

Financial Statements for the Year Ended 31 December 2021

for

AGO Hotels Ltd

THURSDAY



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29/12/2022

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for the Year Ended 31 December 2021

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AGO Hotels Ltd

Company Information
for the Year Ended 31 December 2021

DIRECTORS:

L Benjamin
V J Watts

REGISTERED OFFICE:

40a Manor Road
Potters Bar
EN6 1DQ

REGISTERED NUMBER:

12747566 (England and Wales)

AUDITORS:

CapShire Audit Ltd
86-90 Paul Street
London
EC2A 4NE

Balance Sheet
31 December 2021

		31.12.21		As Restated 31.12.20	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		398,599		139,000
Investments	5		<u>100</u>		<u>-</u>
			398,699		139,000
CURRENT ASSETS					
Debtors	6	326,536		10,000	
Cash at bank and in hand		<u>917,548</u>		<u>1,061,531</u>	
		1,244,084		1,071,531	
CREDITORS					
Amounts falling due within one year	7	<u>1,015,851</u>		<u>174,841</u>	
NET CURRENT ASSETS			<u>228,233</u>		<u>896,690</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			626,932		1,035,690
CREDITORS					
Amounts falling due after more than one year	8		<u>1,660,271</u>		<u>1,159,200</u>
NET LIABILITIES			<u>(1,033,339)</u>		<u>(123,510)</u>
CAPITAL AND RESERVES					
Called up share capital	10		11,111		10,000
Retained earnings			<u>(1,044,450)</u>		<u>(133,510)</u>
SHAREHOLDERS' FUNDS			<u>(1,033,339)</u>		<u>(123,510)</u>

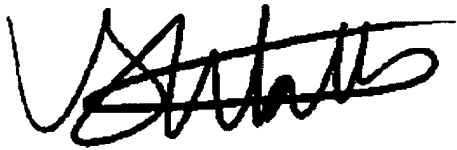
The notes form part of these financial statements

Balance Sheet - continued
31 December 2021

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 28 December 2022 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'V J Watts', with a large, stylized initial 'V'.

V J Watts - Director

1. STATUTORY INFORMATION

AGO Hotels Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The company only commenced its operations in April 2021. This has been a tough operating environment following the lifting of most of the COVID-19 restrictions around the world generally and in the UK particularly. As expected, the company incurred a loss of £910,940 for the period and have a net deficit of £1,033,339 at the period ended 31 December 2021. In spite of this the Directors are confident that the Company remains a going concern.

The Directors have prepared forecasts for more than 12 months from the date of signing these accounts, which fairly represent their best, prudent estimate of hotel trading and cash flows in the current economic environment, which forecasts show that: the Company will be able to meet its obligations and pay its creditors on normal terms in the 12 months from the date of signing these accounts. The Directors have considered contingency plans in the event of unforeseen deterioration beyond their prudent forecasts, including support from Directors Loans and reduced capital expenditure, in reliance on their forecasts and contingency plans, the Directors are happy to continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Turnover

Revenue comprises revenue from the sale of goods and the rendering of services. Revenue is measured by reference to the amounts of consideration received or receivable by the Company for goods supplied and services provided, excluding sales tax, rebates, and trade discounts.

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.

The Company has a number of different revenue streams. Revenue from room and inclusive breakfast revenue is recognised at the end of the financial day when the Company has delivered its obligations to its customers. All other revenue such as bar and restaurant takings are recognised at the point of sale, and is shown net of Value Added Tax.

The difference between the amount of income recognised and the amount invoiced on a particular contract is included in the statement of financial position as deposits, within accruals and deferred income. Amounts included in accruals in respect of deposits taken are expected to be recognised within one year and are included within current liabilities.

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.

Depreciation is charged to write off the costs by equal annual instalments over their estimated useful lives, which are considered to be:

Plant and equipment	10 years
Soft furnishings	5 years
Office equipment and fixtures and fittings	5 years
Computer equipment	3 years

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

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 Income and Retained Earnings.

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating leases

Rentals paid under operating leases are charged to the Income Statement and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 141 (2020 - 2).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2021	139,000
Additions	<u>312,457</u>
At 31 December 2021	<u>451,457</u>
DEPRECIATION	
Charge for year	<u>52,858</u>
At 31 December 2021	<u>52,858</u>
NET BOOK VALUE	
At 31 December 2021	<u>398,599</u>
At 31 December 2020	<u>139,000</u>

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	<u>100</u>
At 31 December 2021	<u>100</u>
NET BOOK VALUE	
At 31 December 2021	<u>100</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Trade debtors	25,736	-
Amounts owed by group undertakings	-	10,000
Other debtors	<u>300,800</u>	<u>-</u>
	<u>326,536</u>	<u>10,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade creditors	781,457	128,028
Amounts owed to group undertakings	113,652	-
Taxation and social security	(329,868)	46,793
Other creditors	450,610	20
	<u>1,015,851</u>	<u>174,841</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.21	31.12.20
	£	£
Amounts owed to associates	1,108,391	655,200
Other creditors	551,880	504,000
	<u>1,660,271</u>	<u>1,159,200</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.21	31.12.20
	£	£
Within one year	1,196,093	-
Between one and five years	4,784,372	-
In more than five years	13,810,581	-
	<u>19,791,046</u>	<u>-</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.21	31.12.20
			£	£
1,111,111	Ordinary	.01	<u>11,111</u>	<u>10,000</u>

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Auditors' Report on the financial statements was unqualified.

The audit report was signed on 28 December 2022 by Noor Choudhary, FCA FCCA (Senior Statutory Auditor) on behalf of Capshire Audit Ltd.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

12. RELATED PARTY DISCLOSURES

During the year services worth £185,963 (2020: nil) were received from UK1 Management Ltd (a wholly owned subsidiary) and the outstanding balance payable at the year end was £113,652 (2020: £nil).

During the year services worth £592,779 (2020: £50,001) were received from another group company, AGO Holding Ltd and the outstanding balance payable at the year end was £278,432 (2020: £60,001).

16. PRIOR PERIOD ADJUSTMENTS

Changes to the income statement

		At 31 December 2020		
	Notes	As previously reported	Adjustments at 31 December 2020	As restated
Revenue	i	273,278	(273,030)	248
Administrative expenses	ii	(272,758)	139,000	(133,758)
Profit/(Loss) for the financial year		520	(134,030)	(133,510)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

16. PRIOR PERIOD ADJUSTMENTS - continued

Changes to statement of financial position

		At 31 December 2020		
	Notes	As previously reported	Adjustments at 31 December 2020	As restated
Fixed assets				
Tangible assets	ii	-	139,000	139,000
Current assets				
Cash at bank and in hand	i	1,061,031	500	1,061,531
Creditors due within one year				
Other creditors	i	(230,990)	230,970	(20)
Creditors due after more than one year				
Amounts owed to associates	i	(655,220)	20	(655,200)
Deferred income	i	-	(504,000)	(504,000)
Net assets		174,821	(133,510)	41,311
Capital and reserves				
Profit and loss		0	(133,510)	(133,510)

Notes to prior year adjustments

i. Revenue recognition

In the period ended 31 December 2020, Key Money income was recognised upfront. Adjustments have been made to defer this income recognition over a period of 5 years. Following this adjustment, revenue recognised in the period ended 31 December 2020 is reduced by £273,030 and deferred income carried forward at 31 December 2020 is increased to £273,030.

ii. Administrative expenses

In the period ended 31 December 2020, costs relating to acquisition of fixtures and fittings were expensed therefore adjustments have been made to capitalised these costs. Following the adjustment, administrative expenses recognised in the period ended 31 December 2020 are reduced by £139,000 and Tangible fixed assets at 31 December 2020 are increased by £139,000.