
ASTON HOTELS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

ASTON HOTELS LIMITED
REGISTERED NUMBER: 02946395

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---------------------------------------------------------|------|--------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 3,163,720 | 3,378,229 |
| Current assets | | | |
| Stocks | 6 | 5,118 | 4,550 |
| Debtors: amounts falling due within one year | 7 | 375,180 | 304,224 |
| Cash at bank and in hand | | 185,326 | 242,268 |
| | | <u>565,624</u> | <u>551,042</u> |
| Creditors: amounts falling due within one year | 8 | (865,058) | (846,959) |
| Net current liabilities | | <u>(299,434)</u> | <u>(295,917)</u> |
| Total assets less current liabilities | | <u>2,864,286</u> | <u>3,082,312</u> |
| Creditors: amounts falling due after more than one year | 9 | (4,103,855) | (4,014,532) |
| Net liabilities | | <u>(1,239,569)</u> | <u>(932,220)</u> |
| Capital and reserves | | | |
| Called up share capital | | 1,500,000 | 1,500,000 |
| Other reserves | | - | 95,190 |
| Profit and loss account | | (2,739,569) | (2,527,410) |
| | | <u>(1,239,569)</u> | <u>(932,220)</u> |

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 income and retained earnings 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 on


G S Taylor
Director

19th September 2017

ASTON HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Aston Hotels Limited is a private company limited by shares and incorporated in England. The address of the principal place of business is Newton Park, Coatham Mundeville, Darlington, DL1 3NL.

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 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of FS JV Licence Limited as at 31 December 2016 and these financial statements may be obtained from the UK Companies House website: www.gov.uk/government/organisations/companies-house.

2.3 Going concern

The company shows net liabilities at the balance sheet date of £1,239,569. The company has received formal confirmation from its immediate parent, The Hotelier Group Limited, that the company will receive the financial support it requires to enable it to meet its liabilities as they fall due. Based on this assurance from the immediate parent company, the directors consider it appropriate to prepare the financial statements on a going concern basis.

In making their assessment of going concern, the directors have considered information for a period of at least twelve months from the date the financial statements were authorised for issue.

ASTON HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 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.

Revenue within the company comprises the following:

Income from rooms

Revenue consists of charges made for occupancy of hotel rooms and is recognised when rooms are occupied and services have been rendered.

Income from bars and restaurants

Revenue comprises sales of food and drink at the hotel and is recognised as income at the point of sale.

Income from hires

Revenues from hiring of meeting rooms, conference facilities and provision of catering services for events are recognised at the point of event date.

ASTON HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-----------------------|---------------------|
| Buildings | - 2% straight line |
| Plant and machinery | - 10% straight line |
| Fixtures and fittings | - 10% straight line |
| Computer equipment | - 33% 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 Income and Retained Earnings.

2.6 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 reporting 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.

2.7 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.

2.8 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.

ASTON HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Financial instruments

The company only enters into basic financial instruments 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 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.

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.

2.10 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.

2.11 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.12 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

ASTON HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.13 Changes in presentation

Following transition to the FRS 102 Section 1A, the directors have decided to reclassify certain items of administrative expenditure in the Statement of Income and Retained Earnings in the prior period in order to be compliant with the company's new expenditure allocation guidelines.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment, management considers factors including the current credit rating of the debtor, the ageing profile and historical experience.

Accruals

The company makes an estimate of accruals at the year end based on invoices received after the year end, work undertaken which has not been invoiced based on quotations or estimates of amounts that maybe due for payment.

4. Employees

The average monthly number of employees, including directors, during the year was 46 (2015 - 46).

ASTON HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Tangible fixed assets

| | Land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|------------------------------------------|----------------------------|-----------------------------|-------------------------------|----------------------------|------------------|
| Cost | | | | | |
| At 1 January 2016 | 3,162,448 | 25,275 | 1,662,425 | 118,657 | 4,968,805 |
| Additions | 4,426 | 3,988 | - | - | 8,414 |
| Disposals | - | - | (391) | - | (391) |
| At 31 December 2016 | <u>3,166,874</u> | <u>29,263</u> | <u>1,662,034</u> | <u>118,657</u> | <u>4,976,828</u> |
| Depreciation | | | | | |
| At 1 January 2016 | 333,629 | 12,241 | 1,134,676 | 110,030 | 1,590,576 |
| Charge for the period on owned assets | 50,599 | 2,593 | 167,809 | 1,603 | 222,604 |
| Disposals | - | - | (72) | - | (72) |
| At 31 December 2016 | <u>384,228</u> | <u>14,834</u> | <u>1,302,413</u> | <u>111,633</u> | <u>1,813,108</u> |
| Net book value | | | | | |
| At 31 December 2016 | <u>2,782,646</u> | <u>14,429</u> | <u>359,621</u> | <u>7,024</u> | <u>3,163,720</u> |
| At 31 December 2015 | <u>2,828,819</u> | <u>13,034</u> | <u>527,749</u> | <u>8,627</u> | <u>3,378,229</u> |

6. Stocks

| | 2016 £ | 2015 £ |
|------------------|--------------|--------------|
| Goods for resale | 5,118 | 4,550 |
| | <u>5,118</u> | <u>4,550</u> |

ASTON HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Debtors

| | 2016 £ | 2015 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 71,418 | 32,681 |
| Amounts owed by group undertakings | 205,422 | 163,144 |
| Other debtors | 63,569 | 82,889 |
| Prepayments and accrued income | 34,771 | 25,510 |
| | <u>375,180</u> | <u>304,224</u> |

8. Creditors: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 40,380 | 66,407 |
| Amounts owed to group undertakings | 43,909 | 46,864 |
| Other taxation and social security | 63,735 | 55,378 |
| Other creditors | 5,507 | 1,026 |
| Accruals and deferred income | 711,527 | 677,284 |
| | <u>865,058</u> | <u>846,959</u> |

9. Creditors: Amounts falling due after more than one year

| | 2016 £ | 2015 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 4,103,855 | 2,589,700 |
| Directors loans | - | 1,424,832 |
| | <u>4,103,855</u> | <u>4,014,532</u> |

Secured loans

Amounts owed to group undertakings of £4,103,855 (2015: £2,589,700) are secured over the assets of the company and bear an interest rate of 7.25% (2015: 6%) per annum. The loan is repayable in full at maturity on 4th September 2021.

Directors loans of £Nil (2015: £1,017,349) are secured over the assets of the company, £Nil (2015: £407,483) of directors loans were unsecured.

ASTON HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Changes in presentation

In the prior period the directors reclassified £640,907 of expenditure from administration expenses to costs of sales.

There has been no effect on the company's operating profit or retained earnings as a result of this change.

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. The pension cost charge represents contributions payable by the company to the fund and amounted to £9,096 (2015: £554). Contributions totalling £4,361 (2015: £158) were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

At the balance sheet date, amounts owed to former company director S S Ahluwalia of £Nil (2015: £407,483) are unsecured and interest free. Loans of £Nil (2015: £1,017,349) were interest bearing at an interest rate of 6% per annum and were repaid in full during the year.

Interest charged on this loan during the year amounted to £95,556 (2015: £92,781).

13. Controlling party

The ultimate parent company is FS JV License Limited, whose registered office is 54 Portland Place, London, W1B 1DY.

ASTON HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

| | | As previously stated 1 January 2015 £ | Effect of transition 1 January 2015 £ | FRS 102 (as restated) 1 January 2015 £ | As previously stated 31 December 2015 £ | Effect of transition 31 December 2015 £ | FRS 102 (as restated) 31 December 2015 £ |
|---------------------------------------------------------|------|---------------------------------------------------|---------------------------------------------------|----------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------|
| | Note | | | | | | |
| Fixed assets | | 3,599,499 | - | 3,599,499 | 3,378,229 | - | 3,378,229 |
| Current assets | | 418,051 | - | 418,051 | 551,042 | - | 551,042 |
| Creditors: amounts falling due within one year | | (706,823) | - | (706,823) | (846,959) | - | (846,959) |
| Net current liabilities | | (288,772) | - | (288,772) | (295,917) | - | (295,917) |
| Total assets less current liabilities | | 3,310,727 | - | 3,310,727 | 3,082,312 | - | 3,082,312 |
| Creditors: amounts falling due after more than one year | 1 | (4,064,897) | 73,430 | (3,991,467) | (4,064,897) | 50,365 | (4,014,532) |
| Net liabilities | | (754,170) | 73,430 | (680,740) | (982,585) | 50,365 | (932,220) |
| Capital and reserves | 1 | (754,170) | 73,430 | (680,740) | (982,585) | 50,365 | (932,220) |

ASTON HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. First time adoption of FRS 102 (continued)

| | | As previously stated 31 December 2015 £ | Effect of transition 31 December 2015 £ | FRS 102 (as restated) 31 December 2015 £ |
|------------------------------------------------------------------------------|------|--------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------|
| | Note | | | |
| Turnover | | 1,662,746 | - | 1,662,746 |
| Cost of sales | 2 | (241,880) | (640,907) | (882,787) |
| | | <u>1,420,866</u> | <u>(640,907)</u> | <u>779,959</u> |
| Administrative expenses | | (1,404,923) | 640,907 | (764,016) |
| | | <u>15,943</u> | <u>-</u> | <u>15,943</u> |
| Operating profit | | | | |
| Interest payable and similar charges | 1 | (244,358) | (23,065) | (267,423) |
| | | <u>(228,415)</u> | <u>(23,065)</u> | <u>(251,480)</u> |
| Loss on ordinary activities after taxation and for the financial year | | <u>(228,415)</u> | <u>(23,065)</u> | <u>(251,480)</u> |

Explanation of changes to previously reported profit and equity:

1 The company received interest free loans from a director that were payable after more than one year. Under previous UK GAAP these loans were carried at historical cost. As the loans were not interest bearing at a market rate, they were considered to be financing transactions and therefore initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt. The amount of the discount on initial recognition was recognised by the company as a capital reserve.

An interest expense was recognised in the profit or loss to reflect this financial liability that had not been recognised at fair value.

2 Reclassification of costs in accordance with note 10 in the financial statements.

15. Auditors information

The auditor is Nyman Libson Paul. The auditors' report, which was unqualified, was signed by Mr Richard Paul as senior statutory auditor.