

**REGISTRAR OF  
COMPANIES**

**Lime Wood Group Limited**

**Annual Report and Consolidated Financial Statements  
Year Ended 31 December 2018**

Registration number: 03811108

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# **Lime Wood Group Limited**

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# Lime Wood Group Limited

## Strategic Report

Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

### Principal activity

The principal activity of the company is that of hoteliers.

### Fair review of the business

Lime Wood's Sales have increased by 8% over the previous year, with an increase in EBITDA before head office expenses of 9%.

The Sales at Portetta have increased by 10% and EBITDA has increased by 27%. Good snow conditions during the season aided this growth.

These financial statements have been prepared on a going concern basis, despite the excess of current liabilities over current assets shown on the consolidated balance sheet. The excess of current liabilities over current assets on the consolidated balance sheet is due to shareholder loans of £1,152,155 and €13,378,333 which have no repayment terms and are therefore repayable on demand and classified as a current liability. The shareholder has confirmed that they will continue to support the group and although the loans are repayable on demand they do not intend to recall the loan within 12 months of approving the accounts.

The company's key financial and other performance indicators during the year were occupancy, covers and spends.

Approved by the Board on 30/9/19 and signed on its behalf by:

  
R Hutson  
Director

# **Lime Wood Group Limited**

## **Directors' Report**

### **Year Ended 31 December 2018**

The directors present their report and the for the year ended 31 December 2018.

#### **Directors of the group**

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

R C Hutson

B R Foster

A Hartnett

#### **Financial risk management**

The group's activities expose it to a variety of financial risks. The board reviews and agrees policies for managing these risks at regular intervals dependent on circumstances. The company's principal financial instruments include assets and liabilities such as trade receivables and payables arising directly from its operations.

The business' principal financial instruments comprise bank balances and loans to the business. The main purpose of these instruments is to finance the business' operations.

#### **Liquidity risk**

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring that sufficient liquid resources are available to meet operating needs of the business.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Loans comprise loans from financial institutions and J Ratcliffe. The interest rates and monthly repayments are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

The group has adequate short-term debt finance to maintain liquidity and to ensure sufficient funds are available for ongoing operations and future developments.

#### **Credit risk**

New customers who wish to take on credit terms are subject to credit verification procedures. Trade receivables are monitored on an ongoing basis and provision is made for doubtful debts where necessary. Due to the nature of operations credit risk is not deemed a significant risk.

#### **Exchange rate risk**

The group is exposed to exchange rate risk due to operations outside of the UK. The group operates foreign currency bank accounts to mitigate this risk.

# **Lime Wood Group Limited**

## **Directors' Report**

**Year Ended 31 December 2018**

### **Employment of disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is provided. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

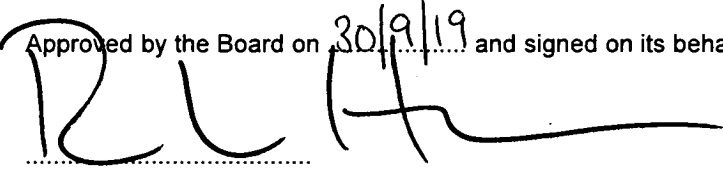
The group's policy is to consult and discuss with employees, through unions, staff councils and at staff meetings matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

### **Disclosure of information to the auditor**

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 30/9/19 and signed on its behalf by:

  
.....  
R C Hutson  
Director

# **Lime Wood Group Limited**

## **Statement of Directors' Responsibilities**

### **Directors' responsibilities**

The directors acknowledge their responsibilities 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 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 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; and
- 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.

# **Lime Wood Group Limited**

## **Independent Auditor's Report to the Members of Lime Wood Group Limited**

### **Opinion**

We have audited the financial statements of Lime Wood Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's profit 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.

### **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 group 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you 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 group's or the parent 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.

### **Other information**

The directors are responsible for the 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.

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 this regard.

# **Lime Wood Group Limited**

## **Independent Auditor's Report to the Members of Lime Wood Group Limited**

### **Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.



# Lime Wood Group Limited

## Independent Auditor's Report to the Members of Lime Wood Group Limited

### **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](http://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.



Daniel Tout FCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Towngate House  
2-8 Parkstone Road  
Poole  
Dorset  
BH15 2PW

30 September 2019

# Lime Wood Group Limited

## Consolidated Profit and Loss Account

Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	16,789,509	15,492,186
Cost of sales		<u>(2,814,837)</u>	<u>(2,618,926)</u>
Gross profit		13,974,672	12,873,260
Administrative expenses		(13,230,663)	(12,188,598)
Other operating income	4	<u>10,010</u>	<u>15,960</u>
Operating profit	5	<u>754,019</u>	<u>700,622</u>
Other interest receivable and similar income	8	98,075	96,108
Interest payable and similar charges	9	<u>(169,282)</u>	<u>(166,361)</u>
		<u>(71,207)</u>	<u>(70,253)</u>
Profit before tax		682,812	630,369
Taxation	10	<u>(49,656)</u>	<u>(221,611)</u>
Profit for the financial year		<u>633,156</u>	<u>408,758</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>633,156</u>	<u>408,758</u>

## **Lime Wood Group Limited**

### **Consolidated Statement of Comprehensive Income**

**Year Ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit for the year	633,156	408,758
Foreign currency translation gains/(losses)	<u>72,138</u>	<u>105,930</u>
Total comprehensive income for the year	<u>705,294</u>	<u>514,688</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u>705,294</u>	<u>514,688</u>

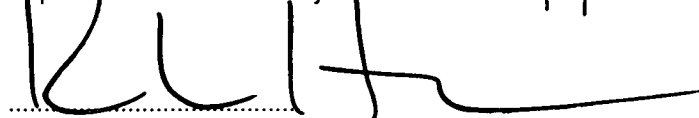
# Lime Wood Group Limited

## Consolidated Balance Sheet

31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	11	23,850	29,766
Tangible assets	12	39,027,606	38,996,726
Investment property	13	<u>225,000</u>	<u>225,000</u>
		<u>39,276,456</u>	<u>39,251,492</u>
<b>Current assets</b>			
Stocks	15	500,309	560,934
Debtors	16	5,068,921	4,517,893
Cash at bank and in hand	17	<u>573,300</u>	<u>1,446,168</u>
		6,142,530	6,524,995
<b>Creditors: Amounts falling due within one year</b>	18	<u>(19,113,647)</u>	<u>(19,131,885)</u>
<b>Net current liabilities</b>		<u>(12,971,117)</u>	<u>(12,606,890)</u>
<b>Total assets less current liabilities</b>		26,305,339	26,644,602
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(6,321,704)</u>	<u>(7,366,261)</u>
<b>Net assets</b>		<u>19,983,635</u>	<u>19,278,341</u>
<b>Capital and reserves</b>			
Called up share capital	20	28,869	28,869
Share premium reserve		70,458,730	70,458,730
Other reserves		97,120	97,120
Profit and loss account		<u>(50,601,084)</u>	<u>(51,306,378)</u>
Equity attributable to owners of the company		<u>19,983,635</u>	<u>19,278,341</u>
<b>Total equity</b>		<u>19,983,635</u>	<u>19,278,341</u>

Approved and authorised by the Board on 30/9/19 and signed on its behalf by:



R C Hutson  
Director

Company Registration Number: 03811108

# Lime Wood Group Limited

## Balance Sheet

31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	25,565,023	24,717,566
Investment property	13	225,000	225,000
Investments	14	<u>14,645,913</u>	<u>14,645,913</u>
		<u>40,435,936</u>	<u>39,588,479</u>
<b>Current assets</b>			
Stocks	15	412,223	479,035
Debtors	16	4,707,995	4,152,859
Cash at bank and in hand	17	<u>191,493</u>	<u>1,106,673</u>
		5,311,711	5,738,567
<b>Creditors: Amounts falling due within one year</b>	18	<u>(5,241,119)</u>	<u>(5,131,160)</u>
<b>Net current assets</b>		<u>70,592</u>	<u>607,407</u>
<b>Total assets less current liabilities</b>		40,506,528	40,195,886
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(5,060,000)</u>	<u>(5,780,000)</u>
<b>Net assets</b>		<u>35,446,528</u>	<u>34,415,886</u>
<b>Capital and reserves</b>			
Called up share capital	20	28,869	28,869
Share premium reserve		70,458,730	70,458,730
Other reserves		97,120	97,120
Profit and loss account		<u>(35,138,191)</u>	<u>(36,168,833)</u>
<b>Total equity</b>		<u>35,446,528</u>	<u>34,415,886</u>

The company made a profit after tax for the financial year of £1,030,642 (2017 - profit of £1,088,954).

Approved and authorised by the Board on 30/9/19 and signed on its behalf by:

  
R C Hutson  
Director

Company Registration Number: 03811108

## Lime Wood Group Limited

### Consolidated Statement of Changes in Equity Year Ended 31 December 2018

	Share capital £	Share premium £	Non-distributable reserve £	Profit and loss account £	Total £	Total equity £
At 1 January 2018	28,869	70,458,730	97,120	(51,306,378)	19,278,341	19,278,341
Profit for the year	-	-	-	633,156	633,156	633,156
Foreign currency translation gains/(losses)	-	-	-	72,138	72,138	72,138
Total comprehensive income	-	-	-	705,294	705,294	705,294
At 31 December 2018	28,869	70,458,730	97,120	(50,601,084)	19,983,635	19,983,635
	Share capital £	Share premium £	Non-distributable reserve £	Profit and loss account £	Total £	Total equity £
At 1 January 2017	28,869	70,458,730	97,120	(51,821,066)	18,763,653	18,763,653
Profit for the year	-	-	-	408,758	408,758	408,758
Foreign currency translation gains/(losses)	-	-	-	105,930	105,930	105,930
Total comprehensive income	-	-	-	514,688	514,688	514,688
At 31 December 2017	28,869	70,458,730	97,120	(51,306,378)	19,278,341	19,278,341

The notes on pages 15 to 35 form an integral part of these financial statements.  
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## Lime Wood Group Limited

### Statement of Changes in Equity Year Ended 31 December 2018

	Share capital £	Share premium £	Non-distributable reserve £	Profit and loss account £	Total £
At 1 January 2018	28,869	70,458,730	97,120	(36,168,833)	34,415,886
Profit for the year	-	-	-	1,030,642	1,030,642
Total comprehensive income	-	-	-	1,030,642	1,030,642
At 31 December 2018	28,869	70,458,730	97,120	(35,138,191)	35,446,528
	Share capital £	Share premium £	Non-distributable reserve £	Profit and loss account £	(As restated) Total £
At 1 January 2017	28,869	70,458,730	97,120	(37,257,787)	33,326,932
Profit for the year	-	-	-	1,088,954	1,088,954
Total comprehensive income	-	-	-	1,088,954	1,088,954
At 31 December 2017	28,869	70,458,730	97,120	(36,168,833)	34,415,886

The notes on pages 15 to 35 form an integral part of these financial statements.  
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# Lime Wood Group Limited

## Consolidated Statement of Cash Flows

Year Ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Profit for the year		633,156	408,758
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,504,395	1,493,250
Finance income	8	(98,075)	(96,108)
Finance costs	9	169,282	166,361
Corporation tax charge		49,656	221,611
		<u>2,258,414</u>	<u>2,193,872</u>
Working capital adjustments			
Decrease in stocks	15	60,625	28,038
Increase in trade debtors	16	(551,028)	(71,798)
(Decrease)/increase in trade creditors	18	(12,266)	1,202,259
Cash generated from operations		1,755,745	3,352,371
Corporation tax paid	10	(222,687)	(22,118)
Net cash flow from operating activities		<u>1,533,058</u>	<u>3,330,253</u>
<b>Cash flows from investing activities</b>			
Interest received		98,075	96,108
Acquisitions of tangible assets	12	(1,443,643)	(1,267,794)
Proceeds from sale of tangible assets		5,930	-
Proceeds from sale of intangible assets		5,304	-
Net cash flows from investing activities		<u>(1,334,334)</u>	<u>(1,171,686)</u>
<b>Cash flows from financing activities</b>			
Interest paid	9	(169,282)	(166,361)
Repayment of bank borrowing		(913,068)	(1,027,251)
Net cash flows from financing activities		<u>(1,082,350)</u>	<u>(1,193,612)</u>
Net (decrease)/increase in cash and cash equivalents		(883,626)	964,955
Cash and cash equivalents at 1 January		1,446,168	552,452
Effect of exchange rate fluctuations on cash held		10,758	(71,239)
Cash and cash equivalents at 31 December		<u>573,300</u>	<u>1,446,168</u>

The notes on pages 15 to 35 form an integral part of these financial statements.



# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Clayhill  
Beechen Lane  
Lyndhurst  
Hampshire  
SO43 7DD  
England and Wales

The principal place of business is:

Lime Wood Hotel  
Beaulieu Road  
Lyndhurst  
SO43 7FZ  
England and Wales

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2018.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2018**

#### **Summary of disclosure exemptions**

No profit and loss account is presented for the company as permitted by section 408 of the companies act 2006.

The company made a profit after tax for the financial year of £1,030,642 (2017 - profit of £1,088,954).

#### **Going concern**

These financial statements have been prepared on a going concern basis, despite the excess of current liabilities over current assets shown on the consolidated balance sheet. The excess of current liabilities over current assets on the consolidated balance sheet is due to shareholder loans of £1,152,155 and €13,378,333 which have no repayment terms and are therefore repayable on demand and classified as a current liability. The shareholder has confirmed that they will continue to support the group and although the loans are repayable on demand they do not intend to recall the loan within 12 months of approving the accounts.

#### **Key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are noted below:

Depreciation – The company establishes a reliable estimate of the useful lives of tangible fixed assets. The carrying amount is £39,027,606 (2017 -£38,996,726).

#### **Revenue recognition**

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 represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers at the group's Hotels and Spas.

Accommodation sales are recognised once the guest's stay has been completed.

Food and drink sales are recognised on purchase by the guest.

Spa sales include day spa visits which are recognised at the end of each session. Spa membership income is recognised on a straight line basis over the life of the membership. Income received in advance is deferred and included within creditors.

All other goods and services provided to hotel and spa guests are recognised as the service is carried out.

Income is received from companies under common control as a management charge for shared services and resources.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2018**

#### **Tax**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

#### **Property, plant and equipment**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The directors consider that the freehold and long leasehold properties are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the company profit and loss account.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	Nil - 25% straight line basis
Plant and machinery	20 - 50 % straight line basis
Fixtures and fittings	10 - 50% straight line basis and 15% reducing balance basis
Motor vehicles	20% straight line basis and 25% reducing balance basis
Office equipment	20 - 33% straight line basis

#### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined by the directors. Periodically the directors instruct external valuers to use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset to fair value the investment property. Changes in fair value are recognised in profit or loss.

#### **Goodwill**

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2018**

#### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	20% straight line basis
Licenses	Nil - 100% straight line basis

#### **Investments**

Investments in subsidiaries are stated in the balance sheet at cost, less any subsequent accumulated impairment losses.

The cost of investments in subsidiaries includes directly attributable incremental costs incurred in their acquisition.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **Financial instruments**

#### ***Classification***

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### ***Recognition and measurement***

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

#### **Short term debtors and creditors**

Basic financial assets comprise short term trade and other debtors. Basic financial liabilities comprise short term trade and other creditors. Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received.

#### **Loans and borrowings (including overdrafts)**

Loans which meet the criteria under FRS102 to be classed as 'basic financial instruments' are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **3 Revenue**

The analysis of the group's turnover for the year by class of business is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Hotel accommodation	7,745,767	7,054,530
Food and drink sales	4,623,067	4,388,556
Spa sales	2,839,034	2,519,348
Management charges	1,448,118	1,377,213
Staff accommodation	133,523	152,539
	<u>16,789,509</u>	<u>15,492,186</u>

The analysis of the group's turnover for the year by market is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
UK	13,553,397	12,567,339
Europe	3,236,112	2,924,847
	<u>16,789,509</u>	<u>15,492,186</u>

### **4 Other operating income**

The analysis of the group's other operating income for the year is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other income	10	960
Rent receivable	10,000	15,000
	<u>10,010</u>	<u>15,960</u>

### **5 Operating profit**

Arrived at after charging/(crediting)

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation expense	1,498,484	1,459,069
Amortisation expense	5,911	34,181
Foreign exchange gains	(7,287)	(9,211)
Operating lease expense - plant and machinery	<u>141,468</u>	<u>114,337</u>

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **6 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	6,023,988	5,525,436
Social security costs	540,124	512,249
Pension costs, defined contribution scheme	91,249	71,380
Other employee expense	17,340	6,259
	<u>6,672,701</u>	<u>6,115,324</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Spa	49	48
Restaurant	80	78
Hotel	76	75
Administration, support and management	54	53
	<u>259</u>	<u>254</u>

### **7 Auditor's remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Audit of these financial statements	<u>8,500</u>	<u>8,000</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>7,590</u>	<u>7,150</u>

### **8 Other interest receivable and similar income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other finance income	<u>98,075</u>	<u>96,108</u>

### **9 Interest payable and similar expenses**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and borrowings	<u>169,282</u>	<u>166,361</u>

# Lime Wood Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2018

### 10 Taxation

Tax charged/(credited) in the profit and loss account

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	48,667	221,611
UK corporation tax adjustment to prior periods	989	-
	<u>49,656</u>	<u>221,611</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>682,812</u>	<u>630,369</u>
Corporation tax at standard rate	129,734	121,346
Effect of expense not deductible in determining taxable profit (tax loss)	20,482	2,698
Effect of tax losses	(650)	(32,722)
Effect of foreign tax rates	54,902	130,917
Tax decrease from effect of capital allowances and depreciation	<u>(154,812)</u>	<u>(628)</u>
Total tax charge	<u>49,656</u>	<u>221,611</u>



# Lime Wood Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2018

### 11 Intangible assets

#### Group

	Goodwill £	Trademarks, patents and licenses £	Total £
<b>Cost or valuation</b>			
At 1 January 2018	11,047,690	102,594	11,150,284
Disposals	-	(5,304)	(5,304)
Foreign exchange movements	54,783	504	55,287
At 31 December 2018	11,102,473	97,794	11,200,267
<b>Amortisation</b>			
At 1 January 2018	11,036,868	83,650	11,120,518
Amortisation charge	-	760	760
Foreign exchange movements	54,730	409	55,139
At 31 December 2018	11,091,598	84,819	11,176,417
<b>Carrying amount</b>			
At 31 December 2018	10,875	12,975	23,850
At 31 December 2017	10,822	18,944	29,766

## Lime Wood Group Limited

### Notes to the Financial Statements Year Ended 31 December 2018

#### 12 Tangible assets

##### Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	72,049,330	8,182,129	90,382	725,207	81,047,048
Additions	458,094	903,007	36,909	45,633	1,443,643
Disposals	-	(31,825)	(30,762)	(17,395)	(79,982)
Foreign exchange movements	114,220	20,496	150	1,245	136,111
At 31 December 2018	<u>72,621,644</u>	<u>9,073,807</u>	<u>96,679</u>	<u>754,690</u>	<u>82,546,820</u>
<b>Depreciation</b>					
At 1 January 2018	36,237,192	5,112,614	74,353	626,163	42,050,322
Charge for the year	774,483	675,243	8,436	35,892	1,494,054
Eliminated on disposal	-	(31,093)	(30,762)	(12,197)	(74,052)
Foreign exchange movements	35,432	12,225	150	1,083	48,890
At 31 December 2018	<u>37,047,107</u>	<u>5,768,989</u>	<u>52,177</u>	<u>650,941</u>	<u>43,519,214</u>
<b>Carrying amount</b>					
At 31 December 2018	<u>35,574,537</u>	<u>3,304,818</u>	<u>44,502</u>	<u>103,749</u>	<u>39,027,606</u>
At 31 December 2017	<u>35,812,138</u>	<u>3,069,515</u>	<u>16,029</u>	<u>99,044</u>	<u>38,996,726</u>

Included within the net book value of land and buildings above is £35,362,596 (2017 - £35,600,197) in respect of freehold land and buildings, £211,941 (2017 - £211,941) in respect of long leasehold land and buildings.

# **Lime Wood Group Limited**

## **Notes to the Financial Statements** **Year Ended 31 December 2018**

### **Company**

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	48,845,288	4,002,696	59,770	471,252	53,379,006
Additions	350,937	873,279	-	45,633	1,269,849
At 31 December 2018	49,196,225	4,875,975	59,770	516,885	54,648,855
<b>Depreciation</b>					
At 1 January 2018	25,592,624	2,619,949	43,741	405,126	28,661,440
Charge for the year	-	382,493	4,007	35,892	422,392
At 31 December 2018	25,592,624	3,002,442	47,748	441,018	29,083,832
<b>Carrying amount</b>					
At 31 December 2018	23,603,601	1,873,533	12,022	75,867	25,565,023
At 31 December 2017	23,252,664	1,382,747	16,029	66,126	24,717,566

Included within the net book value of land and buildings above is £23,391,660 (2017 - £23,040,723) in respect of freehold land and buildings and £211,941 (2017 - £211,941) in respect of long leasehold land and buildings.

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **13 Investment properties**

#### **Group**

	<b>2018</b> <b>£</b>
At 1 January	<u>225,000</u>
At 31 December	<u><u>225,000</u></u>

The investment property class of fixed asset is valued at market value by the directors. The investment property has a current market value of £225,000 (2017 - £225,000) and a carrying amount at historic cost of £127,880 (2017 - £127,880). The depreciation on this historic cost is £nil (2017 - £nil).

The investment property class of fixed asset was last revalued by an external valuer on 20 September 2010 by K Marsh MRICS, Savills (L&P), who is external to the group.

#### **Company**

	<b>2018</b> <b>£</b>
At 1 January	<u>225,000</u>
At 31 December	<u><u>225,000</u></u>

The investment property class of fixed asset is valued at market value by the directors. The investment property has a current market value of £225,000 (2017 - £225,000) and a carrying amount at historic cost of £127,880 (2017 - £127,880). The depreciation on this historic cost is £nil (2017 - £nil).

The investment property class of fixed asset was last revalued by an external valuer on 20 September 2010 by K Marsh MRICS, Savills (L&P), who is external to the company.

# Lime Wood Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2018

### 14 Investments

#### Group

#### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Sarl Portetta	France	Ordinary	100%	100%

#### Subsidiary undertakings

The principal activity of Sarl Portetta is Hoteliers

#### Company

	2018	2017
	£	£
Investments in subsidiaries	<u>14,645,913</u>	<u>14,645,913</u>

#### Subsidiaries

##### Cost or valuation

At 1 January 2018	<u>14,645,913</u>
At 31 December 2018	<u>14,645,913</u>

##### Carrying amount

At 31 December 2018	<u>14,645,913</u>
At 31 December 2017	<u>14,645,913</u>

# Lime Wood Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2018

### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Sarl Portetta	France	Ordinary	100%	100%

The principal activity of Sarl Portetta is Hoteliers

### 15 Stocks

	2018	Group	2018	Company
	£	2017	£	2017
	£	£	£	£
Stocks	500,309	560,934	412,223	479,035

#### Group

The cost of stocks recognised as an expense in the year amounted to £2,685,685 (2017 - £2,532,325).

#### Company

The cost of stocks recognised as an expense in the year amounted to £2,278,170 (2017 - £2,112,435).

### 16 Debtors

		2018	Group	2018	Company
		£	2017	£	2017
	Note	£	£	£	£
Trade debtors		614,092	220,117	407,060	106,465
Amounts due from group undertakings	23	-	-	-	20,717
Other debtors		4,142,462	3,985,136	4,100,227	3,847,273
Prepayments		312,367	312,640	200,708	178,404
		<u>5,068,921</u>	<u>4,517,893</u>	<u>4,707,995</u>	<u>4,152,859</u>

# Lime Wood Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2018

### 17 Cash and cash equivalents

	2018 £	Group 2017 £	2018 £	Company 2017 £
Cash on hand	7,599	13,025	3,597	6,016
Cash at bank	565,701	1,433,143	187,896	1,100,657
	<u>573,300</u>	<u>1,446,168</u>	<u>191,493</u>	<u>1,106,673</u>

### 18 Creditors

	Note	2018 £	Group 2017 £	2018 £	Company 2017 £
<b>Due within one year</b>					
Loans and borrowings	21	14,197,962	14,030,903	1,872,155	1,872,155
Trade creditors		2,375,210	2,305,095	1,953,517	1,990,297
Amounts due to group undertakings	23	-	-	271,783	-
Corporation tax		30,914	203,945	48,667	221,611
Social security and other taxes		515,186	450,013	471,853	429,437
Outstanding defined contribution pension costs		16,101	23,073	16,101	11,173
Other creditors		1,393,425	1,533,808	22,194	21,439
Accrued expenses		<u>584,849</u>	<u>585,048</u>	<u>584,849</u>	<u>585,048</u>
		<u>19,113,647</u>	<u>19,131,885</u>	<u>5,241,119</u>	<u>5,131,160</u>
<b>Due after one year</b>					
Loans and borrowings	21	<u>6,321,704</u>	<u>7,366,261</u>	<u>5,060,000</u>	<u>5,780,000</u>

### 19 Pension and other schemes

#### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £91,249 (2017 - £71,380).

Contributions totalling £16,101 (2017 - £23,073) were payable to the scheme at the end of the year and are included in creditors.

# Lime Wood Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2018

### 20 Share capital

#### Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
A Ordinary shares of £1 each	500	500	500	500
B Ordinary shares of £1 each	28,369	28,369	28,369	28,369
	<u>28,869</u>	<u>28,869</u>	<u>28,869</u>	<u>28,869</u>

### 21 Loans and borrowings

	2018 £	Group 2017 £	2018 £	Company 2017 £
<b>Non-current loans and borrowings</b>				
Bank borrowings	<u>6,321,704</u>	<u>7,366,261</u>	<u>5,060,000</u>	<u>5,780,000</u>

	2018 £	Group 2017 £	2018 £	Company 2017 £
<b>Current loans and borrowings</b>				
Bank borrowings	1,031,568	1,008,000	720,000	720,000
Other borrowings	<u>13,166,394</u>	<u>13,022,903</u>	<u>1,152,155</u>	<u>1,152,155</u>
	<u>14,197,962</u>	<u>14,030,903</u>	<u>1,872,155</u>	<u>1,872,155</u>

#### Group

#### Bank borrowings

Bank loan is denominated in pounds with a nominal interest rate of 2% plus LIBOR%, and the final instalment is due on 28 April 2021. The carrying amount at year end is £5,780,000 (2017 - £6,500,000).

The bank loan is secured by a debenture over all of the assets in the company, a first legal charge over the property and a subordination deed with the shareholder.

Bank loan - Sarl Portetta is denominated in Euros with a nominal interest rate of 1.546%, and the final instalment is due on 1 December 2023. The carrying amount at year end is £1,573,272 (2017 - £1,874,261).



# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **22 Obligations under leases and hire purchase contracts**

#### **Group**

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than one year	12,000	12,000
Later than one year and not later than five years	48,000	48,000
Later than five years	<u>156,000</u>	<u>168,000</u>
	<u><b>216,000</b></u>	<u><b>228,000</b></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £12,000 (2017 - £12,000).

#### **Company**

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than one year	12,000	12,000
Later than one year and not later than five years	48,000	48,000
Later than five years	<u>156,000</u>	<u>168,000</u>
	<u><b>216,000</b></u>	<u><b>228,000</b></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £12,000 (2017 - £12,000).

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **23 Related party transactions**

#### **Group**

##### **Summary of transactions with entities with joint control or significant interest**

The receipt of services relates to management charges to Home Grown Hotels Limited which is an entity with joint control. The company also has a loan to Home Grown Hotels Limited on which interest of 3% is being charged.

##### **Summary of transactions with other related parties**

The lease expense and creditor relate to the rental of residential properties for staff accommodation from Ineos Properties Limited which is a company under common ultimate control.

The loan is from the ultimate controlling party and has no repayment terms so is classified as due within 1 year but it has been confirmed that it is not the intention that this will be repaid within 12 months of the approval of the accounts.

#### **Income and receivables from related parties**

	<b>Entities with joint control or significant influence £</b>
<b>2018</b>	
Receipt of services	1,436,014
Amounts receivable from related party	<u>526,647</u>
	<b>Entities with joint control or significant influence £</b>
<b>2017</b>	
Receipt of services	1,335,663
Amounts receivable from related party	<u>381,455</u>

# Lime Wood Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2018

### Expenditure with and payables to related parties

	Key management £	Other related parties £
<b>2018</b>		
Purchase of goods	2,576	-
Rendering of services	440,486	-
Leases	-	123,714
	<u>443,062</u>	<u>123,714</u>
Amounts payable to related party	<u>11,951</u>	<u>24,042</u>
	Key management £	Other related parties £
<b>2017</b>		
Purchase of goods	2,305	-
Rendering of services	402,782	-
Leases	-	121,368
	<u>405,087</u>	<u>121,368</u>
Amounts payable to related party	<u>31,148</u>	<u>21,659</u>

### Loans to related parties

	Entities with joint control or significant influence £
<b>2018</b>	
At start of period	3,455,821
Interest transactions	<u>99,031</u>
At end of period	<u>3,554,852</u>
	Entities with joint control or significant influence £
<b>2017</b>	
At start of period	3,359,713
Interest transactions	<u>96,108</u>
At end of period	<u>3,455,821</u>

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **Loans from related parties**

	<b>Other related parties • £</b>
<b>2018</b>	
At start of period	13,022,897
Effect of exchange rate fluctuations	<u>143,996</u>
At end of period	<u><u>13,166,893</u></u>
	<b>Other related parties £</b>
<b>2017</b>	
At start of period	12,571,900
Effect of exchange rate fluctuations	<u>450,997</u>
At end of period	<u><u>13,022,897</u></u>

# **Lime Wood Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **24 Financial instruments**

#### **Group**

##### **Categorisation of financial instruments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Financial assets that are debt instruments measured at amortised cost	<u>4,756,554</u>	<u>4,205,254</u>
	<u>4,756,554</u>	<u>4,205,254</u>
Financial liabilities measured at amortised cost	<u>24,288,301</u>	<u>25,236,067</u>
	<u>24,288,301</u>	<u>25,236,067</u>

#### **Company**

##### **Categorisation of financial instruments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Financial assets that are debt instruments measured at amortised cost	<u>4,507,287</u>	<u>3,974,455</u>
	<u>4,507,287</u>	<u>3,974,455</u>
Financial liabilities measured at amortised cost	<u>9,179,649</u>	<u>9,663,891</u>
	<u>9,179,649</u>	<u>9,663,891</u>

### **25 Parent and ultimate parent undertaking**

The most senior parent entity producing publicly available financial statements is Lime Wood Group Limited. The ultimate controlling party is Mr J Ratcliffe.