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**RARE BIRD HOTELS LIMITED**

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2018**

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30/11/2018

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COMPANIES HOUSE

**RARE BIRD HOTELS LIMITED**  
**REGISTERED NUMBER: 08258851**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2018**

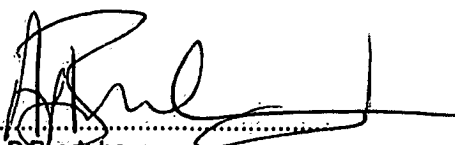
	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets		208,402	287,104
		<u>208,402</u>	<u>287,104</u>
<b>Current assets</b>			
Stocks		14,034	16,711
Debtors: amounts falling due within one year	6	71,993	81,336
Cash at bank and in hand		21,624	16,440
		<u>107,651</u>	<u>114,487</u>
Creditors: amounts falling due within one year	7	(4,326,186)	(3,765,958)
<b>Net current liabilities</b>		<u>(4,218,535)</u>	<u>(3,651,471)</u>
<b>Total assets less current liabilities</b>		<u>(4,010,133)</u>	<u>(3,364,367)</u>
<b>Net liabilities</b>		<u>(4,010,133)</u>	<u>(3,364,367)</u>
<b>Capital and reserves</b>			
Called up share capital	8	10,000	10,000
Profit and loss account	9	(4,020,133)	(3,374,367)
		<u>(4,010,133)</u>	<u>(3,364,367)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out within Part 15 of the Companies Act 2006.

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

  
A P Bradshaw  
Director 27/11/18

The notes on pages 2 to 10 form part of these financial statements.

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## **RARE BIRD HOTELS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018**

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#### **1. General information**

Rare Bird Hotels Limited is a private limited company, limited by shares, incorporated in England and Wales. The registered address of the company is 2nd Floor, 47 Marylebone Lane, London W1U 2NT.

#### **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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Going concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. The Company has made losses for a number of years as a result of which it has been reliant on the support of other group companies. The ultimate parent company has confirmed in writing, its continued support. However whilst that reliance will need to continue, the Directors are confident that the Company will return to profitability in cash terms following the development of the hotel. They continue to adopt the going concern basis in preparing the financial statements.

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## RARE BIRD HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 2. Accounting policies (continued)

##### 2.3 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

##### Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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## RARE BIRD HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

##### **Sale of goods**

Revenue 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 revenue 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**

Revenue from accommodation and related services is recognised at the point at which the services are provided and when the amount of revenue can be measured reliably and it is probable that the Company will receive the consideration due under the contract.

##### 2.5 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the lease term.

##### 2.6 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

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## RARE BIRD HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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## 2. Accounting policies (continued)

### 2.7 Taxation

Tax is recognised in the profit or loss, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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 is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2.8 Intangible assets

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life of 5 years. Goodwill is reviewed annually for impairment. Goodwill was fully impaired from 31 January 2014.

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## RARE BIRD HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 2. Accounting policies (continued)

##### 2.9 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.

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.

Depreciation is provided on the following basis:

Plant & machinery	- 20% straight line
Fixtures & fittings	- 20% straight line
Computer equipment	- 20% and 33% 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 profit and loss.

##### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.11 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## RARE BIRD HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 2. Accounting policies (continued)

##### 2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgments that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

##### Impairment of tangible fixed assets

Determining whether tangible fixed assets are impaired requires an estimation of both the net realisable value (NRV) of the assets and also the value in use of the cash generating units (CGU) to which the assets are allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the CGU and apply a suitable discount rate in order to calculate the present value.



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**RARE BIRD HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**4. Employees**

The average monthly number of employees, including Directors, during the year was 31 (2017 - 77).

**5. Tangible fixed assets**

	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
<b>Valuation</b>				
At 1 February 2017	129,447	361,314	42,595	533,356
Additions	-	-	32,975	32,975
At 31 January 2018	<u>129,447</u>	<u>361,314</u>	<u>75,570</u>	<u>566,331</u>
<b>Depreciation</b>				
At 1 February 2017	65,952	143,169	37,131	246,252
Charge for the year on owned assets	25,889	72,263	13,525	111,677
At 31 January 2018	<u>91,841</u>	<u>215,432</u>	<u>50,656</u>	<u>357,929</u>
<b>Net book value</b>				
At 31 January 2018	<u><u>37,606</u></u>	<u><u>145,882</u></u>	<u><u>24,914</u></u>	<u><u>208,402</u></u>
At 31 January 2017	<u><u>63,495</u></u>	<u><u>218,145</u></u>	<u><u>5,464</u></u>	<u><u>287,104</u></u>

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**RARE BIRD HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2018**

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**6. Debtors**

	2018 £	2017 £
Trade debtors	43,731	49,465
Other debtors	7,085	6,087
Prepayments and accrued income	21,177	25,784
	<u>71,993</u>	<u>81,336</u>

The Company has an unprovided net deferred tax asset of £177,465 in relation to fixed asset timing differences and losses available for use against future profits.

**7. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	46,132	55,371
Amounts owed to group undertakings	4,069,335	3,515,086
Other taxation and social security	43,393	45,410
Other creditors	-	3,016
Accruals and deferred income	167,326	147,075
	<u>4,326,186</u>	<u>3,765,958</u>

**8. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
14,167 (2017 - 14,167) Ordinary shares of £0.10 each	1,417	1,417
10,000 (2017 - 10,000) Ordinary A shares of £0.10 each	1,000	1,000
75,833 (2017 - 75,833) Ordinary B shares of £0.10 each	7,583	7,583
	<u>10,000</u>	<u>10,000</u>

**9. Reserves**

**Profit & loss account**

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

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## RARE BIRD HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

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#### 10. Commitments under operating leases

At 31 January 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	337,500	337,500
Later than 1 year and not later than 5 years	1,350,000	1,350,000
Later than 5 years	213,596	551,096
	<u>1,901,096</u>	<u>2,238,596</u>

#### 11. Related party transactions

Included within creditors is £4,069,333 (2016: £3,515,086) owed to CCO Cygnet Limited. Both Rare Bird Hotels Limited and CCO Cygnet Limited are subsidiaries of CCO Trading Limited. This loan is interest free, unsecured and is repayable on demand.

During the year, in the ordinary course of business rent of £336,575 (2016: £338,425) was payable by Rare Bird Hotels Limited to CCO Cygnet Limited for the occupation of a freehold hotel owned by CCO Cygnet Limited. Other transactions in the year, included in the loan balance, relate solely to recharged expenses and recharged purchases of tangible fixed assets.

Included with trade creditors is a balance £nil (2016: £22,934) owed to Mudlark Hotels Limited. Transactions included within this balance relate solely to recharged expenses. The company is a related parties by virtue of being under the common control of H E M Osmond.

#### 12. Controlling party

The Company's ultimate parent is CCO Trading Limited, a company registered in England & Wales. Copies of the group financial statements may be obtained from CCO Trading Limited, 2nd Floor, 47 Marylebone Lane, London W1U 2NT.

The ultimate controlling party of CCO Trading Limited is H E M Osmond.

#### 13. Auditor's information

The auditor's report on the financial statements prepared for the members was unqualified and there were no matters to which the auditor drew attention by way of emphasis. The auditor's report was signed by Jacqueline Oakes of Nexia Smith & Williamson as senior statutory auditor.