

Registration number: 01033592

Silk Street Hotels Limited

Annual Report and Financial Statements

for the Year Ended 1 March 2018

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Silk Street Hotels Limited

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Silk Street Hotels Limited

Company Information

Directors	R Fairhurst D Lowry
Company secretary	Whitbread Secretaries Limited
Registered number	01033592
Registered office	Whitbread Court Houghton Hall Business Park Porz Avenue Dunstable Bedfordshire LU5 5XE
Statutory auditor	Deloitte LLP 2 New Street Square London United Kingdom

Silk Street Hotels Limited
Directors' Report for the Year Ended 1 March 2018

The directors present their report and the financial statements for the year ended 1 March 2018.

Principal activity

The Company does not trade, but earns interest on balances due from other group companies.

Directors of the Company

The directors who held office during the year were as follows:

R Fairhurst (appointed 15 May 2017)

D Lowry

C Denley (resigned 15 May 2017)

Future developments

For further information on likely future developments please see the Strategic Report included in the Annual Report and Accounts of Whitbread PLC for the year ended 1 March 2018 which are available from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire.

There were no significant events after the balance sheet date which would require disclosure in these accounts.

Going concern

The financial position of the Company is set out in these financial statements. The Company has considerable financial resources and, as a consequence, the directors believe that the Company is well placed to manage its business risks.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Qualifying third party indemnity provisions

A qualifying indemnity provision (as defined in section 236(1) of the Companies Act 2006) is in force for the benefit of the directors for the year ended 1 March 2018 and remains in place at the date of this report.

Disclosure of information to the auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006.

Silk Street Hotels Limited

Directors' Report for the Year Ended 1 March 2018

Reappointment of auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies provision statement

The Company has taken advantage of the exemption from preparing a Strategic Report, and disclosures in the Directors' Report, applying to small companies in accordance with the provisions of section 414b of the Companies Act 2006.

Approved by the Board on 18/7/2018 and signed on its behalf by:


Director
D. Wemy

Silk Street Hotels Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements 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 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.

Silk Street Hotels Limited

Independent Auditor's Report to the Members of Silk Street Hotels Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Silk Street Hotels Limited (the 'Company'), which comprise:

- the Income Statement;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the related notes 1 to 11 including the Accounting Policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), in accordance with the provisions applicable to companies subject to the small companies regime.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Silk Street Hotels Limited

Independent Auditor's Report to the Members of Silk Street Hotels Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Silk Street Hotels Limited

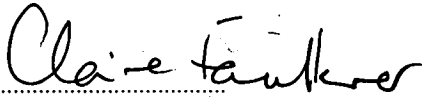
Independent Auditor's Report to the Members of Silk Street Hotels Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

We have nothing to report in respect of these matters.



Claire Faulkner (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: 20 July 2018

Silk Street Hotels Limited

Income Statement for the Year Ended 1 March 2018

	Note	Year ended 1 March 2018 £ 000	Year ended 2 March 2017 £ 000
Operating profit/(loss)		-	-
Finance revenue	4	7,906	7,371
		<u>7,906</u>	<u>7,371</u>
Profit before tax		7,906	7,371
Tax expense	7	(1,508)	1,084
Profit for the year		<u>6,398</u>	<u>8,455</u>

The above results were derived from continuing operations.

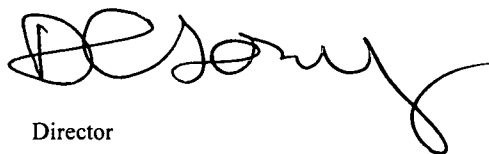
There are no items to be included in the Statement of Comprehensive Income.

The notes on pages 11 to 15 form an integral part of these financial statements.

Silk Street Hotels Limited
(Registration number: 01033592)
Balance Sheet as at 1 March 2018

	Note	1 March 2018 £ 000	2 March 2017 £ 000
Assets			
Current assets			
Trade and other receivables	8	188,360	179,370
Income tax asset	7	-	1,084
		<u>188,360</u>	<u>180,454</u>
Total assets		<u>188,360</u>	<u>180,454</u>
Liabilities			
Current liabilities			
Current tax liabilities	7	(1,508)	-
Total liabilities		<u>(1,508)</u>	<u>-</u>
Net assets		<u>186,852</u>	<u>180,454</u>
Equity			
Called up share capital	9	100	100
Capital redemption reserve		133,518	133,518
Other reserves		892	892
Retained earnings		<u>52,342</u>	<u>45,944</u>
Total equity		<u>186,852</u>	<u>180,454</u>

Approved by the Board on 18/7/2018 and signed on its behalf by:



Director

D. Lowry

The notes on pages 11 to 15 form an integral part of these financial statements.

Silk Street Hotels Limited
Statement of Changes in Equity for the Year Ended 1 March 2018

	Share capital £ 000	Capital redemption reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total equity £ 000
At 3 March 2017	100	133,518	892	45,944	180,454
Profit for the year	-	-	-	6,398	6,398
Total comprehensive income	-	-	-	6,398	6,398
At 1 March 2018	100	133,518	892	52,342	186,852

	Share capital £ 000	Capital redemption reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total equity £ 000
At 4 March 2016	100	133,518	892	37,489	171,999
Profit for the year	-	-	-	8,455	8,455
Total comprehensive income	-	-	-	8,455	8,455
At 2 March 2017	100	133,518	892	45,944	180,454

The notes on pages 11 to 15 form an integral part of these financial statements.

Silk Street Hotels Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

1 General information

The Company is a private company limited by share capital incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 2.

The financial statements are presented in pounds sterling, which is the functional currency, and all values are rounded to the nearest thousand unless otherwise stated.

The financial statements of Silk Street Hotels Limited for the year ended 1 March 2018 were authorised for issue by the Board of Directors on 18/7/2018

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and are presented in pounds sterling.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council (FRC). The financial statements have therefore been prepared in accordance with FRS 101.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member, is Whitbread Group PLC. Copies of their accounts can be obtained from Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The financial year represents 52 weeks to 1 March 2018 (prior financial year: 52 weeks to 2 March 2017).

The Company has adopted the following standards, interpretations and amendments which have been assessed as having no financial impact or disclosure requirements at this time:

- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses;
- Amendment to IAS 7 Disclosure Initiative; and
- Amendments to IFRS 12 Disclosure of Interests in Other Entities included in the Annual Improvements to IFRS Standards 2014-2016 Cycle.

Summary of disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements of Whitbread PLC.

Silk Street Hotels Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

Going concern

The financial statements have been prepared on a going concern basis. The financial position of the Company is set out in these financial statements. The Company has considerable financial resources and, as a consequence, the directors believe that the Company is well placed to manage its business risks.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Finance revenue

Interest income is recognised as the interest accrues, using the effective interest method.

Tax

The income tax charge represents both the income tax payable, based on profit for the year and deferred income tax.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise, income tax is recognised in the income statement.

Deferred income tax is recognised in full, using the liability method, in respect of temporary differences between the tax base of the Company's assets and liabilities and their carrying amounts that have originated but have not been reversed by the balance sheet date. No deferred tax is recognised if the temporary difference arises from goodwill, or the initial recognition of an asset or liability, in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred income tax is recognised in respect of taxable temporary differences associated with investments in associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Other reserves

This reserve represents dividends repayable by the shareholder. On 18 November 2008, it was determined that the shareholder had an obligation to repay £892,000, which represented the amount of dividends declared in excess of distributable reserves available.

Silk Street Hotels Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

Financial assets

Classification

The recognition of financial assets and liabilities occurs when the Company becomes party to the contractual provisions of the instrument. The derecognition of financial assets takes place when the Company no longer has the right to cash flows, the risks and rewards of ownership, or control of the asset. The derecognition of financial liabilities occurs when the obligation under the liability is discharged, cancelled or expires.

Some assets held by the Company are classified as financial assets at fair value through profit or loss. On initial recognition these assets are recognised at fair value. Subsequent measurement is also at fair value, with changes recognised through finance revenue or costs in the income statement.

Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Trade receivables are recognised and carried at original invoice amount less any uncollectable amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

3 Key accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. In the process of applying the Group's accounting policies, the Directors have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not consider there to be any for the purposes of disclosure.

4 Finance revenue

	Year ended 1 March 2018	Year ended 2 March 2017
	£ 000	£ 000
Interest received from group undertakings	7,906	7,371

5 Staff costs

The Company has no employees other than the directors, who did not receive any remuneration (2017: £Nil). All fees paid to directors as remuneration are borne by a parent company Whitbread Group PLC and it is not practical to allocate the amount for services in respect of this Company.

6 Auditor's remuneration

Audit fees for the year of £1,000 (2017: £1,000) were paid by a parent Company, Whitbread Group PLC. Information about the total audit fees paid by the Group can be found in the Whitbread PLC Annual Report and Accounts for the year ended 1 March 2018.

Silk Street Hotels Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

7 Taxation

Tax charged/(credited) in the income statement

	Year ended 1 March 2018 £ 000	Year ended 2 March 2017 £ 000
Current taxation		
UK corporation tax	1,508	-
UK corporation tax adjustment to prior periods	-	(1,084)
	<u>1,508</u>	<u>(1,084)</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2017: lower than the standard rate of corporation tax in the UK) of 19.08% (2017: 20%).

Factors affecting the tax charge for the year

	2018 £ 000	2017 £ 000
Profit before tax	<u>7,906</u>	<u>7,371</u>
Corporation tax at standard rate	1,508	1,474
Increase (decrease) in current tax from adjustment for prior periods	-	(1,084)
Decrease (increase) from effect of revenues exempt from taxation	-	(1,474)
Total tax charge/(credit)	<u>1,508</u>	<u>(1,084)</u>

Factors that may affect future tax charges:

The Finance Act 2016 reduced the main rate of UK corporation tax to 17% with effect from 1 April 2020. The effect of the new rate was included in the financial statements in 2016/17. The rate change will also impact the amount of future tax cash payments to be made by the Company.

The corporation tax balance is an liability of £1,508,000 (2017: asset of £1,084,000).

8 Debtors

	1 March 2018 £ 000	2 March 2017 £ 000
Amounts owed by group undertakings	<u>188,360</u>	<u>179,370</u>

Amounts receivable from related parties are repayable on demand and carry an average quarterly interest rate based upon the group funding.

Silk Street Hotels Limited

Notes to the Financial Statements for the Year Ended 1 March 2018

9 Share capital

In respect of voting none of the deferred shares shall carry any right to receive notice.

The Ordinary shares have attached to them full voting rights.

	1 March 2018 £	2 March 2017 £
Alloted, called up and fully paid		
100,000 Deferred shares of £1 each	100,000	100,000
13,316 Ordinary shares of US\$0.01 each	84	84
	<u>100,084</u>	<u>100,084</u>

The shares carry full voting, dividend and capital distribution rights.

10 Related party transactions

The Company is a wholly-owned subsidiary of Whitbread PLC, the ultimate controlling entity, and has taken advantage of the exemption given in Financial Reporting Standard 101 (8(k)) not to disclose transactions with other group companies.

11 Parent and ultimate parent undertaking

The immediate parent undertaking is Whitbread (Condor) Holdings Limited. The ultimate parent undertaking is Whitbread PLC.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread Group PLC, registered in England and Wales. Copies of their accounts can be obtained from the registered office at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread PLC, registered in England and Wales. Copies of their accounts can be obtained from the registered office at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.