

Financial Statements Kew Green Hotels (Wakefield) Limited

For the year ended 31 August 2014

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Registered number: 4395508

Kew Green Hotels (Wakefield) Limited

Company Information

Directors	Mr P Johnson Mr J Lamb
Company secretary	Mr J Lamb
Registered number	4395508
Registered office	Second Floor Dome Building The Quadrant Richmond Surrey TW9 1DT
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Dorset Street Southampton Hampshire SO15 2DP
Bankers	Barclays Bank Plc One Churchill Place London E14 5HP

Kew Green Hotels (Wakefield) Limited

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Directors' Report

For the year ended 31 August 2014

The directors present their report and the financial statements for the year ended 31 August 2014.

Principal activities

The company is principally engaged in operating a limited service hotel under a long-term lease under the Days Hotel brand.

On 22 July 2014, the lease for this hotel was surrendered to the landlord. Subsequent to surrendering the lease, the company became dormant.

Going concern

The directors have made an assessment in preparing these financial statements as to whether the company is a going concern and have concluded that there are no material uncertainties that may cast doubt on the company's ability to continue as a going concern based upon the continued support of its ultimate parent company, Kew Green Holdings Limited.

Directors

The directors who served during the year were:

Mr P Johnson

Mr J Lamb

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Directors' Report

For the year ended 31 August 2014

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 April 2015 and signed on its behalf.



Mr J Lamb
Secretary

Independent Auditor's Report to the Members of Kew Green Hotels (Wakefield) Limited

We have audited the financial statements of Kew Green Hotels (Wakefield) Limited for the year ended 31 August 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Kew Green Hotels (Wakefield) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 Directors' report.

Grant Thornton UK LLP

STEPHEN MILLS (SENIOR STATUTORY AUDITOR) FOR AND ON BEHALF OF

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Southampton

27 April 2015

Kew Green Hotels (Wakefield) Limited

Profit and Loss Account

For the year ended 31 August 2014

	Note	2014 £	2013 £
Turnover	1	899,958	778,000
Cost of sales		(169,032)	(166,175)
Gross profit		730,926	611,825
Administrative expenses		(588,241)	(653,296)
Operating profit/(loss)	2	142,685	(41,471)
Exceptional items			
Net profit on lease surrender	3	24,733	-
Profit/(loss) on ordinary activities before taxation		167,418	(41,471)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the financial year	11	167,418	(41,471)

The notes on pages 7 to 11 form part of these financial statements.

Balance Sheet

As at 31 August 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	5		-		84,500
Current assets					
Stocks		-		4,447	
Debtors	6	56,646		103,788	
Cash at bank		166,536		51,121	
		<u>223,182</u>		<u>159,356</u>	
Creditors: amounts falling due within one year	7	<u>(1,205,025)</u>		<u>(1,393,117)</u>	
Net current liabilities			<u>(981,843)</u>		<u>(1,233,761)</u>
Net liabilities			<u>(981,843)</u>		<u>(1,149,261)</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		<u>(981,844)</u>		<u>(1,149,262)</u>
Shareholders' deficit			<u>(981,843)</u>		<u>(1,149,261)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2015.


Mr P Johnson
 Director

The notes on pages 7 to 11 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

The company participates in the group's centralised treasury arrangements and shares banking arrangements with its ultimate parent, Kew Green Holdings Limited and its fellow subsidiaries.

The company made a profit before tax in the year of £167,418, (2013 - loss £41,471) and its capital and reserves showed a net liability position of £981,843, (2013 - net liability position £1,149,261). The company has received an indication from Kew Green Holdings Limited that it will continue to make sufficient funds available to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of approval of the financial statements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Kew Green Holdings Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they will continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Hotel revenue, including the rental of food and beverage sales, is recognised when rooms are occupied and food and beverage is sold.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	- up to 10 years straight line
Stamp duty on lease	- period of lease

1.5 Hotel operating items

The hotel's initial operating items such as glass and china, and certain other loose equipment of the hotel have been capitalised. The cost of replacement of these items will be charged to revenue in the year in which it is incurred.

1.6 Stocks

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

Notes to the Financial Statements

For the year ended 31 August 2014

1. Accounting Policies (continued)

1.7 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. The hotel is considered to be held under an operating lease agreement.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	3,116	18,891

During the year, no director received any emoluments (2013 - £NIL).

3. Exceptional items

	2014 £	2013 £
Net profit on surrender of lease	24,733	-

On 22 July 2014, Kew Green Hotels (Wakefield) Limited surrendered the lease of the hotel to the landlord. Then net profit recognised above represents the proceeds received less various termination costs.

4. Taxation on ordinary activities

There is no tax charge arising in the year.

Notes to the Financial Statements

For the year ended 31 August 2014

5. Tangible fixed assets

	Fixtures & fittings £	Stamp duty on lease £	Total £
Cost			
At 1 September 2013	476,973	8,170	485,143
Additions	3,935	-	3,935
Disposals	(480,908)	(8,170)	(489,078)
At 31 August 2014	-	-	-
Depreciation			
At 1 September 2013	397,984	2,659	400,643
Charge for the year	2,854	262	3,116
On disposals	(400,838)	(2,921)	(403,759)
At 31 August 2014	-	-	-
Net book value			
At 31 August 2014	-	-	-
At 31 August 2013	78,989	5,511	84,500

6. Debtors

	2014 £	2013 £
Trade debtors	47,984	43,362
Amounts owed by group undertakings	8,629	-
Prepayments and accrued income	33	60,426
	<u>56,646</u>	<u>103,788</u>

7. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	26,281	71,480
Payments received on account	-	3,120
Amounts owed to group undertakings	1,138,225	1,243,233
VAT	20,995	23,031
Accruals and deferred income	19,524	52,253
	<u>1,205,025</u>	<u>1,393,117</u>

Notes to the Financial Statements

For the year ended 31 August 2014

8. Contingent liabilities

The company is party to a composite guarantee securing the net bank borrowings and other commitments of certain group companies. At the year end, total group borrowings within this guarantee amounted to £84,491,290 (2013: £87,728,723).

9. Related party transactions

The company has taken advantage of the exemption contained in FRS 8 not to disclose transactions with other wholly owned members of the group headed by Kew Green Holdings Limited.

10. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11. Profit and loss account

	Profit and loss account £
At 1 September 2013	(1,149,262)
Profit for the financial year	<u>167,418</u>
At 31 August 2014	<u>(981,844)</u>

12. Operating lease commitments

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
After more than 5 years	<u>-</u>	<u>125,000</u>

Operating lease commitments relate to the lease of the hotel, which is guaranteed by Kew Green Hotels Limited. This lease was surrendered on 22 July 2014.

Notes to the Financial Statements

For the year ended 31 August 2014

13. Ultimate parent undertaking and controlling party

Following an internal group reorganisation on 6 August 2014, the company's immediate parent undertaking is Kew Green Intermediate One Limited, which is a wholly owned subsidiary of Kew Green Holdings Limited. Its ultimate parent undertaking is Lundy L.P., a Cayman Islands Limited partnership. The largest and smallest group for which consolidated financial statements are prepared is that headed by Kew Green Holdings Limited, for which copies may be obtained from the company's registered office.