

Registered number: 10288828

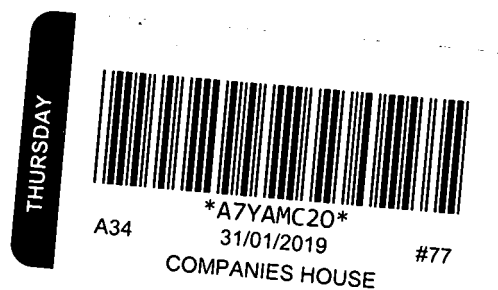
SARR NOKE HOSPITALITY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2017



SARR NOKE HOSPITALITY LIMITED
REGISTERED NUMBER: 10288828

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	26,010	2,343
Tangible assets	5	959,726	1,280,156
Investment property	6	7,973,551	7,973,551
		<u>8,959,287</u>	<u>9,256,050</u>
Current assets			
Debtors: amounts falling due within one year	7	39,565	89,825
Cash at bank and in hand		6,523	3,629
		<u>46,088</u>	<u>93,454</u>
Creditors: amounts falling due within one year	8	(2,399,877)	(2,434,460)
Net current liabilities		<u>(2,353,789)</u>	<u>(2,341,006)</u>
Total assets less current liabilities		<u>6,605,498</u>	<u>6,915,044</u>
Creditors: amounts falling due after more than one year	9	(6,940,098)	(6,940,098)
Provisions for liabilities			
Deferred tax		(6,129)	(6,129)
		<u>(6,129)</u>	<u>(6,129)</u>
Net liabilities		<u>(340,729)</u>	<u>(31,183)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		(340,730)	(31,184)
		<u>(340,729)</u>	<u>(31,183)</u>

SARR NOKE HOSPITALITY LIMITED
REGISTERED NUMBER: 10288828

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 comprehensive income 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

30/01/19



H S Ahuja
Director

The notes on pages 3 to 10 form part of these financial statements.

SARR NOKE HOSPITALITY LIMITED

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

1. General information

The Company is a private company limited by shares and is incorporated in England and Wales. The principal activity of Sarr Noke Hospitality Limited ("the Company") is that of hoteliers and restaurateurs. The Registered Office address is 428 Long Drive, Greenford, England, UB6 8UH. The presentational and functional currency is GBP. These financial statements are rounded to the nearest £.

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 company's total liabilities exceeded its total assets as at 31 December 2017. However, the accounts have been prepared on a going concern basis as the directors have confirmed their willingness to support the company on a continuing basis for the foreseeable future.

2.3 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:

Rendering of services

Revenue 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 revenue 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 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

SARR NOKE HOSPITALITY LIMITED

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

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

SARR NOKE HOSPITALITY LIMITED

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

2. Accounting policies (continued)

2.8 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.

Depreciation is provided on the following basis:

Plant and machinery	25% reducing balance
Computer equipment	25% 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 comprehensive income.

2.9 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

2.12 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.

2.13 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.

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 debtors and creditors, are measured,

SARR NOKE HOSPITALITY LIMITED

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

2. Accounting policies (continued)

2.13 Financial instruments (continued)

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 the 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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

3. Employees

The average monthly number of employees, including directors, during the year was 1 (2016 - 1).

SARR NOKE HOSPITALITY LIMITED

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

4. Intangible assets

	Intangible Assets £
Cost	
At 1 January 2017	2,500
Additions	25,000
At 31 December 2017	<u>27,500</u>
Amortisation	
At 1 January 2017	157
Charge for the year	1,333
At 31 December 2017	<u>1,490</u>
Net book value	
At 31 December 2017	<u>26,010</u>
At 31 December 2016	<u>2,343</u>

SARR NOKE HOSPITALITY LIMITED

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

5. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2017	1,340,500	25,000	1,365,500
At 31 December 2017	1,340,500	25,000	1,365,500
Depreciation			
At 1 January 2017	83,781	1,563	85,344
Charge for the year on owned assets	314,180	6,250	320,430
At 31 December 2017	397,961	7,813	405,774
Net book value			
At 31 December 2017	942,539	17,187	959,726
At 31 December 2016	1,256,719	23,437	1,280,156

6. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017	7,973,551
At 31 December 2017	7,973,551

The fair value of investment property has been established on the basis of a valuation carried out by the director as at 31 December 2017.

SARR NOKE HOSPITALITY LIMITED

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

7. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	21,744	73,375
Other debtors	17,821	16,450
	<u>39,565</u>	<u>89,825</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	59,902	71,902
Trade creditors	30,000	-
Corporation tax	1,058	1,058
Other creditors	2,285,143	2,360,000
Accruals and deferred income	23,774	1,500
	<u>2,399,877</u>	<u>2,434,460</u>

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

	2017 £	2016 £
Bank loans	6,940,098	6,940,098
	<u>6,940,098</u>	<u>6,940,098</u>

Details of security provided:

A first debenture from the Company over all of its assets and undertaking.

A first legal charge from the Company over the investment property.

A cross guarantee between the Company and its parent in favour of the Lender.

A first debenture from the parent over all of its assets and undertaking.

A joint and several personal guarantee from the director in respect of the obligations of the Company to the Lender (limited to £3.5 million).

A postponement of any shareholder loans of the Company in favour of the Lender.

SARR NOKE HOSPITALITY LIMITED

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

10. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	59,902	71,902
	<u>59,902</u>	<u>71,902</u>
Amounts falling due 2-5 years		
Bank loans	6,940,098	6,940,098
	<u>6,940,098</u>	<u>6,940,098</u>
	<u>7,000,000</u>	<u>7,012,000</u>

11. Share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
1 Ordinary shares share of £1.00	1	1

12. Related party transactions

The Company has taken advantage of the exemption in FRS 102 and has therefore not disclosed transactions or balances with wholly owned subsidiary which form part of the group headed by SARR Hotels Noke Limited.

The directors have an interest in a number of companies, either as directors, or participators, with which transactions have taken place. These are detailed below:

Amounts included within other creditors £2,285,143 (2016: £2,360,000). These relate to shareholder loans, the loans are interest free and repayable on demand.

13. Controlling party

There is no ultimate controlling party.