

Registered number
6456130

AUDLEYS WOOD HOTEL LIMITED

Report and Accounts

24 November 2011



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

Auditor

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

Registered office

The Old Library
The Drive
Sevenoaks
Kent
TN13 3AB

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AUDLEYS WOOD HOTEL LIMITED

Registered number: 6456130

Directors' Report

The directors present their report and accounts for the period ended 24 November 2011

Principal activities

The company's principal activity during the period was the ownership and operation of the Audleys Wood Hotel

Business review

The results for the period and financial position of the company are as shown in the annexed financial statements. The directors are optimistic as to the future success of the company.

Dividends

No dividends were paid during the period ended 24 November 2011 (2010 £Nil)

Directors

The following persons served as directors during the period

K Arkley
J Hands

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 judgements 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 to disclose with reasonable accuracy at any time the financial position of the company and to 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.

AUDLEYS WOOD HOTEL LIMITED

Registered number: 6456130

Directors' Report

Provision 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 information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information

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

This report was approved by the board on 23 April 2012



J Hands
Director

AUDLEYS WOOD HOTEL LIMITED
Independent auditor's report
to the members of AUDLEYS WOOD HOTEL LIMITED

We have audited the financial statements of Audleys Wood Hotel Limited for the period ended 24 November 2011 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 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 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

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 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 24 November 2011 and of its loss for the period 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 matters prescribed by the Companies Act 2006

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

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
- the directors were not entitled to take advantage of small companies exemptions in preparing the directors' report

PKF (UK) LLP

Stuart Collins (Senior Statutory Auditor)
for and on behalf of PKF (UK) LLP, Statutory Auditor
London, UK

3 May 2012

AUDLEYS WOOD HOTEL LIMITED
Profit and Loss Account
for the period from 26 November 2010 to 24 November 2011

	Notes	2011 £	2010 £
Turnover		2,794,795	2,941,825
Cost of sales		(654,249)	(653,209)
Gross profit		<u>2,140,546</u>	<u>2,288,616</u>
Administrative expenses		(2,172,868)	(2,258,096)
Operating (loss)/profit	2	<u>(32,322)</u>	<u>30,520</u>
Income from fixed asset investments		257,110	-
Interest payable and similar charges	4	(482,000)	(692,450)
Loss on ordinary activities before taxation		<u>(257,212)</u>	<u>(661,930)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the period	13	<u>(257,212)</u>	<u>(661,930)</u>

Continuing operations

All results are derived from continuing operations

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above two periods

AUDLEYS WOOD HOTEL LIMITED**Balance Sheet****as at 24 November 2011**

	Notes	2011 £	2010 £
Fixed assets			
Intangible assets	6	7	7
Tangible assets	7	12,605,601	12,875,323
Investments	8	6	6
		<u>12,605,614</u>	<u>12,875,336</u>
Current assets			
Stocks	9	18,534	23,407
Debtors	10	183,463	143,503
Cash at bank and in hand		112,569	143,028
		<u>314,566</u>	<u>309,938</u>
Creditors: amounts falling due within one year	11	(15,456,784)	(15,464,666)
Net current liabilities		<u>(15,142,218)</u>	<u>(15,154,728)</u>
Total assets less current liabilities		<u>(2,536,604)</u>	<u>(2,279,392)</u>
Net liabilities		<u>(2,536,604)</u>	<u>(2,279,392)</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	(2,536,606)	(2,279,394)
Shareholders' funds	14	<u>(2,536,604)</u>	<u>(2,279,392)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 April 2012



J Hands
Director

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 26 November 2010 to 24 November 2011

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and preceding period.

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Basis of preparation: going concern

The Company reports net current liabilities, net liabilities and losses for the period. The parent company has indicated that it will continue to provide financial support as necessary for the foreseeable future to ensure the Company can meet all liabilities as they fall due. On this basis the directors are satisfied that it is appropriate to prepare these accounts on a going concern basis.

Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer. Deposits which have been received at the balance sheet date for which services have not yet been provided are shown as payments in advance within creditors.

Goodwill

Positive goodwill arising on acquisition is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its economic life up to a presumed maximum of 20 years.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, 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.

Cash flow statement

Under the provisions of FRS 1 (Revised) Cash Flow Statements, the Company has not prepared a cash flow statement because its parent company, Hand Picked Hotels Limited, prepares consolidated accounts. The cash flows of the Company are included in the consolidated cash flow statement.

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 26 November 2010 to 24 November 2011

1 Accounting policies (continued)

Taxation

Corporation tax payable is provided on taxable profits at the current rate

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. 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.

Exemption from preparation of consolidated accounts

The Company has taken advantage of section 400 of the Companies Act 2006 and elected not to prepare consolidated accounts as it is included in the consolidated accounts of a larger group. Accordingly these financial statements show company only results and not group.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Operating (loss)/profit	2011 £	2010 £
This is stated after charging		
Depreciation of owned fixed assets	400,206	384,610
Operating lease rentals - plant and machinery	8,070	6,399
Profit on disposal of fixed assets	(833)	-
Auditor's remuneration for audit services	<u>3,380</u>	<u>3,120</u>

AUDLEYS WOOD HOTEL LIMITED**Notes to the Accounts****for the period from 26 November 2010 to 24 November 2011**

3 Staff costs	2011 £	2010 £
Wages and salaries	954,280	981,675
Social security costs	77,895	70,691
Other pension costs	15,177	8,415
	<u>1,047,352</u>	<u>1,060,781</u>
Agency staff	19,098	25,092
	<u>1,066,450</u>	<u>1,085,873</u>

None of the directors received any remuneration for the period (2010 £nil)

Average number of employees during the year	Number	Number
Hotel operations	34	37
Administration	6	5
	<u>40</u>	<u>42</u>

4 Interest payable and similar charges	2011 £	2010 £
Group interest payable	<u>482,000</u>	<u>692,450</u>

AUDLEYS WOOD HOTEL LIMITED**Notes to the Accounts****for the period from 26 November 2010 to 24 November 2011**

5 Taxation	2011	2010
	£	£
Analysis of charge in period		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2011	2010
	£	£
Loss on ordinary activities before tax	<u>(257,212)</u>	<u>(661,930)</u>
Standard rate of corporation tax in the UK	26 7%	28 0%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	(68,665)	(185,340)
Effects of		
Expenses not deductible for corporation tax purposes	35,007	103,573
Depreciation in excess of capital allowances	69,203	62,779
Unutilised losses arising in the period	33,093	18,988
Non-taxable income	(68,638)	-
	<hr/>	<hr/>
Current tax charge for period	-	-

The company has unrecognised deferred tax assets of £201,000 (2010 £144,000) and £241,000 (2010 £216,500) in respect of depreciation charged in excess of capital allowances at the end of the period and trade losses carried forward available for offset against future trading profits respectively

6 Intangible fixed assets	£
Goodwill	
Cost	
At 26 November 2010 and at 24 November 2011	<hr/> 7

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 26 November 2010 to 24 November 2011

7 Tangible fixed assets

	Freehold Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 26 November 2010	10,184,366	3,689,466	13,873,832
Additions	-	130,484	130,484
Disposals	-	(2,816)	(2,816)
At 24 November 2011	<u>10,184,366</u>	<u>3,817,134</u>	<u>14,001,500</u>
Depreciation			
At 26 November 2010	170,223	828,286	998,509
Charge for the period	56,741	343,465	400,206
On disposals	-	(2,816)	(2,816)
At 24 November 2011	<u>226,964</u>	<u>1,168,935</u>	<u>1,395,899</u>
Net book value			
At 24 November 2011	<u>9,957,402</u>	<u>2,648,199</u>	<u>12,605,601</u>
At 25 November 2010	<u>10,014,143</u>	<u>2,861,180</u>	<u>12,875,323</u>

Included in freehold land and buildings is freehold land of £1,455,000 which is not depreciated (2010 £1,455,000)

8 Investments

	Shares in subsidiary undertakings £
Cost	
At 26 November 2010 and at 24 November 2011	<u>6</u>

The company has an investment in the following wholly owned subsidiary

Company	Country of incorporation	Shares held Class	%
Audleys Wood Hotel (No 2) Limited	England and Wales	Ordinary	100
		2011 £	2010 £
Aggregate capital and reserves		<u>6</u>	<u>257,116</u>
9 Stocks		2011 £	2010 £
Goods for resale		<u>18,534</u>	<u>23,407</u>

AUDLEYS WOOD HOTEL LIMITED**Notes to the Accounts****for the period from 26 November 2010 to 24 November 2011**

10 Debtors			2011	2010
			£	£
Trade debtors			101,786	107,885
Other debtors			11,010	11,350
Prepayments and accrued income			70,667	24,268
			<u>183,463</u>	<u>143,503</u>
11 Creditors amounts falling due within one year			2011	2010
			£	£
Payments in advance			221,556	190,139
Trade creditors			95,767	110,984
Amounts due to parent undertaking			14,967,774	14,701,893
Amounts due to subsidiary undertaking			6	257,116
Other taxes and social security costs			98,013	95,401
Other creditors			5,058	1,849
Accruals and deferred income			68,610	107,284
			<u>15,456,784</u>	<u>15,464,666</u>
12 Share capital	2011	2010	2011	2010
	Number	Number	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	2	2	<u>2</u>	<u>2</u>
13 Profit and loss account			2011	2010
			£	£
At 26 November			(2,279,394)	(1,617,464)
Loss for the period			(257,212)	(661,930)
			<u>(2,536,606)</u>	<u>(2,279,394)</u>
At 24 November				
14 Reconciliation of movement in shareholders' funds			2011	2010
			£	£
At 26 November			(2,279,392)	(1,617,462)
Loss for the period			(257,212)	(661,930)
			<u>(2,536,604)</u>	<u>(2,279,392)</u>
At 24 November				
15 Capital commitments			2011	2010
			£	£
Amounts contracted for but not provided in the accounts			<u>140,767</u>	<u>-</u>

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 26 November 2010 to 24 November 2011

16 Operating leases

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

	2011 £	2010 £
Operating leases which expire		
within one year	1,133	1,133
within two to five years	6,937	5,266
	<u>8,070</u>	<u>6,399</u>

17 Contingent liabilities

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 24 November 2011 was £97,111,500 (2010 £98,654,000)

18 Ultimate parent company and controlling party

The company's ultimate parent company is Alscot Sarl, a company incorporated in Luxembourg. The company's immediate parent undertaking is Hand Picked Hotels Limited. 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