

Lupfaw 374 Limited

Report and Financial Statements

Period Ended

30 November 2017

Company Number 08595845

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Lupfaw 374 Limited

Company Information

Directors	K Arkley S Fairs
Registered number	08595845
Registered office	The Old Library The Drive Sevenoaks Kent TN13 3AB
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Lupfaw 374 Limited

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Lupfaw 374 Limited

Directors' Report For the period ended 30 November 2017

The directors present their report and the financial statements for the 53 week period ended 30 November 2017 (2016: 52 week period).

Principal activity

The company's only activity during the period was the continued investment in its subsidiary company.

Business review

The results for the period and financial position of the company are as shown in the annexed financial statements. During the year the company received additional equity investment of £11.0 million that was further invested into its subsidiary Lupfaw 375 Limited, in order to facilitate the acquisition of Stanbrook Abbey Hotel Limited. Lupfaw 375 Limited changed its name in the period to Stanbrook Abbey Hotel Limited.

Dividends

No dividends were paid during the period ended 30 November 2017. (2016: £nil).

Director

The following persons served as directors during the period:

K Arkley

J Hands (resigned 9 March 2018)

Subsequent to the period end, the following director was appointed on the following date:

S Fairs (appointed 9 March 2018)

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 judgements 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; 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 to 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.

Lupfaw 374 Limited

Directors' Report (continued) For the period ended 30 November 2017

Provision 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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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.

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 21 August 2018 and signed on its behalf.



K Arkley
Director

Lupfaw 374 Limited

Independent Auditor's Report to the Members of Lupfaw 374 Limited

Opinion

We have audited the financial statements of Lupfaw 374 Limited (the 'company') for the period ended 30 November 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Lupfaw 374 Limited

Independent Auditor's Report to the Members of Lupfaw 374 Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Lupfaw 374 Limited

Independent Auditor's Report to the Members of Lupfaw 374 Limited (continued)

Use of our report

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.

BDO LLP

Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 23/08/18

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Lupfaw 374 Limited

Statement of Comprehensive Income For the period ended 30 November 2017

	Note	2017 £	2016 £
Impairment on investment		(1,054,473)	(72,034)
Bank charges		(2)	(6)
Operating loss	3	(1,054,475)	(72,040)
Tax on loss on ordinary activities	5	-	-
Loss for the financial period		(1,054,475)	(72,040)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(1,054,475)	(72,040)

The notes on pages 9 to 14 form part of these financial statements.

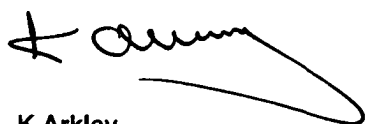
Lupfaw 374 Limited
Registered number: 08595845

Statement of Financial Position
As at 30 November 2017

	Note	30 November 2017 £	24 November 2016 £
Fixed assets			
Investments	6	10,245,621	300,094
Current assets			
Debtors	7	1	1
Cash at bank and in hand		96	97
		<u>97</u>	<u>98</u>
Creditors: amounts falling due within one year	8	(104)	(103)
Net current liabilities		<u>(7)</u>	<u>(5)</u>
Net assets		<u><u>10,245,614</u></u>	<u><u>300,089</u></u>
Capital and reserves			
Called up share capital	9	12,209,530	1,209,530
Profit and loss account	10	(1,963,916)	(909,441)
		<u><u>10,245,614</u></u>	<u><u>300,089</u></u>

These financial statements have been prepared in accordance with the 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 by:



K Arkley
Director

The notes on pages 9 to 14 form part of these financial statements.

Date: 21 August 2018

Lupfaw 374 Limited

Statement of Changes in Equity For the period ended 30 November 2017

	Share capital £	Profit and loss account £	Total equity £
At 27 November 2015	991,530	(837,401)	154,129
Loss for the period	-	(72,040)	(72,040)
Total comprehensive loss for the period	-	(72,040)	(72,040)
Shares issued	9,618,000	-	9,618,000
Cancellation of issued shares	(9,400,000)	-	(9,400,000)
Total contributions by owners	218,000	-	218,000
At 25 November 2016	1,209,530	(909,441)	300,089
Loss for the period	-	(1,054,475)	(1,054,475)
Total comprehensive loss for the period	-	(1,054,475)	(1,054,475)
Shares issued	11,000,000	-	11,000,000
At 30 November 2017	12,209,530	(1,963,916)	10,245,614

The notes on pages 9 to 14 form part of these financial statements.

Lupfaw 374 Limited

Notes to the Financial Statements For the period ended 30 November 2017

1. Accounting policies

General information

Lupfaw 374 Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A Small Entities and the Companies Act 2006.

The current period financial statements are prepared on a 53 week financial period (2016: 52 week period).

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

Exemption from preparation of consolidated financial statements

The company qualify as a small group in accordance with the Companies Act 2006 and elected not to prepare consolidated financial statements. Accordingly these financial statements show company only results and not group.

The following principal accounting policies have been applied consistently throughout the preceding and current periods.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment.

Going concern

The company reports net current liabilities and losses for the period. The ultimate controlling party 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, and having made appropriate enquiries at the parent company, the directors are satisfied that it is appropriate to prepare these accounts on a going concern basis.

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.

Creditors

Short term creditors are measured at the transaction price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Lupfaw 374 Limited

Notes to the Financial Statements For the period ended 30 November 2017

1. Accounting policies (continued)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or 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 country where the company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Lupfaw 374 Limited

Notes to the Financial Statements For the period ended 30 November 2017

1. Accounting policies (continued)

Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's fixed investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment.

- Investments (see note 6)

Where indicators of impairment exist, impairment reviews consider the current value of the investments' assets and liabilities along with its future performance and timing of the expected return on these investments.

3. Operating loss

The auditor's remuneration of £1,025 (2016: £1,025) for the period ended 30 November 2017 has been borne by a related party, Hand Picked Hotels Limited.

4. Staff costs

None of the directors received any remuneration for the period (2016: £nil). There are no other employees of the company.

5. Taxation

	2017 £	2016 £
UK corporation tax at 19.35% (2016: 20.00%)	-	-
	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	-	-

Lupfaw 374 Limited

Notes to the Financial Statements For the period ended 30 November 2017

5. Taxation (continued)

Reconciliation of tax charge

	2017 £	2016 £
Loss on ordinary activities before tax	(1,054,475)	(72,040)
Tax on loss on ordinary activities at standard CT rate of 19.35% (2016: 20%)	(204,041)	(14,408)
Effects of:		
Expenses not deductible for corporation tax purposes	204,041	14,408
Total tax charge for period	-	-

6. Investments

	Shares in subsidiary undertakings £
Cost	
At 25 November 2016	1,209,531
Additions	11,000,000
At 30 November 2017	12,209,531
Impairment	
At 25 November 2016	909,437
Provision for impairment	1,054,473
At 30 November 2017	1,963,910
Net book value	
At 30 November 2017	10,245,621
At 24 November 2016	300,094

Lupfaw 374 Limited

Notes to the Financial Statements For the period ended 30 November 2017

6. Investments (continued)

Direct subsidiary undertaking

The company has an investment in the following wholly owned subsidiary:

Name	Share held class	%	Principal activity
Stanbrook Abbey Hotel Limited (previously Lupfaw 375 Limited)	Ordinary	100 %	Hotels and similar accommodation

The registered office is The Old Library, The Drive, Sevenoaks, Kent, TN13 3AB. The company is incorporated in England and Wales.

	2017	2016
	£	£
Aggregate capital and reserves	10,245,620	300,094
Loss for the period	(1,054,473)	(72,034)

7. Debtors

	2017	2016
	£	£
Amounts due from immediate parent undertaking	1	1

8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts due to subsidiary undertaking	104	103

9. Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
12,209,530 (2016 - 1,209,530) Ordinary shares of £1 each	12,209,530	1,209,530

Lupfaw 374 Limited

Notes to the Financial Statements For the period ended 30 November 2017

9. Share capital (continued)

In February 2017 11,000,000 £1 ordinary shares were issued at par.

In December 2015 9,618,000 £1 ordinary shares were issued, for a total consideration of £9,618,000. In February 2016 there was a capital reduction of 9,400,000 £1 ordinary shares, leaving a balance in share capital of 1,209,530 £1 ordinary shares.

10. Reserves

Profit and loss account

This is cumulative profits or losses, net of dividends paid and other adjustments.

11. Ultimate parent company and controlling party

On 7 March 2018, the entire share holdings of the company, held by its immediate and ultimate parent, Alscot S.a.r.l, were transferred to Hand Picked Hotels Holdings (Guernsey) Limited, a company incorporated in Guernsey, resulting in Hand Picked Hotels Holdings (Guernsey) Limited becoming the immediate and ultimate parent of the company as of that date.

The ultimate controlling party is Mr G Hands.