

REGISTERED NUMBER: 10449423 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
27 OCTOBER 2016 TO 31 DECEMBER 2017
FOR
BGAM HOTELS (KW) LIMITED**

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FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

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BGAM HOTELS (KW) LIMITED
COMPANY INFORMATION
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017

DIRECTORS:

J D Levy
J P Levy
M D Rubin
N S Rubin
L M Becker
C A Lewis

REGISTERED OFFICE:

Greenhill House
90/93 Cowcross Street
London
EC1M 6BF

REGISTERED NUMBER:

10449423 (England and Wales)

AUDITORS:

Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

**GROUP STRATEGIC REPORT
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

The directors present their strategic report of the company and the group for the period 27 October 2016 to 31 December 2017.

REVIEW OF BUSINESS

The results for the year show revenues generated of £2,689,540 and a resultant loss before tax of £(432,742).

However, the directors are mindful that the consolidated figures include significant provision for amortising the group's acquisition of the new trading subsidiary during the year. This therefore distorts the underlying trading results which, in the opinion of the directors, exceeded their expectations.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the underlying trading business is inadequate occupancy of available rooms and therefore an ability to generate sufficient revenues to service operations. The directors closely monitor the subsidiary's performance against similar companies operating in comparable markets and respond accordingly. The subsidiary is also susceptible to any loss in key members of operational staff and therefore operates a number of performance reward and incentive programmes to mitigate these risks.

Furthermore, for the holding company itself (and therefore to the group as a whole) the greatest risk is increasing interest rates having a detrimental effect on its financing costs. The directors review cash flows and debt servicing options on an ongoing basis to ensure there is sufficient cash available to service loan repayments as they fall due.

ON BEHALF OF THE BOARD:

J D Levy - Director

24 July 2018

**REPORT OF THE DIRECTORS
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

The directors present their report with the financial statements of the company and the group for the period 27 October 2016 to 31 December 2017.

COMMENCEMENT OF TRADING

The company was incorporated on 27 October 2016. The company itself is a non-trading holding company, providing financial and management support to its underlying trading subsidiaries. On 21 March 2017 the group acquired the entire share capital of Khanna Enterprises (Kenilworth) Limited and therefore commenced trading activities.

DIVIDENDS

An interim dividend of £21.05 per share was paid on 21 December 2017. The directors recommend that no final dividend be paid.

The total distribution of dividends for the period ended 31 December 2017 will be £80,000.

DIRECTORS

The directors who have held office during the period from 27 October 2016 to the date of this report are as follows:

J D Levy - appointed 27 October 2016
J P Levy - appointed 27 October 2016
M D Rubin - appointed 27 October 2016
N S Rubin - appointed 27 October 2016
L M Becker - appointed 27 October 2016
C A Lewis - appointed 2 November 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

AUDITORS

The auditors, Goldwyns Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J D Levy - Director

24 July 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BGAM HOTELS (KW) LIMITED

Opinion

We have audited the financial statements of BGAM Hotels (KW) Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2017 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 December 2017 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BGAM HOTELS (KW) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

A R Millman FCA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

25 July 2018

BGAM HOTELS (KW) LIMITED (REGISTERED NUMBER: 10449423)

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

	Notes	£
TURNOVER		2,689,540
Cost of sales		<u>1,415,134</u>
GROSS PROFIT		1,274,406
Administrative expenses		<u>1,539,786</u>
OPERATING LOSS	4	(265,380)
Interest receivable and similar income		<u>2</u>
		(265,378)
Interest payable and similar expenses	5	<u>167,364</u>
LOSS BEFORE TAXATION		(432,742)
Tax on loss	6	<u>87,911</u>
LOSS FOR THE FINANCIAL PERIOD		(520,653)
Dividends	8	(80,000)
RETAINED EARNINGS FOR THE GROUP AT END OF PERIOD		<u>(600,653)</u>
Loss attributable to: Owners of the parent		<u>(520,653)</u>

The notes form part of these financial statements

BGAM HOTELS (KW) LIMITED (REGISTERED NUMBER: 10449423)**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2017**

	Notes	£	£
FIXED ASSETS			
Intangible assets	9		4,526,161
Tangible assets	10		5,145,913
Investments	11		<u>-</u>
			9,672,074
CURRENT ASSETS			
Stocks	12	20,534	
Debtors	13	239,063	
Cash at bank and in hand		<u>44,866</u>	
		304,463	
CREDITORS			
Amounts falling due within one year	14	<u>4,514,252</u>	
NET CURRENT LIABILITIES			<u>(4,209,789)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,462,285
CREDITORS			
Amounts falling due after more than one year	15		(6,024,500)
PROVISIONS FOR LIABILITIES	18		<u>(38,400)</u>
NET LIABILITIES			<u><u>(600,615)</u></u>
CAPITAL AND RESERVES			
Called up share capital	19		38
Retained earnings	20		<u>(600,653)</u>
SHAREHOLDERS' FUNDS			<u><u>(600,615)</u></u>

The financial statements were approved by the Board of Directors on 24 July 2018 and were signed on its behalf by:

J D Levy - Director

The notes form part of these financial statements

BGAM HOTELS (KW) LIMITED (REGISTERED NUMBER: 10449423)

**COMPANY BALANCE SHEET
31 DECEMBER 2017**

	Notes	£	£
FIXED ASSETS			
Intangible assets	9		-
Tangible assets	10		-
Investments	11		<u>6,117,176</u>
			6,117,176
CURRENT ASSETS			
Debtors	13	3,916,283	
Cash at bank		<u>9</u>	
		3,916,292	
CREDITORS			
Amounts falling due within one year	14	<u>3,995,200</u>	
NET CURRENT LIABILITIES			<u>(78,908)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,038,268
CREDITORS			
Amounts falling due after more than one year	15		<u>6,024,500</u>
NET ASSETS			<u><u>13,768</u></u>
CAPITAL AND RESERVES			
Called up share capital	19		38
Retained earnings	20		<u>13,730</u>
SHAREHOLDERS' FUNDS			<u><u>13,768</u></u>
Company's profit for the financial year			<u><u>93,730</u></u>

The financial statements were approved by the Board of Directors on 24 July 2018 and were signed on its behalf by:

J D Levy - Director

The notes form part of these financial statements

BGAM HOTELS (KW) LIMITED (REGISTERED NUMBER: 10449423)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	515,769
Interest paid		(167,364)
Tax paid		<u>(60,714)</u>
Net cash from operating activities		<u>287,691</u>
Cash flows from investing activities		
Purchase of tangible fixed assets		(12,613)
Interest received		<u>2</u>
Net cash from investing activities		<u>(12,611)</u>
Cash flows from financing activities		
Bank loans drawn down		6,200,000
Shareholder loans		3,811,800
Share issue		38
Subsidiary share acquisition cost		(6,117,176)
Associated debt repayments		(332,647)
Associated loan repayments		(3,712,314)
Cash acquired		85
Equity dividends paid		<u>(80,000)</u>
Net cash from financing activities		<u>(230,214)</u>
Increase in cash and cash equivalents		<u>44,866</u>
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u><u>44,866</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	£
Loss before taxation	(432,742)
Depreciation charges	968,267
Finance costs	167,364
Finance income	<u>(2)</u>
	702,887
Decrease in stocks	1,128
Increase in trade and other debtors	(183,767)
Decrease in trade and other creditors	<u>(4,479)</u>
Cash generated from operations	<u>515,769</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 December 2017

	31/12/17	27/10/16
	£	£
Cash and cash equivalents	<u>44,866</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

1. STATUTORY INFORMATION

BGAM Hotels KW Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The group trades from its property in Kenilworth, Warwick.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group accounts consolidated the affairs of BGAM Hotels (KW) Limited and all its subsidiary undertakings drawn to 31 December each year. The subsidiary accounts have been included in the group figures under the acquisition method of accounting.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents the income receivable by the group from its trading activities as a hotel. Sales encompass room hire, food and beverage income and all other associated ancillary hotel and guest services. Turnover is recognised in the period in which physical goods are sold, as services are performed or otherwise as entitlement accrues to the group.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Equipment	- 25% on reducing balance and 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	829,328
Other pension costs	2,990
	<u>832,318</u>

The average number of employees during the period was as follows:

Staff	70
Directors	<u>6</u>
	<u>76</u>

	£
Directors' remuneration	<u>-</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	£
Hire of plant and machinery	32,420
Depreciation - owned assets	169,710
Goodwill amortisation	795,558
Patents and licences amortisation	3,000
Auditors' remuneration	12,800
Audit remuneration - other non-audit services	10,740
Formation costs	<u>600</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	£
Loan interest payable	<u>167,364</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

6. TAXATION

Analysis of the tax charge

The tax charge on the loss for the period was as follows:

	£
Current tax:	
UK corporation tax	93,709
Deferred tax	(5,798)
Tax on loss	<u>87,911</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£
Loss before tax	<u>(432,742)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19 %	(82,221)
Effects of:	
Expenses not deductible for tax purposes	165,697
Change in tax rates	4,435
Total tax charge	<u>87,911</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	£
Ordinary "A" shares of £1 each	
Interim	<u>80,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
Additions	5,303,719	-	5,303,719
Acquired	-	30,000	30,000
At 31 December 2017	<u>5,303,719</u>	<u>30,000</u>	<u>5,333,719</u>
AMORTISATION			
Amortisation for period	795,558	3,000	798,558
Reclassification/transfer	-	9,000	9,000
At 31 December 2017	<u>795,558</u>	<u>12,000</u>	<u>807,558</u>
NET BOOK VALUE			
At 31 December 2017	<u>4,508,161</u>	<u>18,000</u>	<u>4,526,161</u>

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
Additions	-	-	12,613	-	12,613
Acquired	5,777,887	3,443,413	2,588,816	80,748	11,890,864
At 31 December 2017	<u>5,777,887</u>	<u>3,443,413</u>	<u>2,601,429</u>	<u>80,748</u>	<u>11,903,477</u>
DEPRECIATION					
Charge for period	50,668	75,503	38,280	5,259	169,710
Acquired	1,041,998	3,130,820	2,339,705	75,331	6,587,854
At 31 December 2017	<u>1,092,666</u>	<u>3,206,323</u>	<u>2,377,985</u>	<u>80,590</u>	<u>6,757,564</u>
NET BOOK VALUE					
At 31 December 2017	<u>4,685,221</u>	<u>237,090</u>	<u>223,444</u>	<u>158</u>	<u>5,145,913</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
Additions	6,117,176
At 31 December 2017	<u>6,117,176</u>
NET BOOK VALUE	
At 31 December 2017	<u>6,117,176</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Khanna Enterprises (Kenilworth) Limited

Registered office: Aston House, Cornwall Avenue, London, England, N3 1LF

Nature of business: Hotel

	%
Class of shares:	holding
Ordinary	100.00

The company acquired the entire issued share capital of Khanna Enterprises (Kenilworth) Limited on 21 March 2017. A proportion of the purchase price was attributed to repaying the company's existing financing liabilities at that time, with the majority representing the cost of shares acquired.

From this date the subsidiary's financial affairs have been consolidated into the group figures in full.

At acquisition, the book value of the subsidiary's net assets was as follows:

	£
Tangible and intangible fixed assets	5,303,009
Stocks	21,662
Debtors	912,210
Cash at bank and in hand	85
Creditors	(5,379,311)
Provisions for liabilities	(44,198)
Net assets acquired	<u>813,457</u>

12. STOCKS

	Group £
Stocks	<u>20,534</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	Company £
Trade debtors	127,885	-
Amounts owed by group undertakings	-	3,850,408
Other debtors	30,802	-
Prepayments	80,376	65,875
	<u>239,063</u>	<u>3,916,283</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	Company £
Bank loans and overdrafts (see note 16)	175,500	175,500
Trade creditors	115,617	-
Tax	208,221	-
Social security and other taxes	86,544	-
Other creditors	3,667,918	3,611,801
Directors' current accounts	199,999	199,999
Accrued expenses	60,453	7,900
	<u>4,514,252</u>	<u>3,995,200</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group £	Company £
Bank loans (see note 16)	<u>6,024,500</u>	<u>6,024,500</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group £	Company £
Amounts falling due within one year or on demand:		
Bank loans	<u>175,500</u>	<u>175,500</u>
Amounts falling due between two and five years:		
Bank loans	<u>6,024,500</u>	<u>6,024,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group
	£
Bank loans	<u>6,200,000</u>

The company's bankers hold legal charges over its investments in its subsidiary plus further charges over the subsidiary's property and franchise agreements in support of the company's secured debts.

18. PROVISIONS FOR LIABILITIES

	Group
	£
Deferred tax	<u>38,400</u>
Group	
	Deferred
	tax
	£
Subsidiary provisions acquired	44,198
Accelerated capital allowances	(7,461)
Changes in tax rates	<u>1,663</u>
Balance at 31 December 2017	<u>38,400</u>

Deferred tax provisions represent the timing differences arising on accelerated capital allowance reliefs available in excess of accounting depreciation.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
3,800	"A" Ordinary	1p	<u>38</u>

The company issued 6 Ordinary "A" £1 shares during the year. It subsequently subdivided these into a new class of "A" Ordinary 1p shares of which it issued a further 3,200 allotments. All shares were issued at nominal value.

20. RESERVES

Group	Retained
	earnings
	£
Deficit for the period	(520,653)
Dividends	<u>(80,000)</u>
At 31 December 2017	<u>(600,653)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 27 OCTOBER 2016 TO 31 DECEMBER 2017**

20. RESERVES - continued

Company

	Retained earnings £
Profit for the period	93,730
Dividends	<u>(80,000)</u>
At 31 December 2017	<u>13,730</u>

21. PENSION COMMITMENTS

The group operates a defined contribution scheme in respect of its eligible employees. During the period, total contributions to the scheme amounted to £2,990. There were no contributions outstanding at the balance sheet date.

22. CONTINGENT LIABILITIES

During the year the company within the group entered into a cross-company guarantee to the loan note holders of BGAM Hotels (SH) Limited (a company with common directors). At the balance sheet date the guaranteed liability outstanding amounted to £385,000.

23. RELATED PARTY DISCLOSURES

During the period the group's total compensation to key management personnel (including directors) amounted to £42,000.

The group also utilises management services provided by another company under common control. During the period the total costs arising for these management services amounted to £78,016. At the balance sheet date, the company owed £3,611,801 to other companies under the control of various directors and their immediate family.

24. GOING CONCERN

The consolidated income statement reports a loss for the period of £520,653 and the consolidated balance sheet a deficiency of net assets amounting to £600,615. The directors do not consider these reported results to be indicative of a going concern issue however, as the underlying individual companies' balance sheets both report modest surpluses. The consolidated financial deficit is a result of the overarching financial reporting position and does not represent an inability to finance the group's liabilities as they fall due.

The financial statements are therefore drawn up under the historical cost convention and on a going concern basis.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.