

AMENDED

**AJL Hotel Holdings Limited**

**Financial statements**

**28 February 2017**

**Company Registration Number 09900574**

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# **AJL Hotel Holdings Limited**

## **Financial statements**

**year ended 28 February 2017**

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## **AJL Hotel Holdings Limited**

### **Officers and professional advisers**

**Director**

Mr A J Lavin

**Registered office**

19 The Square  
Retford  
Nottinghamshire  
DN22 6DQ

**Auditor**

darbys limited  
chartered certified accountants & statutory auditor  
19 The Square  
Retford  
Nottinghamshire  
DN22 6DQ

**Bankers**

National Westminster  
21 The Square  
Retford  
Nottinghamshire

## AJL Hotel Holdings Limited

### Strategic report

year ended 28 February 2017

#### Introduction

The principle activity of the company is that of a holding company to a group operating hotels with bars, restaurants and health spa open to non-residents.

#### Review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The results for the year are set out on page 7.

The director considers the profit achieved on ordinary activities before taxation to be particularly satisfactory taking into consideration the competition in the local market and the current economic climate. The gross profit percentage was 37% for the year.

Adequate finance has been obtained to take advantage of business opportunities, and the directors consider the state of affairs to be satisfactory.

#### Principle risks and uncertainties

Whilst the economic conditions are improving, the director is looking to improve the share of the existing market and promote for new business.

#### Financial instruments

The company is exposed to interest rate risk from borrowings with the bank.

The company operates the bank account in credit at all times and maintains sufficient funds to meet all the business needs including bank loan and interest payments.

The bank is currently satisfied with the company's performance and the director is of the opinion that all risks are well managed.

This report was approved by the board of directors on 28 November 2017 and signed on behalf of the board by:



Mr A J Lavin  
Director

Registered office:  
19 The Square  
Retford  
Nottinghamshire  
DN22 6DQ

## **AJL Hotel Holdings Limited**

### **Director's report**

**year ended 28 February 2017**

The director presents his report and the financial statements of the group for the year ended 28 February 2017.

#### **Director**

The director who served the company during the year was as follows:

Mr A J Lavin

#### **Dividends**

Particulars of recommended dividends are detailed in note 10 to the financial statements.

#### **Director's responsibilities statement**

The director is responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies 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 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.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:


- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

# AJL Hotel Holdings Limited

## Director's report *(continued)*

year ended 28 February 2017

This report was approved by the board of directors on 28 November 2017 and signed on behalf of the board by:



Mr A J Lavin  
Director

Registered office:  
19 The Square  
Retford  
Nottinghamshire  
DN22 6DQ

## **AJL Hotel Holdings Limited**

### **Independent auditor's report to the members of AJL Hotel Holdings Limited**

**year ended 28 February 2017**

We have audited the financial statements of AJL Hotel Holdings Limited for the year ended 28 February 2017 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 director and auditor**

As explained more fully in the director's responsibilities statement, the director is 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 Ethical Standards for Auditors.

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

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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2017 and of the group's profit 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.

#### **Opinion on other matter prescribed by the companies act 2006**

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## AJL Hotel Holdings Limited

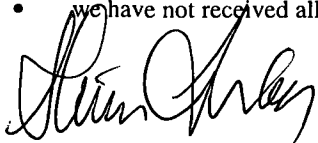
### Independent auditor's report to the members of AJL Hotel Holdings Limited *(continued)*

year ended 28 February 2017

#### 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Steven Darby (Senior Statutory Auditor)

For and on behalf of  
darbys limited  
chartered certified accountants & statutory auditor  
19 The Square  
Retford  
Nottinghamshire  
DN22 6DQ

28 November 2017



# AJL Hotel Holdings Limited

## Consolidated statement of comprehensive income

year ended 28 February 2017

	Note	£	2016 £
<b>Turnover</b>	<b>4</b>	4,628,820	2,613,460
Cost of sales		<u>2,896,416</u>	<u>1,521,810</u>
<b>Gross profit</b>		1,732,404	1,091,650
Administrative expenses		<u>1,116,743</u>	<u>593,227</u>
<b>Operating profit</b>	<b>5</b>	615,661	498,423
Interest payable and similar expenses	<b>8</b>	<u>216,886</u>	<u>78,390</u>
<b>Profit before taxation</b>		398,775	420,033
Tax on profit	<b>9</b>	<u>80,368</u>	<u>70,276</u>
<b>Profit for the financial year</b>		<u>318,407</u>	<u>349,757</u>
Revaluation of tangible assets		-	1,940,961
Tax relating to components of other comprehensive income		-	(361,142)
<b>Other comprehensive income for the year</b>		-	<u>1,579,819</u>
<b>Total comprehensive income for the year</b>		<u>318,407</u>	<u>1,929,576</u>

All the activities of the group are from continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

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**AJL Hotel Holdings Limited**  
**Consolidated statement of financial position**  
**28 February 2017**

	Note	£	2016 £
<b>Fixed assets</b>			
Intangible assets	11	905,333	1,027,333
Tangible assets	12	<u>9,827,258</u>	<u>9,534,901</u>
		10,732,591	10,562,234
<b>Current assets</b>			
Stocks		41,560	30,989
Debtors	13	246,895	332,691
Cash at bank and in hand		<u>664,766</u>	<u>461,950</u>
		953,221	825,630
<b>Creditors: amounts falling due within one year</b>	15	<u>1,859,036</u>	<u>1,590,888</u>
<b>Net current liabilities</b>		<u>905,815</u>	<u>765,258</u>
<b>Total assets less current liabilities</b>		<u>9,826,776</u>	<u>9,796,976</u>
<b>Creditors: amounts falling due after more than one year</b>	16	6,931,786	7,190,988
<b>Provisions</b>	17	<u>385,628</u>	<u>390,033</u>
<b>Net assets</b>		<u>2,509,362</u>	<u>2,215,955</u>
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Revaluation reserve	21	1,579,819	1,579,819
Profit and loss account	21	<u>929,443</u>	<u>636,036</u>
<b>Members funds</b>		<u>2,509,362</u>	<u>2,215,955</u>

These financial statements were approved by the board of directors and authorised for issue on 28 November 2017, and are signed on behalf of the board by:



Mr A J Lavin  
Director

Company registration number: 09900574

The notes on pages 13 to 23 form part of these financial statements.

**AJL Hotel Holdings Limited**  
**Company statement of financial position**  
**28 February 2017**

	Note	£	2016 £
<b>Current assets</b>			
Investments	14	3	3
Cash at bank and in hand		97	97
		<u>100</u>	<u>100</u>
<b>Net current assets</b>		<u>100</u>	<u>100</u>
<b>Total assets less current liabilities</b>		<u>100</u>	<u>100</u>
<b>Capital and reserves</b>			
Called up share capital	20	<u>100</u>	<u>100</u>
<b>Members funds</b>		<u>100</u>	<u>100</u>

The profit for the financial year of the parent company was £25,000 (2016: £25,000).

These financial statements were approved by the board of directors and authorised for issue on 28 November 2017, and are signed on behalf of the board by:



Mr A J Lavin  
Director

Company registration number: 09900574

The notes on pages 13 to 23 form part of these financial statements.

**AJL Hotel Holdings Limited**  
**Consolidated statement of changes in equity**  
**year ended 28 February 2017**

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 March 2015</b>		—	—	311,279	311,279
Profit for the year				349,757	349,757
Other comprehensive income for the year:					
Revaluation of tangible assets	12	—	1,940,961	—	1,940,961
Tax relating to components of other comprehensive income	9	—	(361,142)	—	(361,142)
<b>Total comprehensive income for the year</b>		—	1,579,819	349,757	1,929,576
Issue of shares		100	—	—	100
Dividends paid and payable	10	—	—	(25,000)	(25,000)
<b>Total investments by and distributions to owners</b>		100	—	(25,000)	(24,900)
<b>At 29 February 2016</b>		100	1,579,819	636,036	2,215,955
Profit for the year		—	—	318,407	318,407
<b>Total comprehensive income for the year</b>		—	—	318,407	318,407
Dividends paid and payable	10	—	—	(25,000)	(25,000)
<b>Total investments by and distributions to owners</b>		—	—	(25,000)	(25,000)
<b>At 28 February 2017</b>		100	1,579,819	929,443	2,509,362

The notes on pages 13 to 23 form part of these financial statements.

**AJL Hotel Holdings Limited**  
**Company statement of changes in equity**  
**year ended 28 February 2017**

		Called up share capital £	Profit and loss account £	Total £
<b>At 1 March 2015</b>		—	—	—
Profit for the year		—	25,000	25,000
<b>Total comprehensive income for the year</b>		—	25,000	25,000
Issue of shares		100	—	100
Dividends paid and payable	10	—	(25,000)	(25,000)
<b>Total investments by and distributions to owners</b>		100	(25,000)	(24,900)
<b>At 29 February 2016</b>		100	—	100
Profit for the year		—	25,000	25,000
<b>Total comprehensive income for the year</b>		—	25,000	25,000
Dividends paid and payable	10	—	(25,000)	(25,000)
<b>Total investments by and distributions to owners</b>		—	(25,000)	(25,000)
<b>At 28 February 2017</b>		100	—	100

The notes on pages 13 to 23 form part of these financial statements.

**AJL Hotel Holdings Limited**  
**Consolidated statement of cash flows**  
**year ended 28 February 2017**

	£	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	318,407	349,757
<i>Adjustments for:</i>		
Depreciation of tangible assets	138,990	72,759
Amortisation of intangible assets	122,000	59,500
Interest payable and similar expenses	216,886	78,390
Tax on profit	80,368	70,276
Accrued expenses	133,054	1,331
<i>Changes in:</i>		
Stocks	(10,571)	(17,753)
Trade and other debtors	16,157	(194,431)
Trade and other creditors	165,698	319,415
Cash generated from operations	1,180,989	739,244
Interest paid	(216,886)	(78,390)
Tax paid	(69,924)	(65,782)
Net cash from operating activities	<u>894,179</u>	<u>595,072</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(431,347)	(4,621,014)
Purchase of intangible assets	-	(750,000)
Net cash used in investing activities	<u>(431,347)</u>	<u>(5,371,014)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	100
Proceeds from borrowings	(235,016)	5,006,662
Dividends paid	(25,000)	(25,000)
Net cash (used in)/from financing activities	<u>(260,016)</u>	<u>4,981,762</u>
<b>Net increase in cash and cash equivalents</b>	202,816	205,820
<b>Cash and cash equivalents at beginning of year</b>	461,950	256,130
<b>Cash and cash equivalents at end of year</b>	<u>664,766</u>	<u>461,950</u>

The notes on pages 13 to 23 form part of these financial statements.

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## **AJL Hotel Holdings Limited**

### **Notes to the financial statements**

**year ended 28 February 2017**

#### **1. General information**

The company is a private company limited by shares, registered in England. The address of the registered office is 19 The Square, Retford, Nottinghamshire, DN22 6DQ.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Accounting policies**

##### **3.1 Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **3.2 Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

##### **3.3 Consolidation**

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The consolidated financial statements have been prepared using merger accounting. The company was formed as a holding company on 3 December 2015. The company acquired the shares of Aston Hall Hotel Limited and Hellaby Hall Hotel Limited following which the shareholders of the company remain those in place in the subsidiary acquired.

In accordance with the Companies Act 2006, the director has presented the results for the current and preceding period to show the ongoing business as a merged business throughout. Intercompany transactions and balances between group companies are therefore eliminated in full. The financial statements of Hellaby Hall Hotel Limited were prepared for the period from 18 December 2015 to 28 February 2017 and have been adjusted for transactions to 28 February 2016 on consolidation.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

## **AJL Hotel Holdings Limited**

### **Notes to the financial statements *(continued)***

**year ended 28 February 2017**

#### **3. Accounting policies *(continued)***

##### **3.4 Judgements and key sources of estimation uncertainty**

No significant judgements or key assumptions have had to be made by management in preparing these financial statements.

##### **3.5 Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

##### **3.6 Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **3.7 Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.



## AJL Hotel Holdings Limited

### Notes to the financial statements *(continued)*

year ended 28 February 2017

#### 3. Accounting policies *(continued)*

##### 3.8 Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

##### 3.9 Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

##### 3.10 Depreciation

The freehold land and buildings consist of the hotels used in the groups principal activity. No depreciation charge is made on the grounds that their estimated residual value is such that any depreciation charge would be immaterial.

Property improvements	- 20% reducing balance
Plant and machinery	- 20% and 25% reducing balance
Fixtures and fittings	- 20% reducing balance

##### 3.11 Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs: The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

## AJL Hotel Holdings Limited

### Notes to the financial statements *(continued)*

year ended 28 February 2017

#### 3. Accounting policies *(continued)*

##### Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### 3.12 Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### 3.13 Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the company statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### 3.14 Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 4. Turnover

Turnover arises from:

	£	2016 £
Rendering of services	<u>4,628,820</u>	<u>2,613,460</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

# AJL Hotel Holdings Limited

## Notes to the financial statements *(continued)*

year ended 28 February 2017

### 5. Operating profit

Operating profit or loss is stated after charging:

	£	2016 £
Amortisation of intangible assets	122,000	59,500
Depreciation of tangible assets	<u>138,990</u>	<u>72,759</u>

### 6. Auditor's remuneration

	£	2016 £
Fees payable for the audit of the financial statements	<u>7,100</u>	<u>3,100</u>
Fees payable to the company's auditor and its associates for other services: Audit-related assurance services	<u>2,000</u>	<u>1,000</u>

### 7. Staff costs

The average number of persons employed by the group during the year, including the director, amounted to:

	No	2016 No
Production staff	136	68
Administrative staff	<u>11</u>	<u>6</u>
	<u>147</u>	<u>74</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	£	2016 £
Wages and salaries	1,542,065	836,123
Social security costs	80,846	42,274
Other pension costs	<u>380</u>	<u>822</u>
	<u>1,623,291</u>	<u>879,219</u>

### 8. Interest payable and similar expenses

	£	2016 £
Interest on banks loans and overdrafts	<u>216,886</u>	<u>78,390</u>

# AJL Hotel Holdings Limited

## Notes to the financial statements *(continued)*

year ended 28 February 2017

### 9. Tax on profit

#### Major components of tax expense

	£	2016 £
<b>Current tax:</b>		
UK current tax expense	84,773	69,924
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(4,405)	352
<b>Tax on profit</b>	<u>80,368</u>	<u>70,276</u>

#### Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £Nil (2016: £361,142).

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20.08%).

	£	2016 £
Profit on ordinary activities before taxation	<u>398,775</u>	<u>420,033</u>
Profit on ordinary activities by rate of tax	79,755	84,343
Effect of capital allowances and depreciation	4,405	(422)
Utilisation of tax losses	613	(13,753)
Marginal rate relief	—	(244)
Deferred tax relating to origination and reversal of timing differences	<u>(4,405)</u>	<u>352</u>
<b>Tax on profit</b>	<u>80,368</u>	<u>70,276</u>

### 10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	£	2016 £
Dividends on equity shares	<u>25,000</u>	<u>25,000</u>

# AJL Hotel Holdings Limited

## Notes to the financial statements *(continued)*

year ended 28 February 2017

### 11. Intangible assets

Group	Goodwill £
<b>Cost</b>	
At 1 Mar 2016 and 28 Feb 2017	<u>1,220,000</u>
<b>Amortisation</b>	
At 1 March 2016	192,667
Charge for the year	<u>122,000</u>
<b>At 28 February 2017</b>	<u>314,667</u>
<b>Carrying amount</b>	
At 28 February 2017	<u>905,333</u>
At 29 February 2016	<u>1,027,333</u>

The company has no intangible assets.

### 12. Tangible assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 March 2016	9,239,566	82,776	426,678	9,749,020
Additions	<u>4,088</u>	<u>374,122</u>	<u>53,137</u>	<u>431,347</u>
<b>At 28 February 2017</b>	<u>9,243,654</u>	<u>456,898</u>	<u>479,815</u>	<u>10,180,367</u>
<b>Depreciation</b>				
At 1 March 2016	—	2,363	211,756	214,119
Charge for the year	<u>512</u>	<u>58,704</u>	<u>79,774</u>	<u>138,990</u>
<b>At 28 February 2017</b>	<u>512</u>	<u>61,067</u>	<u>291,530</u>	<u>353,109</u>
<b>Carrying amount</b>				
At 28 February 2017	<u>9,243,142</u>	<u>395,831</u>	<u>188,285</u>	<u>9,827,258</u>
At 29 February 2016	<u>9,239,566</u>	<u>80,413</u>	<u>214,922</u>	<u>9,534,901</u>

The company has no tangible assets.

# AJL Hotel Holdings Limited

## Notes to the financial statements (continued)

year ended 28 February 2017

### 12. Tangible assets (continued)

#### Tangible assets held at valuation

In respect of tangible assets held at valuation, aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

Group	Freehold property £
<b>At 28 February 2017</b>	
Aggregate cost	1,906,026
Aggregate depreciation	—
<b>Carrying value</b>	<u>1,906,026</u>
<b>At 29 February 2016</b>	
Aggregate cost	1,906,026
Aggregate depreciation	—
<b>Carrying value</b>	<u>1,906,026</u>

### 13. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	218,194	128,345	—	—
Prepayments and accrued income	28,701	204,346	—	—
	<u>246,895</u>	<u>332,691</u>	<u>—</u>	<u>—</u>

### 14. Investments

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Investments in group undertakings	—	—	3	3
	<u>—</u>	<u>—</u>	<u>3</u>	<u>3</u>

# AJL Hotel Holdings Limited

## Notes to the financial statements (continued)

year ended 28 February 2017

### 15. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	323,187	263,073	—	—
Trade creditors	284,322	302,479	—	—
Accruals and deferred income	619,696	448,743	—	—
Corporation tax	84,773	69,924	—	—
Social security and other taxes	233,124	142,320	—	—
Director loan accounts	212,144	215,852	—	—
Other creditors	101,790	148,497	—	—
	<u>1,859,036</u>	<u>1,590,888</u>	<u>—</u>	<u>—</u>

The bank loans are secured by a fixed and floating charge over the groups assets. Interest is charged at 2.1% over base rate on £261,982 and at 2% over base rate on £61,205.

### 16. Creditors: amounts falling due after more than one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	6,150,729	6,442,151	—	—
Other creditors	781,057	748,837	—	—
	<u>6,931,786</u>	<u>7,190,988</u>	<u>—</u>	<u>—</u>

Included within creditors: amounts falling due after more than one year is an amount of £4,857,976 (2016: £6,432,179) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Included within creditors: amounts falling due after more than one year is an amount of £200,000 (2016: £200,000) in respect of liabilities payable or repayable otherwise than by instalments which fall due for payment after more than five years from the reporting date.

Of the amounts falling due after more than five years, £1,118,101 is repayable over 147 months at an interest rate of 2.1% over base rate, £1,146,460 is repayable over 171 months at an interest rate of 2% over base rate, £2,593,415 is repayable over 166 months at an interest rate of 2.1% over base rate, and £200,000 is repayable after 5 years at an interest rate of 6%.

The bank loans are secured by a fixed and floating charge over the groups assets.

# AJL Hotel Holdings Limited

## Notes to the financial statements *(continued)*

year ended 28 February 2017

### 17. Provisions

Group	Deferred tax (note 18) £
At 1 March 2016	390,033
Unused amounts reversed	(4,405)
<b>At 28 February 2017</b>	<b><u>385,628</u></b>

The company does not have any provisions.

### 18. Deferred tax

The deferred tax included in the company statement of financial position is as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in provisions (note 17)	<u>385,628</u>	<u>390,033</u>	<u>-</u>	<u>-</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	24,486	28,891	-	-
Revaluation of tangible assets	<u>361,142</u>	<u>361,142</u>	<u>-</u>	<u>-</u>
	<u>385,628</u>	<u>390,033</u>	<u>-</u>	<u>-</u>

### 19. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £380 (2016: £822).

### 20. Called up share capital

#### Issued, called up and fully paid

	2017		2016	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>



## AJL Hotel Holdings Limited

### Notes to the financial statements *(continued)*

year ended 28 February 2017

#### 21. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 22. Related party transactions

##### Group

During the year sales were made to West Retford Hotel Limited, a company which Mr A J Lavin is a director of, totalling £3,328 (2016 - nil) from Hellaby Hall Hotel Limited and purchases totalling £19,373 (2016 - nil) from Hellaby Hall Hotel Limited and £2,368 (2016 - £8,950) from Aston Hall Hotel Limited. In 2013 West Retford Hotel Limited loaned Aston Hall Hotel Limited £630,000 of which £533,787 (2016 - £591,174) is outstanding at the year end, loan interest payable in respect of this loan was £17,790 (2016 - £19,837). At the balance sheet date Aston Hall Hotel Limited owed £581,057 and Hellaby Hall Hotel Limited owed £16,046.

In other creditors are loans from the director, Mr A J Lavin, the amount outstanding at the year end was £249,999 (2016 - £249,999). Of this £49,999 is repayable on demand, and loan interest of £12,000 (2016 - £12,000) was paid to Mr A J Lavin in respect of the £200,000 part of the loan.

At the year end Mr A Lavin had a directors loan account balance of £212,143 (2016 - £215,852), which is repayable on demand.

##### Company

The company has taken advantage of the exemption available in FRS 102 Section 33 - Related Party Disclosures - whereby it has not disclosed transactions with any companies in the group which are wholly owned subsidiary undertakings.

#### 23. Controlling party

The ultimate controlling party is Mr A J Lavin.