

REGISTERED NUMBER: 04044477 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
STONEHENGE HOTELS LIMITED
PREVIOUSLY KNOWN AS
ARMANI HOTELS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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STONEHENGE HOTELS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS: J P Levy
N S Rubin
M D Rubin
J D Levy

REGISTERED OFFICE: Greenhill House
90/93 Cowcross Street
London
EC1M 6BF

REGISTERED NUMBER: 04044477 (England and Wales)

AUDITORS: Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

CHANGE OF NAME

The company passed a special resolution on 16 January 2018 changing its name from Armani Hotels Limited to Stonehenge Hotels Limited.

DIRECTORS

The directors who have held office during the period from 1 January 2017 to the date of this report are as follows:

S Bagherzadeh - resigned 13 December 2017
J P Levy - appointed 13 December 2017
N S Rubin - appointed 13 December 2017
M D Rubin - appointed 13 December 2017
J D Levy - appointed 14 December 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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;

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Goldwyns Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

J D Levy - Director

21 September 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STONEHENGE HOTELS LIMITED

Opinion

We have audited the financial statements of Stonehenge Hotels Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Balance Sheet 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 company's affairs as at 31 December 2017 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.

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

Conclusions relating to going concern

We 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 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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STONEHENGE HOTELS LIMITED

Matters on which we are required to report by exception

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Other matters

The comparative information for the year ended 31 December 2016 was not subject to a statutory audit.

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 a Report of the Auditors 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.

A R Millman FCA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

21 September 2018

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
TURNOVER		3,391,873	3,373,345
Cost of sales		<u>1,679,415</u>	<u>1,749,628</u>
GROSS PROFIT		1,712,458	1,623,717
Administrative expenses		<u>1,742,222</u>	<u>1,638,262</u>
OPERATING LOSS	4	(29,764)	(14,545)
Interest receivable and similar income		<u>1</u>	<u>-</u>
		(29,763)	(14,545)
Interest payable and similar expenses		<u>12,119</u>	<u>6,648</u>
LOSS BEFORE TAXATION		(41,882)	(21,193)
Tax on loss	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(41,882)</u>	<u>(21,193)</u>

STONEHENGE HOTELS LIMITED (REGISTERED NUMBER: 04044477)

BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	6		9,670,580		1,218,658
CURRENT ASSETS					
Stocks		13,248		10,025	
Debtors	7	97,962		112,259	
Cash at bank and in hand		<u>78,166</u>		<u>1,702</u>	
		189,376		123,986	
CREDITORS					
Amounts falling due within one year	8	<u>1,761,713</u>		<u>1,898,650</u>	
NET CURRENT LIABILITIES			<u>(1,572,337)</u>		<u>(1,774,664)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,098,243		(556,006)
CREDITORS					
Amounts falling due after more than one year	9		<u>8,712,119</u>		<u>15,988</u>
NET LIABILITIES			<u>(613,876)</u>		<u>(571,994)</u>
CAPITAL AND RESERVES					
Called up share capital	12		2		2
Retained earnings			<u>(613,878)</u>		<u>(571,996)</u>
SHAREHOLDERS' FUNDS			<u>(613,876)</u>		<u>(571,994)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 21 September 2018 and were signed on its behalf by:

J D Levy - Director

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

1. **STATUTORY INFORMATION**

Stonehenge Hotels Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company trades from its leased property in Amesbury, Wiltshire.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the income receivable by the company from its trading activities as a hotel. Sales encompass room hire, food and beverage income and all other associated ancillary hotel and guest services. Turnover is recognised in the period in which the physical goods are sold, as services are performed or otherwise as entitlement accrues to the company.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	- in accordance with the property
Equipment	- 20% on reducing balance

With effect from the 1 January 2017 the company's depreciation policy for equipment was changed from 10% on a reducing balance basis.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 70 (2016 - 72) .

4. OPERATING LOSS

The operating loss is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	294,593	186,273
Auditors' remuneration	<u>6,500</u>	<u>-</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2017 nor for the year ended 31 December 2016.

At the balance sheet date the company had corporation tax losses carried forward against future profits in excess of £1.1million.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

6. TANGIBLE FIXED ASSETS

	Leasehold property £	Equipment £	Totals £
COST			
At 1 January 2017	157,330	1,661,951	1,819,281
Additions	8,705,106	49,965	8,755,071
At 31 December 2017	<u>8,862,436</u>	<u>1,711,916</u>	<u>10,574,352</u>
DEPRECIATION			
At 1 January 2017	108,059	492,564	600,623
Charge for year	62,933	240,216	303,149
At 31 December 2017	<u>170,992</u>	<u>732,780</u>	<u>903,772</u>
NET BOOK VALUE			
At 31 December 2017	<u>8,691,444</u>	<u>979,136</u>	<u>9,670,580</u>
At 31 December 2016	<u>49,271</u>	<u>1,169,387</u>	<u>1,218,658</u>

On 13 December 2017, the company entered into an agreement to lease the property from which it trades for a period of 150 years. This lease therefore amounts to a financing lease, as the company will derive benefit from the property throughout its useful life, and has been recognised accordingly.

The property interest is being depreciated over 75 years.

Fixed assets, included in the above, which are held under finance leases are as follows:

	Leasehold property £
COST	
Additions	8,700,000
At 31 December 2017	<u>8,700,000</u>
DEPRECIATION	
Charge for year	8,556
At 31 December 2017	<u>8,556</u>
NET BOOK VALUE	
At 31 December 2017	<u>8,691,444</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	31,326	49,474
Other debtors	66,636	62,785
	<u>97,962</u>	<u>112,259</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	-	64,996
Trade creditors	64,262	53,722
Amounts owed to group undertakings	680,727	600,000
Taxation and social security	143,345	133,602
Other creditors	873,379	1,046,330
	<u>1,761,713</u>	<u>1,898,650</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Finance leases (see note 10)	8,712,119	-
Other creditors	-	15,988
	<u>8,712,119</u>	<u>15,988</u>

Amounts falling due in more than five years:

Repayable by instalments		
Finance leases	<u>8,712,119</u>	<u>-</u>

10. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2017	2016
	£	£
Gross obligations repayable:		
Within one year	245,861	-
Between one and five years	1,004,863	-
In more than five years	57,499,358	-
	<u>58,750,082</u>	<u>-</u>
Finance charges repayable:		
Within one year	245,861	-
Between one and five years	1,004,863	-
In more than five years	48,787,239	-
	<u>50,037,963</u>	<u>-</u>
Net obligations repayable:		
In more than five years	<u>8,712,119</u>	<u>-</u>

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	<u>-</u>	<u>600,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

10. **LEASING AGREEMENTS - continued**

On 13 December 2017, the company entered into an agreement to lease the property from which it trades for a period of 150 years. This transaction amounts to a finance lease and has been recognised accordingly. The company is liable for an annual rent of £170,000 per annum, subject to an annual increase as determined by any changes in the retail price index but subject to a minimum of 1% and a maximum of 4%.

Throughout the initial period of the lease the annual interest arising will exceed the rental repayments due and therefore the company's recognised finance liability will continue to increase.

11. **SECURED DEBTS**

The following secured debts are included within creditors:

	2017 £	2016 £
Finance leases	<u>8,712,119</u>	<u>-</u>

The company has given fixed and floating charges over all of its assets (including its interests in the leasehold property, its tangible fixed assets and all debtors) in support of the bank and financing liabilities of other members of its group.

Finance lease liabilities are secured on the assets to which they relate.

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

13. **PENSION COMMITMENTS**

The company operates a defined contribution scheme in respect of its eligible employees. During the year, total contributions to this scheme amounted to £11,674 (2016 - £6,651). At the balance sheet date the total contributions outstanding amounted to £3,690 (2016 - £1,398).

14. **RELATED PARTY DISCLOSURES**

The company's entire issued share capital is owned by Lilac Limited, a company registered in Guernsey.

BGAM Hotels (SH) Limited is regarded by the directors as being the company's ultimate parent company.

15. **GOING CONCERN**

The company's balance sheet shows a deficiency of net assets amounting to £613,876 (2016 - £571,994).

The directors do not consider these reported results to be indicative of a going concern issue however, as the majority of the company's short term creditors are owed to various group companies (from which continued support for the trading activity is forthcoming) and its financing liabilities are distorted by the long term implications of bargain lease entered into to secure the property's future benefit.

The financial statements are therefore drawn up under the historical cost convention and on a going concern basis.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.