

HAVANA WEST LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013



HAVANA WEST LIMITED

COMPANY INFORMATION

DIRECTORS

L L de Savary
M A Lutyens
I D Solkin

COMPANY SECRETARY

J Keefe

REGISTERED NUMBER

04448428

REGISTERED OFFICE

Minerva House
Lower Bristol Road
Bath
BA2 9ER

INDEPENDENT AUDITORS

Bishop Fleming Bath Limited
Chartered Accountants & Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

BANKERS

Coutts & Co
440 Strand
London
WC2R 0QS

HAVANA WEST LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Group strategic report	3
Directors' responsibilities statement	4
Independent auditors' report	5 - 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the financial statements	11 - 25

HAVANA WEST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the group and company during the year continued to be that of hoteliers and providers of general hospitality services including conference centres and leisure complex, together with associated property activities.

RESULTS

The profit for the year, after taxation, amounted to £1,030,335 (2012: £698,781).

DIRECTORS

The directors who served during the year were:

L L de Savary
M A Lutyens
I D Solkin

POLITICAL CONTRIBUTIONS

During the year the group made charitable donations of £16,000 (2012: £5,000). The group has not made any political donations.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's operations expose it to a number of financial risks including credit risk, liquidity risk and price risk. The directors monitor and manage these risks.

In respect of bank balances, the liquidity risk is managed by maintaining the continuity of funding and regular review of monthly management information, including management accounts and cash flow results and forecasts.

Credit risk is managed through policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

The price risk is monitored through regular consideration of competitor pricing and occupancy.

DISCLOSURE OF INFORMATION TO AUDITORS

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 and the group's auditors are 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 and the group's auditors are aware of that information.


HAVANA WEST LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


J Keere
Secretary

Date: 22 September 2014

Minerva House
Lower Bristol Road
Bath
BA2 9ER

HAVANA WEST LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

BUSINESS REVIEW

The principal activity of the group and company during the year continued to be that of hoteliers and providers of general hospitality services including conference centres and leisure complex, together with associated property activities.

The directors are satisfied with the performance for the year under review. The board has invested and continues to invest in the fabric of the business and are comfortable that the investment will show positive results for the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are, in common with other hotels in the sector, the general economic activity and perceived health of the economy.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straight forward nature of the business the directors are of the opinion that analysis using KPIs is of limited value. However the directors do monitor the hotel occupancy rates, turnover and gross and operating profit.

This report was approved by the board on 22 September 2014 and signed on its behalf.

L L de Savary
Director



HAVANA WEST LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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 the group and of the profit or loss of the group 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAVANA WEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAVANA WEST LIMITED

We have audited the financial statements of Havana West Limited for the year ended 31 December 2013, set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2013 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

HAVANA WEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HAVANA WEST 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 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.



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 25 September 2014

HAVANA WEST LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
TURNOVER	1,2		
Continuing operations		10,155,033	5,077,176
Acquisitions		-	454,286
		<u>10,155,033</u>	<u>5,531,462</u>
Cost of sales		<u>(5,465,246)</u>	<u>(3,368,313)</u>
GROSS PROFIT		4,689,787	2,163,149
Administrative expenses		<u>(4,896,726)</u>	<u>(2,549,459)</u>
OPERATING LOSS	3		
Continuing operations		(206,939)	(526,047)
Acquisitions		-	139,737
		<u>(206,939)</u>	<u>(386,310)</u>
Interest receivable and similar income		1,803,175	1,326,244
Interest payable and similar charges		<u>(149,971)</u>	<u>(27,968)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,446,265	911,966
Tax on profit on ordinary activities	6	<u>(415,930)</u>	<u>(213,185)</u>
PROFIT FOR THE FINANCIAL YEAR	17	<u><u>1,030,335</u></u>	<u><u>698,781</u></u>

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 11 to 25 form part of these financial statements.

HAVANA WEST LIMITED
REGISTERED NUMBER: 04448428
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

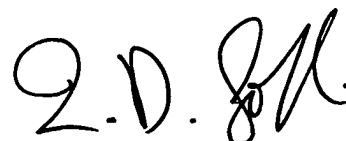
	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	7		1,004,637		1,255,796
Tangible assets	8		15,100,949		14,718,609
Investment property	9		1,207,743		1,211,075
			<u>17,313,329</u>		<u>17,185,480</u>
CURRENT ASSETS					
Stocks	11	106,906		1,941,360	
Debtors: amounts falling due after more than one year	12	18,144,537		25,393,069	
Debtors: amounts falling due within one year	12	2,034,093		1,232,605	
Cash at bank and in hand		1,360,418		1,455,169	
		<u>21,645,954</u>		<u>30,022,203</u>	
CREDITORS: amounts falling due within one year	13	<u>(2,670,106)</u>		<u>(2,063,402)</u>	
NET CURRENT ASSETS			<u>18,975,848</u>		<u>27,958,801</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>36,289,177</u>		<u>45,144,281</u>
CREDITORS: amounts falling due after more than one year	14		<u>(29,628,718)</u>		<u>(39,545,961)</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	15		<u>(84,202)</u>		<u>(52,398)</u>
NET ASSETS			<u>6,576,257</u>		<u>5,545,922</u>
CAPITAL AND RESERVES					
Called up share capital	16		11,942,330		11,942,330
Profit and loss account	17		<u>(5,366,073)</u>		<u>(6,396,408)</u>
SHAREHOLDERS' FUNDS	18		<u>6,576,257</u>		<u>5,545,922</u>

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

L L de Savary
Director



I D Solkin
Director



Date: 22 September 2014

The notes on pages 11 to 25 form part of these financial statements.

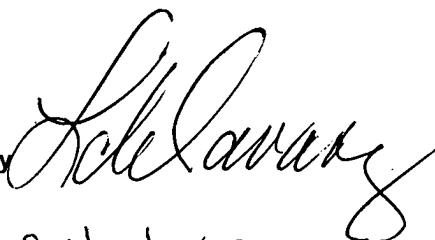
HAVANA WEST LIMITED
REGISTERED NUMBER: 04448428

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		10,265,358		10,174,363
Investment property	9		1,207,743		1,211,075
Investments	10		4,815,641		4,815,641
			16,288,742		16,201,079
CURRENT ASSETS					
Stocks	11	71,326		1,917,964	
Debtors: amounts falling due after more than one year	12	17,944,537		25,193,069	
Debtors: amounts falling due within one year	12	2,561,079		2,133,276	
Cash at bank and in hand		1,083,834		779,104	
		21,660,776		30,023,413	
CREDITORS: amounts falling due within one year	13	(2,049,616)		(1,429,646)	
NET CURRENT ASSETS			19,611,160		28,593,767
TOTAL ASSETS LESS CURRENT LIABILITIES			35,899,902		44,794,846
CREDITORS: amounts falling due after more than one year	14		(29,428,718)		(39,345,132)
PROVISIONS FOR LIABILITIES					
Deferred tax	15		-		(221)
NET ASSETS			6,471,184		5,449,493
CAPITAL AND RESERVES					
Called up share capital	16		11,942,330		11,942,330
Profit and loss account	17		(5,471,146)		(6,492,837)
SHAREHOLDERS' FUNDS	18		6,471,184		5,449,493

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

L L de Savary
 Director



I D Solkin
 Director



Date: 22 September 2014

The notes on pages 11 to 25 form part of these financial statements.

HAVANA WEST LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	19	9,368,935	(11,092,204)
Returns on investments and servicing of finance	20	1,653,204	1,298,276
Taxation		(263,797)	(21,228)
Capital expenditure and financial investment	20	(935,850)	(111,401)
Acquisitions and disposals	20	-	(4,815,642)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		9,822,492	(14,742,199)
Financing	20	(9,917,243)	15,442,093
(DECREASE)/INCREASE IN CASH IN THE YEAR		(94,751)	699,894

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(94,751)	699,894
Cash outflow from decrease in debt and lease financing	9,917,243	(15,442,093)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	9,822,492	(14,742,199)
Other non-cash changes	-	(1,404,814)
MOVEMENT IN NET DEBT IN THE YEAR	9,822,492	(16,147,013)
Net debt at 1 January 2013	(38,253,292)	(22,106,279)
NET DEBT AT 31 DECEMBER 2013	(28,430,800)	(38,253,292)

The notes on pages 11 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Investment properties and in accordance with applicable accounting standards.

1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Havana West Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

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.

Turnover derived from the Hotel and Public House trade is recognised as the service is provided.

Turnover derived from the investment property is recognised on a straight line basis over the life of the lease agreement.

The principal activity of Car Park Finance LLP, a subsidiary, is that of a lender. This activity is not seen as a principal activity of the group and so the resulting interest income and expenditure has been included in interest receivable and payable.

1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Freehold property	-	50 years straight line
Plant and machinery	-	5 years straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance

The useful economic life of the long leasehold property is less than the asset's total economic life as the company's policy is to dispose of the asset before it reaches the end of its useful economic life. The company has a policy of annual repair and maintenance to maintain the property to such a standard that the directors believe that the depreciation charge would be immaterial.

1.6 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)

1.7 INVESTMENT PROPERTIES

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 STOCKS AND WORK IN PROGRESS

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

1.10 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.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

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.

1.11 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.12 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. TURNOVER

The whole of the turnover is attributable to the principal activities of the group as follows:

	2013 £	2012 £
Hotel and Public House	7,605,033	4,202,499
Other Income	2,550,000	1,328,963
	<u>10,155,033</u>	<u>5,531,462</u>

All turnover arose within the United Kingdom.

3. OPERATING LOSS

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

	2013 £	2012 £
Amortisation - intangible fixed assets	251,159	95,000
Depreciation of tangible fixed assets:		
- owned by the group	527,662	356,940
Auditors' remuneration	16,100	15,700
Auditors' remuneration for other services - tax compliance	4,325	3,750
Operating lease rentals:		
- plant and machinery	2,072	-
- other operating leases	56,000	6,378
Loss/(profit) on sale of tangible assets	29,180	(47,000)

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	2,632,249	1,563,953
Social security costs	166,080	108,545
Other pension costs	2,640	50,582
	<u>2,800,969</u>	<u>1,723,080</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Employees	210	224

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

5. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	72,700	76,000
Company pension contributions to defined contribution pension schemes	5,120	50,120

During the year retirement benefits were accruing to 1 director (2012: 2) in respect of defined contribution pension schemes.

6. TAXATION

	2013 £	2012 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	403,641	188,292
Adjustments in respect of prior periods	(19,515)	(2,151)
TOTAL CURRENT TAX	384,126	186,141
DEFERRED TAX (see note 15)		
Origination and reversal of timing differences	31,804	27,044
TAX ON PROFIT ON ORDINARY ACTIVITIES	415,930	213,185

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2012: lower than) the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	1,446,265	911,966
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	336,257	223,432
EFFECTS OF:		
Expenses not deductible for tax purposes	1,378	966
Difference between depreciation and capital allowances	51,438	(32,672)
Adjustments to tax charge in respect of prior periods	(19,515)	(2,151)
Other timing differences leading to an increase / (decrease) in taxation	14,568	(3,434)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	384,126	186,141

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company has significant trade and capital losses carried forward.

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. INTANGIBLE FIXED ASSETS

	Goodwill £
GROUP	
COST	
At 1 January 2013 and 31 December 2013	<u>1,355,796</u>
AMORTISATION	
At 1 January 2013	100,000
Charge for the year	<u>251,159</u>
At 31 December 2013	<u>351,159</u>
NET BOOK VALUE	
At 31 December 2013	<u>1,004,637</u>
At 31 December 2012	<u>1,255,796</u>
	Goodwill £
COMPANY	
COST	
At 1 January 2013 and 31 December 2013	<u>100,000</u>
AMORTISATION	
At 1 January 2013 and 31 December 2013	<u>100,000</u>
NET BOOK VALUE	
At 31 December 2013	<u>-</u>
At 31 December 2012	<u>-</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

8. TANGIBLE FIXED ASSETS

GROUP	Freehold property £	L/Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
COST OR VALUATION						
At 1 January 2013	9,882,132	4,188,219	1,245,444	8,700	1,576,181	16,900,676
Additions	395,970	-	52,784	-	491,428	940,182
Disposals	(3,007)	-	-	-	(64,628)	(67,635)
At 31 December 2013	<u>10,275,095</u>	<u>4,188,219</u>	<u>1,298,228</u>	<u>8,700</u>	<u>2,002,981</u>	<u>17,773,223</u>
DEPRECIATION						
At 1 January 2013	289,053	-	664,160	447	1,228,407	2,182,067
Charge for the year	100,867	-	256,892	2,063	167,840	527,662
On disposals	(3,007)	-	-	-	(34,448)	(37,455)
At 31 December 2013	<u>386,913</u>	<u>-</u>	<u>921,052</u>	<u>2,510</u>	<u>1,361,799</u>	<u>2,672,274</u>
NET BOOK VALUE						
At 31 December 2013	<u>9,888,182</u>	<u>4,188,219</u>	<u>377,176</u>	<u>6,190</u>	<u>641,182</u>	<u>15,100,949</u>
At 31 December 2012	<u>9,593,079</u>	<u>4,188,219</u>	<u>581,284</u>	<u>8,253</u>	<u>347,774</u>	<u>14,718,609</u>

The brought forward fixed asset cost and accumulated depreciation have been adjusted to recognise the gross cost and accumulated depreciation. There has been no impact on the brought forward net book value.

COMPANY	Freehold property £	Plant and machinery £	Total £
COST			
At 1 January 2013	9,882,132	1,245,444	11,127,576
Additions	395,970	52,784	448,754
Disposals	(3,007)	-	(3,007)
At 31 December 2013	<u>10,275,095</u>	<u>1,298,228</u>	<u>11,573,323</u>
DEPRECIATION			
At 1 January 2013	289,053	664,160	953,213
Charge for the year	100,867	256,892	357,759
On disposals	(3,007)	-	(3,007)
At 31 December 2013	<u>386,913</u>	<u>921,052</u>	<u>1,307,965</u>
NET BOOK VALUE			
At 31 December 2013	<u>9,888,182</u>	<u>377,176</u>	<u>10,265,358</u>
At 31 December 2012	<u>9,593,079</u>	<u>581,284</u>	<u>10,174,363</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

9. INVESTMENT PROPERTY

	Freehold investment property £
GROUP	
VALUATION	
At 1 January 2013	1,211,075
Disposals	(3,332)
	<hr/>
At 31 December 2013	1,207,743
	<hr/>

The 2013 valuations were made by the directors, on an open market value for existing use basis.

If the investment properties were sold at the values shown in the Financial Statements at the Balance Sheet date, there would be no tax liabilities.

	Freehold investment property £
COMPANY	
VALUATION	
At 1 January 2013	1,211,075
Disposals	(3,332)
	<hr/>
At 31 December 2013	1,207,743
	<hr/>

The 2013 valuations were made by the directors, on an open market value for existing use basis.

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. FIXED ASSET INVESTMENTS

COMPANY	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2013 and 31 December 2013	4,815,641
NET BOOK VALUE	
At 31 December 2013	4,815,641
At 31 December 2012	4,815,641

11. STOCKS

	GROUP		COMPANY	
	2013 £	2012 £	2013 £	2012 £
Work in progress	-	1,871,654	-	1,871,654
Finished goods and goods for resale	106,906	69,706	71,326	46,310
	106,906	1,941,360	71,326	1,917,964

Properties were acquired for development and the company had profit share agreements with the contractors performing this work.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. DEBTORS

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
DUE AFTER MORE THAN ONE YEAR				
Loans	18,144,537	25,393,069	17,944,537	25,193,069
	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
DUE WITHIN ONE YEAR				
Trade debtors	293,291	249,634	206,241	153,054
Other debtors and loans	1,551,341	865,094	2,262,076	1,923,802
Prepayments and accrued income	189,461	117,877	92,762	56,420
	2,034,093	1,232,605	2,561,079	2,133,276

Group

Loans due after more than one year:

- £16,419,537 (2012: £23,668,069) is secured by way of a legal charge over property held by Charter House Investments LLP, a related company. Interest is accrued at 8%.
- £725,000 (2012: £725,000) due from Charterhouse Projects LLP, a related entity, is unsecured and accrues interest at 6%.
- £1,000,000 (2012: £1,000,000) is secured against the assets of the borrower and accrues interest at 8%.

Company

Loans due after more than one year:

- £16,419,537 (2012: £23,668,069) is secured by way of a legal charge over property held by Charter House Investments LLP, a related company
- £725,000 (2012: £725,000) due from Charterhouse Projects LLP, a related entity, is unsecured and accrues interest at 6%.
- £800,000 (2012: £800,000) is due from Car Park Finance LLP, a related entity, is unsecured and accrues interest at 8%.

**13. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	162,500	162,500	162,500	162,500
Trade creditors	982,580	702,288	825,258	566,034
Corporation tax	384,147	263,819	309,991	168,727
Other taxation and social security	347,954	296,624	214,868	175,226
Other creditors	303,823	99,440	280,935	55,654
Accruals and deferred income	489,102	538,731	256,064	301,505
	2,670,106	2,063,402	2,049,616	1,429,646

The bank loan with Coutts bank is secured against assets of the group, and interest is charged at a rate of 4.19%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

**14. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	2,925,000	3,087,500	2,925,000	3,087,500
Other loans	26,703,718	36,458,461	26,503,718	36,257,632
	29,628,718	39,545,961	29,428,718	39,345,132

Included within the above are amounts falling due as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
BETWEEN ONE AND TWO YEARS				
Bank loans	162,500	162,500	162,500	162,500
Other loans	200,000	829	-	-
BETWEEN TWO AND FIVE YEARS				
Bank loans	487,500	487,500	487,500	487,500
Other loans	-	200,000	-	-
OVER FIVE YEARS				
Bank loans	2,275,000	2,437,500	2,275,000	2,437,500
Other loans	26,503,718	36,257,632	26,503,718	36,257,632

Creditors include amounts not wholly repayable within 5 years as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
Repayable by installments	2,275,000	2,437,500	2,275,000	2,437,500
Repayable other than by installments	26,503,718	36,257,632	26,503,718	36,257,632
	28,778,718	38,695,132	28,778,718	38,695,132

Other loans include £10,133,718 (2012: 19,887,632) of unsecured loans due to the group shareholder's immediate family. A balance of 16,370,000 (2012: £16,370,000) is included in other loans and security has been given over property held by the company.

A further £200,000 of other loans is unsecured and incurs interest at 8%.

The bank loan with Coutts bank is secured against assets of the group, and interest is charged at a rate of 4.19%.

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

15. DEFERRED TAXATION

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	52,398	-	221	-
Other movement (P&L)	31,804	52,398	(221)	221
At end of year	84,202	52,398	-	221

The provision for deferred taxation is made up as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	84,202	52,398	-	221

16. SHARE CAPITAL

	2013	2012
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
11,942,330 Ordinary shares of £1 each	11,942,330	11,942,330

17. RESERVES

GROUP	Profit and loss account £
At 1 January 2013	(6,396,408)
Profit for the financial year	1,030,335
At 31 December 2013	(5,366,073)
COMPANY	Profit and loss account £
At 1 January 2013	(6,492,837)
Profit for the financial year	1,021,691
At 31 December 2013	(5,471,146)

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
GROUP		
Opening shareholders' funds	5,545,922	4,847,141
Profit for the financial year	1,030,335	698,781
	<u>6,576,257</u>	<u>5,545,922</u>
Closing shareholders' funds	<u>6,576,257</u>	<u>5,545,922</u>
	2013	2012
	£	£
COMPANY		
Opening shareholders' funds	5,449,493	4,847,141
Profit for the financial year	1,021,691	602,352
	<u>6,471,184</u>	<u>5,449,493</u>
Closing shareholders' funds	<u>6,471,184</u>	<u>5,449,493</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £1,021,691 (2012: £602,352).

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating loss	(206,939)	(386,310)
Amortisation of intangible fixed assets	251,159	95,000
Depreciation of tangible fixed assets	527,662	356,940
Loss/(profit) on disposal of tangible fixed assets	29,180	(47,000)
Decrease in stocks	1,834,454	924,482
Decrease/(increase) in debtors	6,447,044	(12,479,229)
Increase in creditors	486,375	443,913
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	9,368,935	(11,092,204)

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,803,175	1,326,244
Interest paid	(149,971)	(27,968)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	1,653,204	1,298,276
	2013 £	2012 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(940,182)	(142,135)
Sale of tangible fixed assets	1,000	47,000
Purchase of investment property additions	-	(16,266)
Movement in investment properties	3,332	-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(935,850)	(111,401)
	2013 £	2012 £
ACQUISITIONS AND DISPOSALS		
Purchase of fixed asset investments	-	(4,815,642)
	2013 £	2012 £
FINANCING		
New secured loans	-	3,250,000
Repayment of loans	(162,500)	(1,054,596)
Other new loans	-	13,246,689
Repayment of other loans	(9,754,743)	-
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(9,917,243)	15,442,093

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

21. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	1,455,169	(94,751)	-	1,360,418
DEBT:				
Debts due within one year	(162,500)	9,917,243	(9,917,243)	(162,500)
Debts falling due after more than one year	(39,545,961)	-	9,917,243	(29,628,718)
NET DEBT	(38,253,292)	9,822,492	-	(28,430,800)

22. CAPITAL COMMITMENTS

At 31 December 2013 the group and company had capital commitments as follows:

	GROUP		COMPANY	
	2013 £	2012 £	2013 £	2012 £
Contracted for but not provided in these financial statements	22,196	-	22,196	-

23. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,640 (2012: £50,582). There are no contributions included in creditors for either year.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

24. RELATED PARTY TRANSACTIONS

The group is legally controlled by L L de Savary by virtue of her shareholding. At the year end a balance of £26,503,718 (2012: £36,257,632) was due to immediate family members, of which £nil (2012: £nil) is considered repayable within one year. As explained in note 14, security has been provided for £16,370,000 (2012: £16,370,000) of the total due. The maximum overdrawn balance during the year was £nil (2012: £nil).

J de Savary is a member of Car Park Finance LLP and at the year end was owed £200,000 (2012: £200,000). This debt is unsecured and interest is charged at 8%.

Carnegie International Asset Management Limited is legally owned by L L de Savary, a director of Havana West Limited. Havana West Limited was owed £2,076,102 (2012: £1,554,102) from this company at the year end.

Penzance Maritime Holdings Limited is legally owned by L L de Savary, a director of Havana West Limited. During the year Havana West Limited charged services of £56,493 (2012: £58,581) to this company and was owed £240,781 (2012: £184,288) at the year end.

Carnegie Investment Asset Management Limited is legally owned by L L de Savary, a director of Havana West Limited. Havana West Limited was owed £878,525 (2012: £878,525) from this company at the year end.

Carnegie Investment Asset Management Limited is also a member of Charter House Projects LLP. Havana West Limited was owed £725,000 (2012: £725,000) at the year end. Interest of £nil (2012: £12,667) was charged on this loan during the year.

Carnegie Investment Asset Management Limited is also a member of Charter House Investment LLP. Havana West Limited was owed £16,419,537 (2012: £23,683,069) at the year end by Charter House Investments LLP. As explained in note 12, security has been provided for £16,419,537 (2012: £23,683,069) of the total owed by Charter House Investments LLP at the year end.

During the year, interest of £1,720,434 (2012: £1,262,487) was received from Charter House Investment LLP.

25. PRINCIPAL SUBSIDIARIES

Company name	Percentage Shareholding
The Parkway Hotel And Spa Limited	100
Car Park Finance LLP	80