

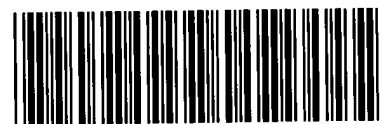
Registered number: 07992488

QBIC HOTELS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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QBIC HOTELS LIMITED
REGISTERED NUMBER:07992488

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	6,327,361	6,504,863
		<u>6,327,361</u>	<u>6,504,863</u>
Current assets			
Stocks	6	13,619	5,743
Debtors: amounts falling due within one year	7	1,053,957	544,094
Cash at bank and in hand		533,195	524,299
		<u>1,600,771</u>	<u>1,074,136</u>
Creditors: amounts falling due within one year	8	(1,281,602)	(948,873)
Net current assets		<u>319,169</u>	<u>125,263</u>
Total assets less current liabilities		<u>6,646,530</u>	<u>6,630,126</u>
Creditors: amounts falling due after more than one year	9	(9,523,336)	(9,051,884)
Net liabilities		<u>(2,876,806)</u>	<u>(2,421,758)</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
Profit and loss account		(2,976,806)	(2,521,758)
		<u>(2,876,806)</u>	<u>(2,421,758)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 August 2018.



Paul Lewis
Director

The notes on pages 2 to 9 form part of these financial statements.

QBIC HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

Qbic Hotels Limited is a private company (registered number: 07992488), limited by share capital, registered in England and Wales.

The registered office is:

Qbic London City Hotel
42 Adler Street
London
E1 1EE

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements are prepared on the going concern basis, notwithstanding net liabilities of £2,876,806 at 31 December 2017 and a loss for the year of £455,048, which the Directors believe to be appropriate for the following reasons:

The Company continues to trade profitably, when adjusted for interest accrued on loans. Working capital requirements during the year have been met through cash generated by operations.

The Directors are confident that the Company's trading forecasts and cash flow projections, taking into account 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.

QBIC HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.3 Revenue**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

QBIC HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Short-term leasehold property	- 5-25 years straight line
Fixtures and fittings	- 7 years straight line
Computer equipment	- 2 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

QBIC HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £11,800 (2016: £12,800).

4. Employee numbers

The average number of employees, including directors, during the year was 47 (2016: 46).

QBIC HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2017	5,701,309	2,653,143	402,067	8,756,519
Additions	617,879	65,263	64,905	748,047
Disposals	-	(192,713)	(136,668)	(329,381)
At 31 December 2017	<u>6,319,188</u>	<u>2,525,693</u>	<u>330,304</u>	<u>9,175,185</u>
Depreciation				
At 1 January 2017	902,052	1,051,512	298,092	2,251,656
Charge for the year on owned assets	278,203	395,293	89,022	762,518
Disposals	-	(80,960)	(85,390)	(166,350)
At 31 December 2017	<u>1,180,255</u>	<u>1,365,845</u>	<u>301,724</u>	<u>2,847,824</u>
Net book value				
At 31 December 2017	<u>5,138,933</u>	<u>1,159,848</u>	<u>28,580</u>	<u>6,327,361</u>
At 31 December 2016	<u>4,799,257</u>	<u>1,601,631</u>	<u>103,975</u>	<u>6,504,863</u>

Included within short-term leasehold property are assets under construction totalling £568,638 (2016: £Nil).

6. Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>13,619</u>	<u>5,743</u>

QBIC HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Debtors

	2017 £	2016 £
Trade debtors	35,626	17,707
Other debtors	228,192	13,820
Prepayments and accrued income	390,700	138,182
Deferred taxation	399,439	374,385
	<u>1,053,957</u>	<u>544,094</u>

Included within Other Debtors is a balance of £215,735 owed by Qbic Hotels International Management Limited, a company under common control.

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	431,674	188,173
Corporation tax	-	429
Other taxation and social security	35,771	108,246
Other creditors	260,905	352,018
Accruals and deferred income	553,252	300,007
	<u>1,281,602</u>	<u>948,873</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	9,523,336	6,625,000
Accruals and deferred income	-	2,426,884
	<u>9,523,336</u>	<u>9,051,884</u>

QBIC HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Deferred taxation

	2017 £	2016 £
At beginning of year	374,385	155,141
Charged to profit or loss	25,054	219,244
At end of year	399,439	374,385

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(266,332)	(171,728)
Tax losses carried forward	-	198,347
Short term timing differences	665,771	347,766
	399,439	374,385

11. Share capital

	2017 £	2016 £
Shares classified as equity		
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
	100,000	100,000

QBIC HOTELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and buildings		
Not later than 1 year	1,371,875	1,250,000
Later than 1 year and not later than 5 years	5,650,000	5,609,375
Later than 5 years	21,540,625	22,953,125
	<u>28,562,500</u>	<u>29,812,500</u>

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on 17 August 2018 by Andrew Ball (Senior Statutory Auditor) on behalf of haysmacintyre.