

Registered number  
6456130

AUDLEYS WOOD HOTEL LIMITED

Report and Accounts

26 November 2009

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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 ended 26 November 2009

#### **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 26 November 2009 (2008: £nil).

#### **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 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 estimates that are reasonable and prudent, and
- 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.

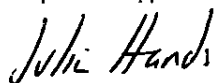
#### **Provision of information to auditors**

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.

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 24 May 2010



J Hands  
Director

**AUDLEYS WOOD HOTEL LIMITED**  
**Independent auditors' report**  
**to the members of AUDLEYS WOOD HOTEL LIMITED**

We have audited the financial statements of Audleys Wood Hotel Limited for the period ended 26 November 2009 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 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 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**

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.

**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 26 November 2009 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 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.

**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 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 auditors

London, UK

~~16 June 2010~~

16 June 2010

**AUDLEYS WOOD HOTEL LIMITED****Profit and Loss Account****for the period from 28 November 2008 to 26 November 2009**

	Notes	Period ended 26 November 2009 £	Period ended 27 November 2008 £
<b>Turnover</b>		2,783,152	143,735
Cost of sales		(642,926)	-
<b>Gross profit</b>		<u>2,140,226</u>	<u>143,735</u>
Administrative expenses		(2,187,772)	(237,891)
<b>Operating loss</b>	2	<u>(47,546)</u>	<u>(94,156)</u>
Interest payable	4	(909,858)	(565,904)
<b>Loss on ordinary activities before and after taxation and for the year</b>	13	<u>(957,404)</u>	<u>(660,060)</u>

**Continuing and acquired operations**

The company's activities during the prior period arose wholly from acquired operations. The company's activities during the current period arose from continuing 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****Registered number 6456130****Balance Sheet****as at 26 November 2009**

	Notes	26 November 2009 £	27 November 2008 £
<b>Fixed assets</b>			
Intangible assets	6	7	7
Tangible assets	7	13,201,496	12,874,032
Investments	8	6	6
		<u>13,201,509</u>	<u>12,874,045</u>
<b>Current assets</b>			
Stocks	9	21,345	25,393
Debtors	10	155,119	138,155
Cash at bank and in hand		<u>77,834</u>	<u>2,135</u>
		254,298	165,683
<b>Creditors: amounts falling due within one year</b>	11	(15,073,269)	(13,699,786)
<b>Net current liabilities</b>		<u>(14,818,971)</u>	<u>(13,534,103)</u>
<b>Total assets less current liabilities</b>		<u>(1,617,462)</u>	<u>(660,058)</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	(1,617,464)	(660,060)
<b>Shareholder's deficit</b>	14	<u>(1,617,462)</u>	<u>(660,058)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2010



J Hands  
Director

## **AUDLEYS WOOD HOTEL LIMITED**

### **Notes to the Accounts**

**for the period from 28 November 2008 to 26 November 2009**

#### **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***

In the prior period turnover arose from management fees charged to the company's subsidiary undertaking, who operated the hotel property during the period. In the current period 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.

##### ***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.

##### ***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.



**AUDLEYS WOOD HOTEL LIMITED****Notes to the Accounts****for the period from 28 November 2008 to 26 November 2009****1 Accounting policies (continued)*****Leasing***

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

***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

<b>2 Operating loss</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Depreciation of owned fixed assets	376,008	237,891
Other operating leases	5,506	-
Auditors' remuneration - audit fees	3,120	-

<b>3 Staff costs</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Wages and salaries	924,449	-
Social security costs	80,015	-
Other pension costs	11,554	-
	<u>1,016,018</u>	<u>-</u>
Agency staff	4,758	-
	<u>1,020,776</u>	<u>-</u>

None of the directors received any remuneration for the period (2008 £nil)

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Hotel operations	41	-
Administration	5	2
	<u>46</u>	<u>2</u>

<b>4 Interest payable</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Group interest payable	<u>909,858</u>	<u>565,904</u>

# AUDLEYS WOOD HOTEL LIMITED

## Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

### 5 Taxation

	2009	2008
	£	£
<b>Current year charge</b>		
Corporation tax	-	-
Total current tax	-	-
<b>Deferred taxation</b>		
Total tax	-	-
<b>Factors affecting tax charge for the period</b>	<b>2009</b>	<b>2008</b>
	£	£
Loss on ordinary activities before tax	(957,404)	(660,060)
Loss on ordinary activities multiplied by standard rate of corporation tax 28.0% (2008 28.7%)	(268,073)	(189,437)
<i>Explained by</i>		
Expenses not deductible for corporation tax purposes	47,376	43,298
Depreciation in excess of capital allowances	60,109	23,767
Non taxable income	(1,868)	(58,210)
Unutilised losses arising in the period	162,456	180,582
<b>Total current tax</b>	-	-

Potential deferred tax assets of £86,000 (2008 £24,500) and £282,500 (2008 £177,000) have not been recognised in respect of depreciation charged in excess of capital allowances at the end of the period and tax losses carried forward available for offset against future trading profits respectively

### 6 Intangible fixed assets

Goodwill

Cost

At 28 November 2008 and at 26 November 2009

7

# **AUDLEYS WOOD HOTEL LIMITED**

## **Notes to the Accounts**

**for the period from 28 November 2008 to 26 November 2009**

### **7 Tangible fixed assets**

	Freehold land and buildings £	Fixtures and fittings £	Assets in course of construction £	Total £
<b>Cost</b>				
At 28 November 2008	10,184,366	2,632,539	295,018	13,111,923
Additions	-	703,472	-	703,472
Transfers	-	295,018	(295,018)	-
At 26 November 2009	<u>10,184,366</u>	<u>3,631,029</u>	<u>-</u>	<u>13,815,395</u>
<b>Depreciation</b>				
At 28 November 2008	56,741	181,150	-	237,891
Charge for the period	<u>56,741</u>	<u>319,267</u>	<u>-</u>	<u>376,008</u>
At 26 November 2009	<u>113,482</u>	<u>500,417</u>	<u>-</u>	<u>613,899</u>
<b>Net book value</b>				
At 26 November 2009	<u>10,070,884</u>	<u>3,130,612</u>	<u>-</u>	<u>13,201,496</u>
At 27 November 2008	<u>10,127,625</u>	<u>2,451,389</u>	<u>295,018</u>	<u>12,874,032</u>

Included in freehold land and buildings is freehold land of £1,455,000 which is not depreciated (2008 £1,455,000)

### **8 Investments**

	Other investments £
<b>Cost</b>	
At 28 November 2008 and at 26 November 2009	<u>6</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following

Company	Country of registration or incorporation	Shares held Class	%
Audleys Wood Hotel (No 2) Limited	England and Wales	Ordinary	100
		<b>2009</b>	<b>2008</b>
		£	£
Aggregate capital and reserves		257,116	257,116
Profit for the period		<u>-</u>	<u>257,110</u>

### **9 Stocks**

	2009 £	2008 £
Goods for resale	<u>21,345</u>	<u>25,393</u>

# **AUDLEYS WOOD HOTEL LIMITED**

## **Notes to the Accounts**

**for the period from 28 November 2008 to 26 November 2009**

<b>10 Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	116,941	101,428
Amounts due from fellow subsidiary undertakings	-	9,926
Other debtors	11,409	2,667
Prepayments and accrued income	26,769	24,134
	<u>155,119</u>	<u>138,155</u>

<b>11 Creditors amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	24,078
Payments in advance	260,243	158,746
Trade creditors	95,224	59,569
Amounts due to immediate parent undertaking	14,264,737	13,056,093
Amounts due to fellow group undertakings	258,546	2,092
Amounts due to subsidiary undertaking	-	257,116
Other taxes and social security costs	71,180	88,973
Other creditors	2,969	13,505
Accruals and deferred income	120,370	39,614
	<u>15,073,269</u>	<u>13,699,786</u>

<b>12 Share capital</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, issued and fully paid				
Ordinary shares of £1 each	2	2	<u>2</u>	<u>2</u>

<b>13 Profit and loss account</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
At 28 November 2008	(660,060)	-
Loss for the period	(957,404)	(660,060)
	<u>(1,617,464)</u>	<u>(660,060)</u>
At 26 November 2009		

## AUDLEYS WOOD HOTEL LIMITED

### Notes to the Accounts

for the period from 28 November 2008 to 26 November 2009

14 Reconciliation of movement in shareholder's deficit	2009 £	2008 £
Opening shareholders' deficit	(660,058)	-
Loss for the period	(957,404)	(660,060)
Shares issued in the period	-	2
Closing shareholder's deficit	<u>(1,617,462)</u>	<u>(660,058)</u>

### 15 Capital commitments

The amounts contracted for but not provided for in the accounts amount to £156,597. 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 2009 £	Other 2008 £
Operating leases which expire within two to five years	<u>5,506</u>	<u>4,332</u>

### 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 26 November 2009 was £98,596,500.

### 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.