

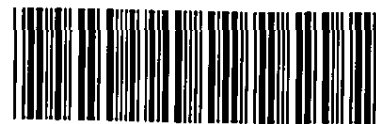
Registered number
6456130

AUDLEYS WOOD HOTEL LIMITED

Report and Accounts

For the period from 18 December 2007 to 27 November 2008

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AUDLEYS WOOD HOTEL LIMITED
Report and accounts
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AUDLEYS WOOD HOTEL LIMITED
Company Information

Directors

K Arkley
J Hands

Secretary

Jordans Company Secretaries Limited

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London, UK
EC1M 3AP

Registered office

The Old Library
The Drive
Sevenoaks
Kent
TN13 3AB

Registered number

6456130

AUDLEYS WOOD HOTEL LIMITED

Directors' Report

The directors present their report and accounts for the period from incorporation on 18 December 2007 to 27 November 2008.

Principal activities

The company's principal activity during the period was the ownership and operation of the Audleys Wood Hotel. The company was incorporated on 18 December 2007 and commenced trading on 25 February 2008. On 27 November 2008 the trade and assets arising from the operation of the hotel were transferred from the company's subsidiary undertaking. The company has operated the hotel from that date.

Review of business and future developments

The results for the period and financial position of the company are as shown in the annexed financial statements.

Dividends

No dividends will be distributed for the period ended 27 November 2008.

Directors

The directors who served during the period under review were:

K. Arkley
J. Hands

Statement of Directors' responsibilities

The directors are responsible 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). The financial statements are required to 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 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 proper accounting records that 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 1985. 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.

Provision of information to auditors


So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

AUDLEYS WOOD HOTEL LIMITED
Directors' Report (continued)

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on *12* May 2009.

A handwritten signature in black ink, appearing to read 'J Hands', written in a cursive style.

J Hands
Director

AUDLEYS WOOD HOTEL LIMITED

Independent auditors' report

to the members of AUDLEYS WOOD HOTEL LIMITED

We have audited the accounts of Audleys Wood Hotel Limited for the period ended 27 November 2008 which comprise the profit and loss account, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 27 November 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

PKF (UK) LLP

PKF (UK) LLP

Registered auditors

London, UK

~~May 2009~~

1 June 2009

AUDLEYS WOOD HOTEL LIMITED**Profit and Loss Account****for the period from 18 December 2007 to 27 November 2008**

	Notes	Period ended 27 November 2008 £
Turnover		143,735
Gross profit		<u>143,735</u>
Administrative expenses		(237,891)
Operating loss	2	<u>(94,156)</u>
Interest payable	4	(565,904)
Loss on ordinary activities before taxation		<u>(660,060)</u>
Tax on loss on ordinary activities	5	-
Loss for the period	13	<u>(660,060)</u>

Acquired operations

The company's activities during the period arose wholly from acquired operations.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss shown above.

AUDLEYS WOOD HOTEL LIMITED**Balance Sheet****as at 27 November 2008**

	Notes	2008 £
Fixed assets		
Intangible assets	6	7
Tangible assets	7	12,874,032
Investments	8	<u>2</u>
		12,874,041
Current assets		
Stocks	9	25,393
Debtors	10	138,155
Cash at bank and in hand		<u>2,135</u>
		165,683
Creditors: amounts falling due within one year	11	(13,699,782)
Net current liabilities		<u>(13,534,099)</u>
Total assets less current liabilities		<u>(660,058)</u>
		<u>(660,058)</u>
Capital and reserves		
Called up share capital	12	2
Profit and loss account	13	(660,060)
Shareholder's funds	14	<u>(660,058)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 May 2009



J Hands
Director

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 18 December 2007 to 27 November 2008

1 Accounting policies

Fundamental Accounting Concept

The accounts have been prepared on a going concern basis on the basis of continuing financial support from the immediate parent undertaking Hand Picked Hotels Limited. The directors of the immediate parent have confirmed that they will provide such support for the foreseeable future.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

On 27 November 2008 the trade and assets arising from the operation of the hotel were transferred from the company's subsidiary undertaking. The company has operated the hotel from that date.

Turnover

Turnover arises from management fees charged to the company's subsidiary undertaking, who operated the hotel property during the year.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings core	50 years
Freehold buildings surface finishes and services	20 years
Fixtures and fittings	4 to 25 years

Stocks

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking.

Deferred taxation

As required by Financial Reporting Standard 19 "Deferred Tax", full provision is made for deferred tax assets and liabilities arising from all timing difference between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which FRS19 specifies that deferred tax should not be recognised.

Deferred 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 balances are not discounted.

Related party transactions

The company has taken advantage of the exemptions in FRS 8 in connection with the disclosure of transactions with other group undertakings.

Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

AUDLEYS WOOD HOTEL LIMITED**Notes to the Accounts****for the period from 18 December 2007 to 27 November 2008****2 Operating loss** **Period ended 27 November 2008**
£

This is stated after charging:

Depreciation of owned fixed assets 237,891

The audit fee has been borne by the immediate parent undertaking.

3 Staff costs **Period ended 27 November 2008**
£**Average number of employees during the year** **Number**Administration 2

There were no staff costs for the period ended 27 November 2008.

None of the directors received any remuneration for the period.

4 Interest payable **Period ended 27 November 2008**
£Group interest 565,904**5 Taxation** **Period ended 27 November 2008**
£**Current year charge**Corporation tax -
Total current tax -Deferred taxation
Current year -Total tax -**Factors affecting tax charge for the period** **Period ended 27 November 2008**
£Loss on ordinary activities before tax (660,060)Loss on ordinary activities multiplied by
standard rate of corporation tax (28.7%) (189,437)*Explained by:*

Expenses not deductible for corporation tax purposes 43,298

Depreciation in excess of capital allowances 23,767

Non taxable income (58,210)

Unutilised losses arising in the period 180,582**Total current tax** -

AUDLEYS WOOD HOTEL LIMITED**Notes to the Accounts****for the period from 18 December 2007 to 27 November 2008****5 Taxation (continued)**

Deferred tax	£
(Charged) / credited to profit and loss in the period	-
At 27 November 2008	-

6 Intangible fixed assets

Goodwill:

Cost	
Additions	7
At 27 November 2008	7

Net book value

At 27 November 2008	7
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On the 25 February 2008 the company acquired tangible fixed assets and goodwill as part of the purchase of the Audleys Wood Hotel at fair value. The business was passed down to Audleys Wood Hotel (No.2) Limited, a new operating subsidiary. The goodwill arose as follows:

Assets at date of acquisition	Book value £	Fair value adjustments £	Fair value £
Tangible fixed assets	11,599,993	-	11,599,993
Consideration			11,600,000
Goodwill			7

The financial results of the acquired hotel pre-acquisition have not been made available.

7 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Assets in course of construction £	Total £
Cost				
Additions	10,184,366	2,632,539	295,018	13,111,923
At 27 November 2008	10,184,366	2,632,539	295,018	13,111,923
Depreciation				
Charge for the period	56,741	181,150	-	237,891
At 27 November 2008	56,741	181,150	-	237,891
Net book value				
At 27 November 2008	10,127,625	2,451,389	295,018	12,874,032

Included in freehold land and buildings is freehold land of £1,455,000 which is not depreciated.

AUDLEYS WOOD HOTEL LIMITED**Notes to the Accounts****for the period from 18 December 2007 to 27 November 2008****8 Investments**

	Investments in subsidiary undertakings
	2008
	£
Cost	
Additions	2
At 27 November 2008	<u>2</u>

On the 5 February 2008 the company acquired the entire share capital of the following subsidiary which is registered in England and Wales:

	Proportion and class of shares held	Profit for the period ended 27 November 2008	Capital and reserves at 27 November 2008
		£	£
Audleys Wood Hotel (No.2) Limited			
- non-trading	100% of ordinary shares	<u>257,110</u>	<u>257,112</u>

9 Stocks

	2008
	£
Goods for resale	<u>25,393</u>

10 Debtors

	2008
	£
Trade debtors	101,428
Amounts due from fellow subsidiary undertakings	9,926
Other debtors	2,667
Prepayments and accrued income	<u>24,134</u>
	<u>138,155</u>

AUDLEYS WOOD HOTEL LIMITED**Notes to the Accounts****for the period from 18 December 2007 to 27 November 2008**

11 Creditors: amounts falling due within one year	2008
	£
Bank loans and overdrafts	24,078
Payments in advance	158,746
Trade creditors	59,569
Amounts due to immediate parent undertaking	13,056,093
Amounts due to fellow group undertakings	2,092
Amounts due to subsidiary undertaking	257,112
Other taxes and social security costs	88,973
Other creditors	13,505
Accruals and deferred income	39,614
	<u>13,699,782</u>

12 Share capital	2008	2008
	No	£
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Movement in share capital	2008
	£
Shares issued in the period	2
At 27 November 2008	<u>2</u>

2 ordinary shares were issued at par on incorporation.

13 Profit and loss account	2008
	£
Loss for the period	(660,060)
At 27 November 2008	<u>(660,060)</u>

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 18 December 2007 to 27 November 2008

14 Reconciliation of movement in shareholder's funds

2008

£

Loss for the period	(660,060)
Reduction to shareholder's funds	(660,060)
Shares issued in the period	2
Closing shareholder's funds	(660,058)

15 Capital commitments

The amounts contracted for but not provided for in the accounts amount to £299,249. This amount relates to the refurbishment of the hotel property.

16 Operating Leases

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Other
	2008
	£
Operating leases which expire: within two to five years	4,332

17 Contingent liability

The company has granted fixed and floating charges over its assets in respect of group borrowing facilities. The amount owed by the Hand Picked Hotels Limited group as at 27 November 2008 was £123,139,000.

18 Ultimate parent company

The company's ultimate parent undertaking is Alscot Sarl, which is registered in Luxembourg. The company's immediate parent is Hand Picked Hotels Limited, a company registered in England and Wales. The largest and smallest group, in whose financial statements the results of the company will be consolidated is Hand Picked Hotels Limited. The consolidated accounts of Hand Picked Hotels Limited will be available to the public and will be obtainable in due course from the Registrar of Companies, Companies House, Crown Way, Cardiff.

The controlling party is Mr G Hands.