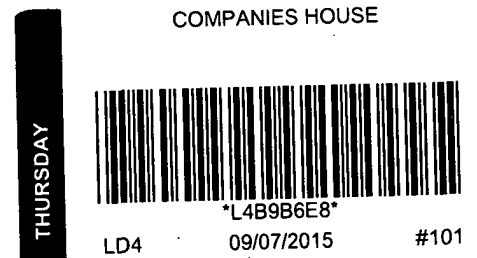


# Financial Statements Bridges Ventures Hotel Property Limited

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For the year ended 31 December 2014



Registered number: 07992488

**Bridges Ventures Hotel Property Limited**

## Company Information

**Directors**

P J Janmaat (resigned 6 August 2014)  
P Rinkens  
I K Y Taylor (resigned 21 May 2014)  
Bridges Ventures LLP  
Bridges Community Ventures Nominees Limited (appointed 21 May 2014)  
J P Fawcett (appointed 21 May 2014)

**Company secretary**

P R T Lewis

**Registered number**

07992488

**Registered office**

42 Adler Street  
London  
E1 1EE

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

**Bridges Ventures Hotel Property Limited**

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## **Bridges Ventures Hotel Property Limited**

# **Directors' Report**

**For the year ended 31 December 2014**

The directors present their report and the financial statements for the year ended 31 December 2014.

### **Business review**

The Company successfully opened the Qbic London City Hotel on 22nd October 2013 following the complete refurbishment of the property near Aldgate in London.

The 2013 financial statements therefore reflected only the initial two months of trading for the new business. The 2014 statements presented are for the first full year of activity for the Hotel and include the expenses of a head office function formed in anticipation of the growth strategy of the business.

The opening was well received with acclaim from the media including The Sunday Times, The Economist and renowned hotel critic Alex Polizzi. The combination of the unique features of the Qbic room construction methods, design led interior & superior guest service has enabled the Hotel to steadily climb the London review rankings. With focus on both minimising environmental impact and maximising local regeneration the Qbic business is aligned to the visions of Bridges Ventures LLP.

Turnover for the period was £5,322,172 (2013: £742,272) reflecting the full year of trading in the period. The loss for the year was £612,948 (2013: £1,549,704) which includes the expenses relating to effective head office functions that have been set up in order to expand the Qbic Hotel brand in the coming years.

The Directors are pleased with the performance of the first new generation Qbic Hotel which will provide the platform in terms of product, technology and build techniques to enable subsequent successful openings as new sites are secured and remain confident that we have a development and operating model that can underpin an energetic role out programme.

EBITDA (Earnings before interest, tax, depreciation and amortisation) is seen as a key performance indicator of the business. EBITDA for the period was £676,337 (2013: £1,048,527 EBITDA loss) which provides a good indicator of cash returns in the year.

The Qbic Management team has been strengthened during the year along with continued investment in developments associated with operational technology & build techniques enabling a lean profitable operating model to be employed.

### **Going concern**

The financial statements are prepared on the going concern basis, notwithstanding net current liabilities of £530,491 at 31 December 2014 and a loss for the year of £612,948, which the directors believe to be appropriate for the following reasons:

The Company's first hotel opened in October 2013 and is therefore in its initial stages of its lifecycle. The directors are confident that the Company's trading forecasts and cash flow projections, taking account of the future bookings, show that the Company will continue to be able to operate and meet its liabilities as they fall due for the foreseeable future being at least 12 months from the date of approval of the financial statements.

The Company's working capital requirements have been met during the year through cash generated by operations since interest due on loan notes is currently on an accrued basis.

The directors therefore consider it appropriate to prepare these financial statements on the going concern basis.

## **Directors' Report**

**For the year ended 31 December 2014**

### **Directors**

The directors who served during the year were:

P J Janmaat (resigned 6 August 2014)

P Rinkens

I K Y Taylor (resigned 21 May 2014)

Bridges Ventures LLP

Bridges Community Ventures Nominees Limited (appointed 21 May 2014)

J P Fawcett (appointed 21 May 2014)

### **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 judgments and accounting 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 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.

### **Disclosure 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 relevant audit information and to establish that the company's auditor is aware of that information.

**Bridges Ventures Hotel Property Limited**

## Directors' Report

For the year ended 31 December 2014

### **Auditor**

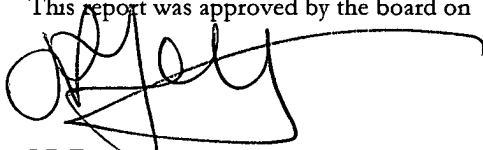
Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

24/6/15.

and signed on its behalf.

A handwritten signature in black ink, appearing to be 'J P Fawcett', written over a horizontal line.

**J P Fawcett**  
Director



## Independent Auditor's Report to the Members of Bridges Ventures Hotel Property Limited

We have audited the financial statements of Bridges Ventures Hotel Property Limited for the year ended 31 December 2014, 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 the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.



## Independent Auditor's Report to the Members of Bridges Ventures Hotel Property 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, 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

A handwritten signature in black ink, appearing to read "Mark Henshaw".

Mark Henshaw (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
London

Date: 7 July 2015



**Bridges Ventures Hotel Property Limited**

**Profit and Loss Account**  
For the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1	<b>5,322,172</b>	742,272
Cost of sales		<b>(93,541)</b>	(87,798)
<b>Gross profit</b>		<b>5,228,631</b>	654,474
Administrative expenses		<b>(5,199,579)</b>	(1,833,208)
<b>Operating profit/(loss)</b>	2	<b>29,052</b>	(1,178,734)
Interest payable and similar charges		<b>(642,000)</b>	(370,970)
<b>Loss on ordinary activities before taxation</b>		<b>(612,948)</b>	(1,549,704)
Tax on loss on ordinary activities	3	-	-
<b>Loss for the financial year</b>	9	<b>(612,948)</b>	(1,549,704)

The notes on pages 8 to 13 form part of these financial statements.

<b>EBITDA / (EBITDA Loss)</b>	<b>2014</b>	<b>2013</b>
Earnings before interest depreciation and amortisation	<b>676,337</b>	(1,048,527)

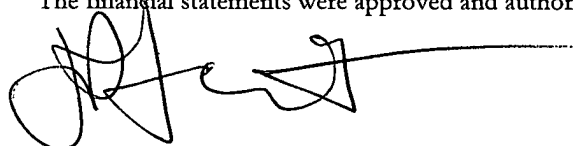
## Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	4		7,422,506		7,471,477
<b>Current assets</b>					
Stocks		-		9,548	
Debtors	5	188,802		164,046	
Cash at bank and in hand		1,435,789		1,061,868	
		<u>1,624,591</u>		<u>1,235,462</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(2,155,082)</u>		<u>(1,843,975)</u>	
<b>Net current liabilities</b>			<u>(530,491)</u>		<u>(608,513)</u>
<b>Total assets less current liabilities</b>			<u>6,892,015</u>		<u>6,862,964</u>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>(9,048,468)</u>		<u>(8,406,469)</u>
<b>Net liabilities</b>			<u><u>(2,156,453)</u></u>		<u><u>(1,543,505)</u></u>
<b>Capital and reserves</b>					
Called up share capital	8		100,000		100,000
Profit and loss account	9		<u>(2,256,453)</u>		<u>(1,643,505)</u>
<b>Shareholders' deficit</b>			<u><u>(2,156,453)</u></u>		<u><u>(1,543,505)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24/6/15.



**J P Fawcett**  
Director

The notes on pages 8 to 13 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2014

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

### **1.2 Going concern**

The financial statements are prepared on the going concern basis, notwithstanding net current liabilities of £530,491 at 31 December 2014 and a loss for the year of £612,948, which the directors believe to be appropriate for the following reasons:

The Company's first hotel opened in October 2013 and is therefore in its initial stages of its lifecycle. The directors are confident that the Company's trading forecasts and cash flow projections, taking account of the future bookings, show that the Company will continue to be able to operate and meet its liabilities as they fall due for the foreseeable future being at least 12 months from the date of approval of the financial statements.

The Company's working capital requirements have been met during the year through cash generated by operations since interest due on loan notes is currently on an accrued basis.

The directors therefore consider it appropriate to prepare these financial statements on the going concern basis.

### **1.3 Turnover**

Turnover represents revenue in respect of the provision of hotel and restaurant services rendered during the year stated net of value added tax. Revenue is recognised when the services are provided to the customer.

### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the bases shown below. As of 1 January 2014, the accounting estimate for fixtures and fittings was changed from 5 years straight line to 7 years straight line.

S/Term Leasehold Property	-	25 years straight line
Fixtures & fittings	-	7 years straight line
Computer equipment	-	2 years straight line

### **1.5 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.

### **1.6 Stocks**

Stocks are valued at the lower of cost and net realisable value.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 1. Accounting Policies (continued)

### 1.7 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.

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.

### 1.8 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.

## 2. Operating profit/(loss)

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	647,285	130,207
Impairment of fixed assets	80,436	-
Auditor's remuneration	11,250	10,250
Auditor's remuneration - non-audit	2,750	2,500
	<hr/>	<hr/>

During the year, the company was invoiced fees by directors who served during the year, totalling £270,479 (2013: £395,610).

# Notes to the Financial Statements

For the year ended 31 December 2014

## 3. Taxation

### Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(612,948)	(1,549,704)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2013 - 23.25%)	(131,723)	(360,306)
<b>Effects of:</b>		
Non-tax deductible impairment	17,286	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	139,044	2,181
Capital allowances for year/period in excess of depreciation	(70,288)	(68,414)
Short term timing difference leading to an increase (decrease) in taxation	-	(21,806)
Other timing differences leading to an increase (decrease) in taxation	-	22,359
Unrelieved tax losses carried forward	45,681	425,986
<b>Current tax charge for the year/period (see note above)</b>	-	-

### Factors that may affect future tax charges

A net deferred tax asset amounting to £221,468 (2013: £307,634) resulting from tax losses carried forward and other timing differences has not been recognised in the financial statements due to the current uncertainty of the asset crystallising in the foreseeable future.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 4. Tangible fixed assets

	S/Term Leasehold Property £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2014	5,776,400	1,825,284	-	7,601,684
Additions	91,809	551,200	46,432	689,441
Disposals	-	(13,362)	-	(13,362)
Transfer between classes	(129,130)	(40,735)	169,865	-
Impairment charge	(79,961)	(475)	-	(80,436)
At 31 December 2014	5,659,118	2,321,912	216,297	8,197,327
<b>Depreciation</b>				
At 1 January 2014	126,796	3,411	-	130,207
Charge for the year	220,712	329,556	97,017	647,285
On disposals	-	(2,671)	-	(2,671)
At 31 December 2014	347,508	330,296	97,017	774,821
<b>Net book value</b>				
At 31 December 2014	5,311,610	1,991,616	119,280	7,422,506
At 31 December 2013	5,649,604	1,821,873	-	7,471,477

## 5. Debtors

	2014 £	2013 £
Trade debtors	4,004	3,006
Other debtors	184,798	161,040
	188,802	164,046

## 6. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	645,727	489,735
Other taxation and social security	42,650	50,019
Other creditors	1,466,705	1,304,221
	2,155,082	1,843,975

# Notes to the Financial Statements

For the year ended 31 December 2014

## 7. Creditors: Amounts falling due after more than one year

	2014 £	2013 £
Loan notes	8,025,000	8,025,000
Accrued loan note interest	1,023,468	381,469
	<u>9,048,468</u>	<u>8,406,469</u>

The 8% Secured Loan Notes 2017 from Bridges Community Ventures Nominees Limited are secured by way of a fixed and floating charge over the company's assets.

## 8. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
75,000 Ordinary A shares of £1 each	75,000	75,000
25,000 Ordinary B shares of £1 each	25,000	25,000
	<u>100,000</u>	<u>100,000</u>

The Ordinary A and B shares rank pari passu in respect to each other.

## 9. Reserves

	Profit and loss account £
At 1 January 2014	(1,643,505)
Loss for the financial year	(612,948)
At 31 December 2014	<u>(2,256,453)</u>

## 10. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	<u>1,275,000</u>	<u>1,250,000</u>

## Notes to the Financial Statements

For the year ended 31 December 2014

### **11. Related party transactions**

During the year, fees totaling £121,000 (2013: £230,102) were invoiced from Beheermaatschappij Joria BV, a company connected to Bridges Ventures Hotel Property Limited by virtue of being a 11% shareholder and having common directorship. These fees relate to professional services provided by a Director of the Company. The balance owed at the year end to Beheermaatschappij Joria BV amounted to £6,012 (2013: £112,854).

During the year, fees totaling £149,479 (2013: £165,508) were invoiced from Fritsie Holding BV, a company connected to Bridges Ventures Hotel Property Limited by virtue of being a 14% shareholder and having common directorship. The fees relate to professional services provided by a Director of the Company. The balance owed at the year end to Fritsie Holding BV amounted to £nil (2013: £17,861).

During the year, the company issued loan notes to its ultimate controlling party amounting to £nil (2013: £7,125,000). The balance of loan notes outstanding at the year end amounted to £8,025,000 (2013: £8,025,000). The loan notes are held in nominee capacity, on behalf of the ultimate controlling party, by Bridges Community Ventures Nominees Limited.

During the year, interest totaling £642,000 (2013: £370,970) and transaction fees totaling £nil (2013: £153,750) were accrued in respect of the loan notes. The balance of accrued interest and transaction fees outstanding at the year end amounted to £1,183,969 (2013: £541,969).

### **12. Controlling party**

The company is ultimately controlled by funds managed by Bridges Ventures LLP.