

Registered number
6456130

AUDLEYS WOOD HOTEL LIMITED

Report and Accounts

25 November 2010

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AUDLEYS WOOD HOTEL LIMITED
Report and accounts
Contents

	Page
Company information	1
Directors' report	2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6

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 25 November 2010

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 25 November 2010 (2009: £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.

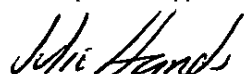
Provision of information to auditors

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 22 March 2011



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 25 November 2010 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 statement of directors' responsibilities, 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 25 November 2010 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 period 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

24 March 2011

AUDLEYS WOOD HOTEL LIMITED**Profit and Loss Account****for the period from 27 November 2009 to 25 November 2010**

		Period ended 25 November 2010 £	Period ended 26 November 2009 £
	Notes		
Turnover		2,941,825	2,783,152
Cost of sales		(653,209)	(642,926)
Gross profit		<u>2,288,616</u>	<u>2,140,226</u>
Administrative expenses		(2,258,096)	(2,187,772)
Operating profit/(loss)	2	<u>30,520</u>	<u>(47,546)</u>
Interest payable	4	(692,450)	(909,858)
Loss on ordinary activities before and after taxation and for the period	13	<u>(661,930)</u>	<u>(957,404)</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 25 November 2010**

	Notes	25 November 2010 £	26 November 2009 £
Fixed assets			
Intangible assets	6	7	7
Tangible assets	7	12,875,323	13,201,496
Investments	8	6	6
		<u>12,875,336</u>	<u>13,201,509</u>
Current assets			
Stocks	9	23,407	21,345
Debtors	10	143,503	155,119
Cash at bank and in hand		<u>143,028</u>	<u>77,834</u>
		309,938	254,298
Creditors: amounts falling due within one year	11	(15,464,666)	(15,073,269)
Net current liabilities		<u>(15,154,728)</u>	<u>(14,818,971)</u>
Total assets less current liabilities		<u>(2,279,392)</u>	<u>(1,617,462)</u>
		<u>(2,279,392)</u>	<u>(1,617,462)</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	(2,279,394)	(1,617,464)
Shareholder's deficit	14	<u>(2,279,392)</u>	<u>(1,617,462)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 March 2011



J Hands
Director

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 27 November 2009 to 25 November 2010

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.

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.

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 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.

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. The cash flows of the Company are included in the consolidated cash flow statement.

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.

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 27 November 2009 to 25 November 2010

1 Accounting policies (continued)

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	2010 £	2009 £
This is stated after charging		
Depreciation of owned fixed assets	384,610	376,008
Other operating leases	6,398	5,506
Auditors' remuneration - audit fees	3,120	3,120

3 Staff costs	2010 £	2009 £
Wages and salaries	981,675	924,449
Social security costs	70,691	80,015
Other pension costs	8,415	11,554
	<u>1,060,781</u>	<u>1,016,018</u>
Agency staff	25,092	4,758
	<u>1,085,873</u>	<u>1,020,776</u>

None of the directors received any remuneration for the period (2009 £nil)

Average number of employees during the year	Number	Number
Hotel operations	37	41
Administration	5	5
	<u>42</u>	<u>46</u>

4 Interest payable	2010 £	2009 £
Group interest payable	<u>692,450</u>	<u>909,858</u>

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 27 November 2009 to 25 November 2010

5 Taxation

	2010 £	2009 £
Current year charge		
Corporation tax	-	-
Total current tax	-	-
 Deferred taxation		
 Total tax	-	-
	2010 £	2009 £
Factors affecting tax charge for the period		
Loss on ordinary activities before tax	(661,930)	(957,404)
 Loss on ordinary activities multiplied by standard rate of corporation tax 28 0% (2009 28 0%)	(185,340)	(268,073)
<i>Explained by</i>		
Expenses not deductible for corporation tax purposes	103,573	47,376
Depreciation in excess of capital allowances	62,779	60,109
Non taxable income	-	(1,868)
Unutilised losses arising in the period	18,988	162,456
Total current tax	-	-

Potential deferred tax assets of £144,000 (2009 £86,000) and £216,500 (2009 £282,500) 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 27 November 2009 and at 25 November 2010

£

7

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 27 November 2009 to 25 November 2010

7 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 27 November 2009	10,184,366	3,631,029	13,815,395
Additions	-	58,437	58,437
At 25 November 2010	<u>10,184,366</u>	<u>3,689,466</u>	<u>13,873,832</u>
Depreciation			
At 27 November 2009	113,482	500,417	613,899
Charge for the period	56,741	327,869	384,610
At 25 November 2010	<u>170,223</u>	<u>828,286</u>	<u>998,509</u>
Net book value			
At 25 November 2010	<u>10,014,143</u>	<u>2,861,180</u>	<u>12,875,323</u>
At 26 November 2009	<u>10,070,884</u>	<u>3,130,612</u>	<u>13,201,496</u>

Included in freehold land and buildings is freehold land of £1,455,000 which is not depreciated (2009 £1,455,000)

8 Investments

	Shares in subsidiary undertakings £
Cost	
At 27 November 2009 and at 25 November 2010	<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
		2010 £	2009 £
Aggregate capital and reserves		<u>257,116</u>	<u>257,116</u>

9 Stocks	2010 £	2009 £
Goods for resale	<u>23,407</u>	<u>21,345</u>

AUDLEYS WOOD HOTEL LIMITED

Notes to the Accounts

for the period from 27 November 2009 to 25 November 2010

10 Debtors			2010	2009
			£	£
Trade debtors			107,885	116,941
Other debtors			11,350	11,409
Prepayments and accrued income			24,268	26,769
			<u>143,503</u>	<u>155,119</u>
11 Creditors, amounts falling due within one year			2010	2009
			£	£
Payments in advance			190,139	260,243
Trade creditors			110,984	95,224
Amounts due to immediate parent undertaking			14,701,893	14,264,737
Amounts due to fellow subsidiary undertakings			257,116	258,546
Other taxes and social security costs			95,401	71,180
Other creditors			1,849	2,969
Accruals and deferred income			107,284	120,370
			<u>15,464,666</u>	<u>15,073,269</u>
12 Share capital	2010	2009	2010	2009
	No	No	£	£
Allotted, issued and fully paid				
Ordinary shares of £1 each	2	2	<u>2</u>	<u>2</u>
13 Profit and loss account			2010	2009
			£	£
At 27 November 2009			(1,617,464)	(660,060)
Loss for the period			(661,930)	(957,404)
			<u>(2,279,394)</u>	<u>(1,617,464)</u>
At 25 November 2010				

AUDLEYS WOOD HOTEL LIMITED**Notes to the Accounts****for the period from 27 November 2009 to 25 November 2010**

14 Reconciliation of movement in shareholder's deficit	2010	2009
	£	£
Opening shareholders' deficit	(1,617,462)	(660,058)
Loss for the period	(661,930)	(957,404)
Closing shareholder's deficit	<u>(2,279,392)</u>	<u>(1,617,462)</u>

15 Operating leases

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

	2010	2009
	£	£
Operating leases which expire		
within one year	1,133	-
within two to five years	<u>5,266</u>	<u>5,506</u>
	<u>6,399</u>	<u>5,506</u>

16 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 25 November 2010 was £98,654,000.

17 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.