22,394,771	660,646
<b>Current assets</b>				
Stocks	8	16,107	-	-
Debtors	9	528,528	2,512,800	-
Cash at bank and in hand		169,134	-	-
		<u>713,769</u>	<u>2,512,800</u>	
<b>Creditors</b> amounts falling due within one year	10	<u>(1,767,270)</u>	<u>-</u>	
<b>Net current (liabilities)/assets</b>			<u>(1,053,501)</u>	<u>2,512,800</u>
<b>Total assets less current liabilities</b>			<u>21,341,270</u>	<u>3,173,446</u>
<b>Creditors</b> , amounts falling due after more than one year	11		<u>(23,631,531)</u>	<u>(3,173,445)</u>
<b>Net (liabilities)/assets</b>			<u><u>(2,290,261)</u></u>	<u><u>1</u></u>
<b>Capital and reserves</b>				
Called up share capital	12		1	1
Profit and loss account	13		<u>(2,290,262)</u>	<u>-</u>
<b>Shareholders' (deficit)/funds</b>	14		<u><u>(2,290,261)</u></u>	<u><u>1</u></u>

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

18 December 2012



P A Slater  
Director

The notes on pages 7 to 14 form part of these financial statements

# Notes to the Financial Statements

For the period ended 31 March 2012

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

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

The principal accounting policies are set out below and are unchanged compared with the prior year

### **1.2 Basis of preparing the financial statements**

The directors have considered the working capital needs of the business for the next 12 months and concluded that the company will be able to meet its liabilities as they fall due

On the basis of this the directors consider that the company will continue in operational existence for the foreseeable future and accordingly the directors consider it appropriate to prepare the financial statements on the going concern basis

### **1.3 Cash flow**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

### **1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts

### **1.5 Tangible fixed assets**

Assets under construction represent the cost of purchasing, constructing and installing tangible fixed assets ahead of their productive use. The category is temporary, pending completion of the assets and their transfer to the appropriate and permanent category of tangible fixed assets. As such, no depreciation is charged on assets under construction

Freehold property	-	50 years
Fixtures and fittings	-	20% per annum
Office equipment	-	20% per annum
Computer equipment	-	33% per annum

### **1.6 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

# Notes to the Financial Statements

For the period ended 31 March 2012

## 1. Accounting Policies (continued)

### 1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period

The assets of the scheme are held separately from those of the company in independently administered funds

### 1.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity. There is no effect on the financial statements as a result of this policy.

## 2. Turnover

Turnover is attributable to one activity as stated in the Report of the Directors

## 3. Operating (loss)/profit

The operating (loss)/profit is stated after charging

	Period ended 31 March 2012 £	Period ended 30 September 2010 £
Auditor's remuneration	6,000	3,500

During the period, no director received any emoluments (2010 - £NIL)

# Notes to the Financial Statements

For the period ended 31 March 2012

## 4. Staff costs

Staff costs were as follows

	Period ended 31 March 2012 £	Period ended 30 September 2010 £
Wages and salaries	518,921	-
Social security costs	53,183	-
Other pension costs	39,767	-
	<u>611,871</u>	<u>-</u>

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

	Period ended 31 March 2012 No	Period ended 30 September 2010 No
Staff	<u>7</u>	<u>0</u>

## 5. Interest payable

	Period ended 31 March 2012 £	Period ended 30 September 2010 £
On bank loans and overdrafts	141,871	-
On other loans	59,053	-
On loans from group undertakings	561,086	-
	<u>762,010</u>	<u>-</u>

# Notes to the Financial Statements

For the period ended 31 March 2012

## 6. Taxation

### Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 26% (2010 - 28%) The differences are explained below

	Period ended 31 March 2012 £	Period ended 30 September 2010 £
Loss on ordinary activities before tax	(2,290,262)	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	(595,468)	-
Effects of:		
Capital allowances for period in excess of depreciation	(294,161)	-
Creation of tax losses	860,071	-
Group relief	29,558	-
Current tax charge for the period (see note above)	-	-

## 7. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Office equipment £	Computer equipment £
<b>Cost</b>				
At 1 October 2010	-	-	-	-
Additions	18,669,188	2,664,012	92,913	308,012
Transfer between classes	660,646	-	-	-
At 31 March 2012	19,329,834	2,664,012	92,913	308,012
<b>Depreciation</b>				
At 1 October 2010 and 31 March 2012	-	-	-	-
<b>Net book value</b>				
At 31 March 2012	19,329,834	2,664,012	92,913	308,012
At 30 September 2010	-	-	-	-

# Notes to the Financial Statements

For the period ended 31 March 2012

## 7. Tangible fixed assets (continued)

	Other fixed assets £	Total £
<b>Cost</b>		
At 1 October 2010	660,646	660,646
Additions	-	21,734,125
Transfer between classes	(660,646)	-
At 31 March 2012	-	22,394,771
<b>Depreciation</b>		
At 1 October 2010 and 31 March 2012	-	-
<b>Net book value</b>		
At 31 March 2012	-	22,394,771
At 30 September 2010	660,646	660,646

## 8. Stocks

	31 March 2012 £	30 September 2010 £
Finished goods and goods for resale	16,107	-

## 9. Debtors

	31 March 2012 £	30 September 2010 £
Trade debtors	15,876	-
Other debtors	329,788	-
Prepayments and accrued income	182,864	2,512,800
	528,528	2,512,800

# Notes to the Financial Statements

For the period ended 31 March 2012

## 10. Creditors: Amounts falling due within one year

	31 March 2012	30 September 2010
	£	£
Trade creditors	1,017,141	-
Amounts owed to group undertakings	78,921	-
Social security and other taxes	18,712	-
Other creditors	292,578	-
Accruals and deferred income	359,918	-
	<u>1,767,270</u>	<u>-</u>

## 11. Creditors: Amounts falling due after more than one year

	31 March 2012	30 September 2010
	£	£
Bank loans	12,997,000	-
Amounts owed to group undertakings	10,634,531	3,173,445
	<u>23,631,531</u>	<u>3,173,445</u>

Included within the above are amounts falling due as follows

	31 March 2012	30 September 2010
	£	£
<b>Between one and two years</b>		
Bank loans	<u>700,000</u>	<u>-</u>
<b>Between two and five years</b>		
Bank loans	<u>12,297,000</u>	<u>-</u>
<b>Over five years</b>		
Amounts owed to group undertakings	<u>10,634,531</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows

	31 March 2012	30 September 2010
	£	£
Repayable other than by instalments	<u>10,634,531</u>	<u>-</u>

Bank loan is secured on freehold land and buildings Interest is charged at 3% plus base rate per annum

# Notes to the Financial Statements

For the period ended 31 March 2012

## 12. Share capital

	31 March 2012 £	30 September 2010 £
<b>Authorised, allotted, called up and fully paid</b>		
1 Equity share - ordinary share of £1	<u>1</u>	<u>1</u>

## 13. Reserves

	Profit and loss account £
Loss for the period	(2,290,262)
At 31 March 2012	<u>(2,290,262)</u>

## 14. Reconciliation of movement in shareholders' funds

	31 March 2012 £	30 September 2010 £
Opening shareholders' funds	1	-
Loss for the period	(2,290,262)	-
Shares issued during the period	-	1
Closing shareholders' (deficit)/funds	<u>(2,290,261)</u>	<u>1</u>

## 15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £39,767 (2010 - £nil).

## 16. Related party transactions

During the period the company borrowed funds amounting to £7,461,086 (2010 - £3,173,445) from Hotel La Tour Limited.

Hotel La Tour Limited recharged net costs of £78,919 (2010 - £nil) to Hotel La Tour Birmingham Limited.

The total amounts due to Hotel La Tour Limited were £10,713,450 (2010 - £3,173,446).



# Notes to the Financial Statements

For the period ended 31 March 2012

## **17. Ultimate parent undertaking and controlling party**

The company is controlled by the Hotel La Tour Limited by way of its majority shareholding

Opal Ventures Limited is the ultimate controlling party by way of its majority shareholding in Hotel La Tour Limited. Opal Ventures Limited is wholly owned by A H English (2007) Settlement