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HEATHLAND HOTELS LIMITED

FINANCIAL STATEMENTS - FILING COPY

FOR THE YEAR ENDED 31 OCTOBER 2017

GSM&Co

Griffin Stone Moscrop & Co
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

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HEATHLAND HOTELS LIMITED

COMPANY INFORMATION

Directors	Mr R A Frenkel Mrs C F Acker Mrs J A Allcock
Registered number	03542942
Registered office	The Birch Hotel Lewes Road Haywards Heath West Sussex RH17 7SF
Independent auditors	Griffin Stone Moscrop & Co Chartered Accountants & Statutory Auditors 21-27 Lamb's Conduit Street London WC1N 3GS

HEATHLAND HOTELS LIMITED

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HEATHLAND HOTELS LIMITED
REGISTERED NUMBER:03542942

BALANCE SHEET
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	1,728,159	1,763,864
		<u>1,728,159</u>	<u>1,763,864</u>
Current assets			
Stocks	6	10,654	9,863
Debtors: amounts falling due within one year	7	77,874	69,314
Cash at bank and in hand	8	90,581	53,720
		<u>179,109</u>	<u>132,897</u>
Creditors: amounts falling due within one year	9	(340,072)	(290,286)
Net current liabilities		<u>(160,963)</u>	<u>(157,389)</u>
Total assets less current liabilities		<u>1,567,196</u>	<u>1,606,475</u>
Creditors: amounts falling due after more than one year	10	(240,000)	(355,000)
Provisions for liabilities			
Deferred tax	13	(17,929)	(15,973)
		<u>(17,929)</u>	<u>(15,973)</u>
Net assets		<u><u>1,309,267</u></u>	<u><u>1,235,502</u></u>
Capital and reserves			
Called up share capital		2,000,000	2,000,000
Share premium account		63,020	63,020
Profit and loss account		(753,753)	(827,518)
		<u>1,309,267</u>	<u>1,235,502</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 comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

HEATHLAND HOTELS LIMITED
REGISTERED NUMBER:03542942

BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2017

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



.....
Mr R A Frenkel
Director

Date: 22 February 2018

The notes on pages 3 to 10 form part of these financial statements.

HEATHLAND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

1. General information

Heathland Hotels Limited is a private company limited by shares, and is incorporated in the United Kingdom and registered in England and Wales under company registration number 03542942. The registered office address is The Birch Hotel, Lewes Road, Haywards Heath, West Sussex, RH17 7SF.

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 Republic of Ireland, and the Companies Act 2006.

The presentation currency in these financial statements is sterling and figures are rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see Note 3).

The following principal accounting policies have been applied:

2.2 Going concern

At 31 October 2017 the company had net current liabilities of £160,963 (2016 - £157,389). The company relies on the support of one of its directors in order to meet its liabilities as they fall due. The director concerned has confirmed that he will not demand repayment of the amounts owed to him by the company until such time as the company has sufficient resources in order for it to do so. On this basis the directors believe it is appropriate to prepare the financial statements on the going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable by the company in respect of goods supplied and services rendered during the year, excluding discounts, rebates, value added tax and other sales taxes, and consists of room rentals, food and beverage sales and other guest services. Turnover is recognised when rooms are occupied or goods and services have been supplied or rendered.

Customer deposits are not recognised until services are rendered and are deferred as liabilities.

The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

HEATHLAND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.4 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 so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

Freehold property	- 2% to 10% on a straight line basis
Fixtures, fittings and equipment	- 10% to 25% on a straight line basis
Computer equipment	- 20% to 50% on a straight line basis

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.

2.5 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.

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

2.6 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.

2.7 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.

2.8 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.

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.

HEATHLAND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.13 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.14 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.

2.15 Current and deferred taxation

The tax expense for the year 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.

HEATHLAND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.15 Current and deferred taxation (continued)

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.

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

In preparing these financial statements, the directors are required to make judgements, estimates and assumptions about the carrying amount of the assets and liabilities that are not obtainable from other sources. Judgements, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates, but are unlikely to be material.

4. Employees

The average monthly number of employees, including directors, during the year was 36 (2016 - 42).

HEATHLAND HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

5. Tangible fixed assets

	Freehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 November 2016	2,534,029	838,977	3,373,006
Additions	-	38,622	38,622
Disposals	-	(51,837)	(51,837)
At 31 October 2017	<u>2,534,029</u>	<u>825,762</u>	<u>3,359,791</u>
Depreciation			
At 1 November 2016	872,711	736,431	1,609,142
Charge for the year on owned assets	46,120	27,278	73,398
Disposals	-	(50,906)	(50,906)
At 31 October 2017	<u>918,831</u>	<u>712,803</u>	<u>1,631,634</u>
Net book value			
At 31 October 2017	<u><u>1,615,198</u></u>	<u><u>112,959</u></u>	<u><u>1,728,157</u></u>
At 31 October 2016	<u><u>1,661,318</u></u>	<u><u>102,546</u></u>	<u><u>1,763,864</u></u>

6. Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>10,654</u>	<u>9,863</u>

7. Debtors

	2017 £	2016 £
Trade debtors	46,963	44,656
Other debtors	700	-
Prepayments and accrued income	30,211	24,658
	<u>77,874</u>	<u>69,314</u>

HEATHLAND HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	90,581	53,720

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	60,000	60,000
Trade creditors	124,404	81,325
Corporation tax	25,990	10,745
Other taxation and social security	72,203	82,904
Other creditors	3,018	4,883
Accruals and deferred income	54,457	50,429
	340,072	290,286

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

	2017 £	2016 £
Other loans	240,000	355,000

11. Loans

An analysis of the maturity of other loans included in creditors is given below:

	2017 £	2016 £
Amounts falling due within one year	60,000	60,000
Amounts falling due 1-2 years	60,000	60,000
Amounts falling due 2-5 years	140,000	175,000
Amounts falling due after more than 5 years	40,000	120,000
	300,000	415,000

HEATHLAND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

12. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	90,581	53,720

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

13. Deferred taxation

	2017 £	2016 £
At beginning of year	15,973	19,231
Charged/(Credited) to profit or loss	1,956	(3,258)
At end of year	17,929	15,973

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	17,929	15,973

14. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000

15. Pension commitments

The company operates a defined contribution 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 £5,349 (2016 - £5,683). Contributions totalling £942 (2016 - £823) were payable to the fund at the balance sheet date and are included in creditors.

HEATHLAND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

16. Related party transactions

During the year, loans of £80,000 (2016 - £nil) were repaid to R. A. Frenkel, a director of the company. At the balance sheet date, the company owed £240,000 (2016 - £320,000) to R. A. Frenkel. Interest was charged on this loan at a commercial rate and totalled £8,708 (2016 - £11,318) during the year.

During the year, loans of £35,000 (2016 - £20,000) were repaid to The Court Hotel (Bromley) Limited. At the balance sheet date, loans from The Court Hotel (Bromley) Limited totalling £60,000 (2016 - £95,000) remained outstanding. Interest was charged on these loans at a commercial rate and totalled £2,460 (2016 - £3,183) during the year.

17. First time adoption of FRS 102

It is the first year that the company has presented its financial statements under FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The last financial statements prepared under previous UK GAAP were for the year ended 31 October 2016 and the date of transition to FRS 102 was 1 November 2015.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 October 2017 was unqualified.

The audit report was signed on 20 March 2018 by David Wells FCA (senior statutory auditor) on behalf of Griffin Stone Moscrop & Co.