

Registered number: 10119501

**SARR HOTELS (LUTON) LTD**

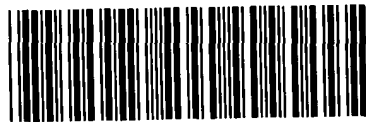
**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE PERIOD ENDED 31 MARCH 2019**

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COMPANIES HOUSE

**SARR HOTELS (LUTON) LTD**  
**REGISTERED NUMBER: 10119501**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	As at 31 March 2019 £	As at 31 December 2017 £
<b>Fixed assets</b>			
Tangible assets	4	-	7,572,867
		-	7,572,867
<b>Current assets</b>			
Stocks		-	19,423
Debtors: amounts falling due within one year	5	106,288	244,057
Cash at bank and in hand		56,617	21,551
		162,905	285,031
Creditors: amounts falling due within one year	6	(678,878)	(3,724,205)
<b>Net current liabilities</b>		(515,973)	(3,439,174)
<b>Total assets less current liabilities</b>		(515,973)	4,133,693
Creditors: amounts falling due after more than one year	7	-	(4,375,000)
<b>Provisions for liabilities</b>			
Deferred tax		-	(15,713)
		-	(15,713)
<b>Net liabilities</b>		(515,973)	(257,020)
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account		(516,073)	(257,120)
		(515,973)	(257,020)

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**SARR HOTELS (LUTON) LTD**  
**REGISTERED NUMBER: 10119501**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2019**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

  
H S Ahuja  
Director

Date:

26<sup>th</sup> August 2020.

The notes on pages 3 to 12 form part of these financial statements.

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**SARR HOTELS (LUTON) LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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**1. General information**

SARR Hotels (Luton) Ltd is a private company limited by shares and is incorporated in England and Wales within the United Kingdom. The registered office address is Noke Hotel, Watford Road, St. Albans, England, AL2 3DS. The functional and presentational currency is GBP and these financial statements are rounded to the nearest £.

The company's year end has been changed from 31 December 2018 to 31 March 2019 in order to bring it in line with other group company's. As a result, the financial statements are not entirely comparable (including any relevant notes).

**2. Accounting policies****2.1 Basis of preparation of financial statements**

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

The following principal accounting policies have been applied:

**2.2 Going concern**

The company has ceased trading during the period after the sale of the freehold hotel property. It's the directors' intention to wind up the company as soon as possible therefore all the activities were classified as discontinued during the period and the company is no longer a going concern.

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**SARR HOTELS (LUTON) LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)****2.3 Revenue**

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

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.5 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019

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2. Accounting policies (continued)

2.6 Pensions

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## SARR HOTELS (LUTON) LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Freehold property	- 30 years straight line
Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Office equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## SARR HOTELS (LUTON) LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

##### 2.14 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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**SARR HOTELS (LUTON) LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)****2.14 Financial instruments (continued)**

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**3. Employees**

The average monthly number of employees, including directors, during the period was 75 (2017 - 75).

**4. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
At 1 January 2018	7,837,768	39,523	100,000	20,934	7,998,225
Additions	15,124	1,659	-	-	16,783
Disposals	(7,852,892)	(41,182)	(100,000)	(20,934)	(8,015,008)
At 31 March 2019	-	-	-	-	-
At 1 January 2018	371,486	12,242	37,500	4,130	425,358
Charge for the period on owned assets	293,228	7,824	17,509	5,864	324,425
Disposals	(664,714)	(20,066)	(55,009)	(9,994)	(749,783)
At 31 March 2019	-	-	-	-	-
Net book value					
At 31 March 2019	-	-	-	-	-
At 31 December 2017	7,466,282	27,281	62,500	16,804	7,572,867

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**SARR HOTELS (LUTON) LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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**4. Tangible fixed assets (continued)**

The net book value of land and buildings may be further analysed as follows:

	Period ended 31 March 2019 £	Year ended 31 December 2017 £
Freehold	-	7,466,282
	<u>-</u>	<u>7,466,282</u>

**5. Debtors**

	Period ended 31 March 2019 £	Year ended 31 December 2017 £
Trade debtors	35,484	154,908
Other debtors	69,701	38,950
Prepayments and accrued income	-	49,096
Tax recoverable	1,103	1,103
	<u>106,288</u>	<u>244,057</u>

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**SARR HOTELS (LUTON) LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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**6. Creditors: Amounts falling due within one year**

	<b>Period ended 31 March 2019 £</b>	<b>Year ended 31 December 2017 £</b>
Bank loans	-	250,000
Trade creditors	183,475	459,753
Amounts owed to group undertakings	750	-
Corporation tax	-	16,981
Other taxation and social security	93,373	105,456
Other creditors	290,717	2,880,187
Accruals and deferred income	110,563	11,828
	<b>678,878</b>	<b>3,724,205</b>

**7. Creditors: Amounts falling due after more than one year**

	<b>Period ended 31 March 2019 £</b>	<b>Year ended 31 December 2017 £</b>
Bank loans	-	4,375,000
	<b>-</b>	<b>4,375,000</b>

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**SARR HOTELS (LUTON) LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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**8. Loans**

Analysis of the maturity of loans is given below:

	<b>Period ended 31 March 2019 £</b>	<b>Year ended 31 December 2017 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	-	250,000
	<hr/>	<hr/>
	-	250,000
	<hr/>	<hr/>
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	500,000
	<hr/>	<hr/>
	-	500,000
	<hr/>	<hr/>
<b>Amounts falling due 2-5 years</b>		
Bank loans	-	3,875,000
	<hr/>	<hr/>
	-	3,875,000
	<hr/>	<hr/>
	-	4,625,000
	<hr/>	<hr/>

**9. Share capital**

	<b>Period ended 31 March 2019 £</b>	<b>Year ended 31 December 2017 £</b>
<b>Authorised, allotted, called up and fully paid</b>		
100 Ordinary shares of £1.00 each	100	100
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**SARR HOTELS (LUTON) LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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**10. Related party transactions**

The directors have interest in a number of companies, either as directors, or participators, with which transactions have taken place. These are detailed below:

Amounts included within other creditors relate to shareholder loans amounted to £115,482 (2017: £1,909,210). These loans are interest free and repayable on demand.

Within debtors, the directors of the company owed to the company the amount of £nil (2017: £3,408) at the year end. The loan is interest free and repayable on demand.

**11. 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. Contributions totalling £5,901 (2017: £1,537) were payable to the fund at the balance sheet date and are included in creditors.