

Company Registration No. 03346172 (England and Wales)

**Hotel du Vin (Tunbridge Wells) Limited**  
**Directors' report and financial statements**  
**For the year ended 30 June 2014**

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# **Hotel du Vin (Tunbridge Wells) Limited**

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# **Hotel du Vin (Tunbridge Wells) Limited**

## **Strategic report**

**For the year ended 30 June 2014**

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The directors present their strategic report and financial statements for the year ended 30 June 2014.

### **Review of the business**

The Company engaged in the management of a hotel and restaurant under the Hotel du Vin brand.

The Board are pleased to report that, in the first full year of trading under new ownership, the business has continued to go from strength to strength, delivering a solid performance mirroring the upturn seen generally in the UK economy.

### **Risk management**

The Board and Senior Executive team identify and evaluate risks and uncertainties in the period covered by its Business Plan and design controls to mitigate these. Responsibility for management of each key risk is identified and delegated to specific executives within the business. As a company operating in the hospitality industry, areas of risk specific to the Company include those involving Market Risk, Health & Safety Risk and Financial Risk. A review of the impact on the Company and the measures in place to mitigate those risks are detailed below.

**Market Risk - Loss of market share through competitor activity**

Mitigation controls are in place to outperform the competition and are developed both at a strategic brand level and a tactical local level. Market information is available to establish position and to enable actions through pricing decisions and sales activities to maintain market position.

**Health & Safety Risk - Serious injury as a result of Company negligence**

The Group engages a third party health and safety audit company which is independent of the group to carry out regular health and safety site audits to ensure adherence with all current policies and procedures.

**Financial Risk - Impact of economic factors that affect our customers or our costs**

Mitigation controls to financial risks as a result of the broader general economic factors and their impact are managed through our ability to be flexible with our customer base and react swiftly to change in our cost base.

### **Position at year end**

On 30 June 2014, as part of a group-wide restructuring, the Company's trade and assets were sold to Hotel du Vin Trading Limited, a fellow subsidiary fully owned within the Malmaison and Hotel du Vin Group. The purpose of this restructuring was to simplify the administrative structure of the Group. Further information on how the decision to restructure the group has affected these financial statements can be found in note 1.

# Hotel du Vin (Tunbridge Wells) Limited

## Strategic report (continued)

For the year ended 30 June 2014

### Key performance indicators

Key performance indicators ("KPI's") are set by the Board at both Group and Company level. They are set across both financial and non-financial areas of the business to assist in giving a balanced outcome. At Company level the indicators will include targets for sales and profit growth along with the maintenance and improvement of Brand Standards. Certain targets are commercially sensitive but are set in the budget process against a realistic but stretching view of the markets in the coming year and in the context of continued brand growth and outperformance.

	2014	2013
Sales - % Growth over previous year	(1.90)%	5.40%
*EBITDAR - % Growth over previous year	2.80%	33.60%

The Company's results were considered to be acceptable given the prevailing market conditions and the relative performance of its nearest competitors.

\*EBITDAR - Earnings Before Interest Tax Depreciation Amortisation and Rent

On behalf of the board

  
.....  
P Roberts  
Director  
.....  


# Hotel du Vin (Tunbridge Wells) Limited

## Directors' report

For the year ended 30 June 2014

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The directors present their report and financial statements for the year ended 30 June 2014.

### Results and dividends

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

The directors do not recommend payment of an ordinary dividend (2013 - £nil).

### Directors

The following directors have held office since 1 July 2013:

P Roberts  
G Davis

### Auditors

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditors of the company will be put at a General Meeting.

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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.

# Hotel du Vin (Tunbridge Wells) Limited

## Directors' report (continued)

For the year ended 30 June 2014

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

One Fleet Place  
London  
EC4M 7WS

  
P Roberts

Director 8/1/15

Hotel du Vin (Tunbridge Wells) Limited  
Company Registration No. 03346172

# **Hotel du Vin (Tunbridge Wells) Limited**

## **Independent auditors' report**

### **To the members of Hotel du Vin (Tunbridge Wells) Limited**

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We have audited the financial statements of Hotel du Vin (Tunbridge Wells) Limited for the year ended 30 June 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As described in note 1, the financial statements have not been prepared on a going concern basis.

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 auditors' 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 directors and auditors**

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. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Hotel du Vin (Tunbridge Wells) Limited

## Independent auditors' report (continued)

### To the members of Hotel du Vin (Tunbridge Wells) Limited

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#### 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, 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.



Ian Clayden (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor

55 Baker Street

London, W1U 7EU

9/01/2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Hotel du Vin (Tunbridge Wells) Limited

### Profit and loss account

For the year ended 30 June 2014

	Notes	2014 £	2013 £
Turnover	2	3,481,169	3,550,262
Cost of sales		(1,644,988)	(1,695,749)
Gross profit		1,836,181	1,854,513
Administrative expenses		(2,060,145)	(2,170,242)
Loss on ordinary activities before taxation	3	(223,964)	(315,729)
Tax on loss on ordinary activities	4	-	-
Loss for the year	11	(223,964)	(315,729)

All amounts in the current and prior year relate to discontinued operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 9 to 15 form part of these financial statements.

# Hotel du Vin (Tunbridge Wells) Limited

## Balance sheet

As at 30 June 2014

	Notes	30 June 2014 £	30 June 2013 £
<b>Fixed assets</b>			
Tangible assets	5	-	569,129
<b>Current assets</b>			
Stocks	6	-	69,061
Debtors	7	35,782	6,434,421
Cash at bank and in hand		-	65,123
		<u>35,782</u>	<u>6,568,605</u>
<b>Creditors: amounts falling due within one year</b>	8	-	<u>(7,377,988)</u>
<b>Net current assets/(liabilities)</b>		<u>35,782</u>	<u>(809,383)</u>
<b>Total assets less current liabilities</b>		<u><u>35,782</u></u>	<u><u>(240,254)</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	2	400,000
Share premium account	11	499,999	-
Profit and loss account	11	<u>(464,219)</u>	<u>(640,254)</u>
<b>Shareholders' funds/(deficit)</b>	12	<u><u>35,782</u></u>	<u><u>(240,254)</u></u>

The notes on pages 9 to 15 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 28/1/15 and were signed on its behalf by:

.....  
P Roberts  
Director

Hotel du Vin (Tunbridge Wells) Limited  
Company Registration No. 03346172

# Hotel du Vin (Tunbridge Wells) Limited

## Notes to the financial statements

For the year ended 30 June 2014

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### 1 Accounting policies

#### 1.1 Accounting conventions

##### *Basis of preparation*

The financial statements are prepared under the historical cost convention.

##### *Going concern*

As described in the Strategic report on page 1, the trade and assets of the Company were transferred to Hotel du Vin Trading Limited during the year. As a result the Directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. There have been no effects on the measurement and recognition of the Company's assets and liabilities of preparing the financial statements on a basis other than that of a going concern.

##### *FRS1 exemption*

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group and the consolidated accounts are publically available.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. It is recognised at the point services are provided to the guest. Deposits received are held on the balance sheet and shown as a current liability.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation and any recognised impairment losses. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	straight line over 100 years
Fixtures and fittings	straight line over 5-10 years

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Stock

Work in progress is valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

# Hotel du Vin (Tunbridge Wells) Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2014

### 1 Accounting policies

(continued)

#### 1.8 Deferred taxation

Deferred taxation is recognised in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes, except that deferred tax assets are recognised only to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted.

### 2 Turnover

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating loss

	2014 £	2013 £
Operating loss is stated after charging:		
Depreciation of tangible assets	166,001	159,497
Operating lease rentals	838,085	850,707
Fees for the audit of the Company	1,000	1,000
and after crediting:		
Profit on disposal of intangible assets	(8)	-

# Hotel du Vin (Tunbridge Wells) Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2014

4	Taxation	2014 £	2013 £
	<b>Total current tax</b>	-	-
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(223,964)	(315,729)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.50% (2013 - 23.75%)	(50,392)	(74,986)
	Effects of:		
	Non deductible expenses	1,725	6,733
	Accelerated capital allowances	37,350	37,881
	Group relief surrendered to fellow subsidiaries for no consideration	11,317	30,372
		50,392	74,986
	<b>Current tax charge for the year</b>	-	-

The Company has estimated losses of £nil (2013 - £170,000) available for carry forward against future trading profits.

# Hotel du Vin (Tunbridge Wells) Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2014

### 5 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 July 2013	10,000	1,370,265	1,380,265
Additions	-	57,699	57,699
Disposals	(10,000)	(1,427,964)	(1,437,964)
At 30 June 2014	-	-	-
<b>Depreciation</b>			
At 1 July 2013	400	810,736	811,136
On disposals	(500)	(976,637)	(977,137)
Charge for the year	100	165,901	166,001
At 30 June 2014	-	-	-
<b>Net book value</b>			
At 30 June 2014	-	-	-
At 30 June 2013	9,600	559,529	569,129

On 30 June 2014, the trade and assets of the Company were sold at carrying value to a fellow subsidiary, Hotel du Vin Trading Limited.

6 Stocks	2014 £	2013 £
Finished goods and goods for resale	-	69,061

During the period there were no inventory write downs recognised as an expense within cost of sales (2013 - £8,443).

7 Debtors	2014 £	2013 £
Trade debtors	-	79,306
Amounts owed by parent and fellow subsidiary undertakings	35,782	6,029,705
Prepayments and accrued income	-	325,410
	35,782	6,434,421

# Hotel du Vin (Tunbridge Wells) Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2014

8	Creditors: amounts falling due within one year	2014 £	2013 £
	Trade creditors	-	388,883
	Amounts owed to parent and fellow subsidiary undertakings	-	6,911,759
	Taxation and social security	-	21,381
	Other creditors	-	4,650
	Accruals and deferred income	-	51,315
		<u>-</u>	<u>7,377,988</u>

## 9 Pension and other post-retirement benefit commitments

### Defined contribution

	2014 £	2013 £
Contributions payable by the Company for the year	<u>12,793</u>	<u>9,353</u>

10	Share capital	2014 £	2013 £
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	<u>2</u>	<u>400,000</u>

During the year, the Company undertook a share reduction exercise that resulted in Ordinary Shares with a par value of £399,999 being cancelled and converted into reserves. The Company also issued 1 ordinary share of £1, allotted and fully paid for consideration of £500,000 to assist in recapitalising the Company.

## 11 Statement of movements on reserves

	Notes	Share premium account £	Profit and loss account £
Balance at 1 July 2013		-	(640,254)
Loss for the year		-	(223,964)
Share capital reduction		-	399,999
Premium on shares issued during the year		<u>499,999</u>	-
Balance at 30 June 2014		<u>499,999</u>	<u>(464,219)</u>

# Hotel du Vin (Tunbridge Wells) Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2014

12 Reconciliation of movements in shareholders' funds	Notes	2014 £	2013 £
Loss for the financial year		(223,964)	(315,729)
Proceeds from issue of shares		500,000	-
Net addition to/(depletion in) shareholders' funds/(deficit)		276,036	(315,729)
Opening shareholders' (deficit)/funds		(240,254)	75,475
Closing shareholders' funds/(deficit)		35,782	(240,254)

### 13 Contingent liabilities

The Company is registered with HM Revenue and Customs as a member of a Group for VAT purposes. As a result, it is jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of VAT payable. The estimated liability to the Group at the period end amounted to £1.9m (2013 - £1.9m).

### 14 Financial commitments

At 30 June 2014 the Company was committed to making the following annual payments under non-cancellable operating leases in the year to 30 June 2015:

	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
In over five years	-	850,707



# Hotel du Vin (Tunbridge Wells) Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2014

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014	2013
Directors	2	2
Hotel administration	53	55
	<u>55</u>	<u>57</u>

#### Employment costs

	2014 £	2013 £
Wages and salaries	910,950	930,051
Social security costs	79,071	82,059
Other pension costs	12,793	9,353
	<u>1,002,814</u>	<u>1,021,463</u>

None of the directors received any emoluments from the Company for their services during the period (2013 - £nil).

### 16 Control

The immediate parent company is Hotel du Vin Limited, a company registered in England. The ultimate parent company is Monroe Offshore GP Limited, a company registered in the Cayman Islands. The Company's results are consolidated in the sub-groups headed by Malmaison Hotel du Vin Holdings Limited and MHDV Holdings (UK) Limited, both companies being registered in England.

### 17 Related party transactions

The Company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the Company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.