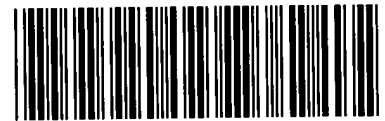


Registered number
3779729

YELLOW NOTE LIMITED
Report and Financial Statements
26 November 2020

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COMPANIES HOUSE

YELLOW NOTE LIMITED
Company Information

Director
D Waddell

Secretary
Vistra Company Secretaries Limited

Auditor
BDO LLP
55 Baker Street
London
UK
W1U 7EU

Registered office
The Old Library
The Drive
Sevenoaks
Kent
TN13 3AB

Registered number
3779729

YELLOW NOTE LIMITED
Report and Financial Statements
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YELLOW NOTE LIMITED

Registered number: 3779729

Director's Report

The director presents his report and financial statement for the 52 week period ended 26 November 2020 (2019: 52 week period).

Principal activities

The company has not traded during the current period.

Business review

The financial position of the company has remained relatively unchanged in the period.

Dividends

No dividends were paid during the current or previous period.

Going concern

The global and UK outbreak of coronavirus during the period, and its impact on the company, has been and continues to be closely reviewed by the board of directors. Further information in this regard is provided in note 1 to these financial statements, including the basis on which the board have concluded that it remains appropriate to adopt the going concern basis of preparation.

Directors

The following persons served as directors during the period:

K Arkley (resigned on 2 July 2021)
P Fullerton (resigned on 30 November 2020)
S Fairs (resigned on 1 April 2021)

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

D Waddell (appointed on 1 April 2021)

Director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Ireland". Under company law the director 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 director is 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 director is 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 enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

YELLOW NOTE LIMITED

Registered number: 3779729

Director's Report (continued)

Provision of information to auditor

Each person who was a director at the time when this report was approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

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

This report was approved by the board on 29 November 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'D Waddell', written over a circular stamp or mark.

D Waddell
Director

YELLOW NOTE LIMITED
Independent Auditor's Report
to the members of YELLOW NOTE LIMITED

Opinion

We have audited the financial statements of Yellow Note Limited (the 'Company') for the period ended 26 November 2020 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 26 November 2020 and of its result 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.

Material uncertainty relating to going concern

We draw attention to Note 1 to the financial statements, which explains that the Company remains reliant on the ongoing support of the ultimate shareholders, which is not legally binding, to enable them to continue as a going concern. As explained in Note 1, these events, along with the other matters set out in Note 1, indicate that a material uncertainty exists that may cast significant doubt over and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

YELLOW NOTE LIMITED
Independent Auditor's Report
to the members of YELLOW NOTE LIMITED

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 Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Director's 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 Director's 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 director's responsibilities statement set out on page 1, the director is 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.

YELLOW NOTE LIMITED
Independent Auditor's Report
to the members of YELLOW NOTE LIMITED

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.

DocuSigned by:

E25A0E124BD44AA...

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

Date: 30 November 2021

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

YELLOW NOTE LIMITED
Statement of Comprehensive Income
for the period ended 26 November 2020

	Notes	Period ended 26 November 2020 £	Period ended 28 November 2019 £
Administrative expenses		(508)	(493)
Operating loss	3	<u>(508)</u>	<u>(493)</u>
Interest payable		-	-
Loss on ordinary activities before taxation		<u>(508)</u>	<u>(493)</u>
Tax on loss on ordinary activities	5	-	-
Loss for the period		<u>(508)</u>	<u>(493)</u>
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		<u>(508)</u>	<u>(493)</u>

All amounts relate to continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

YELLOW NOTE LIMITED
Registered number: 3779729
Statement of Financial Position
as at 26 November 2020

	Notes	26 November 2020 £	28 November 2019 £
Creditors: amounts falling due within one year	6	(1,324,382)	(1,323,874)
Net current liabilities		<u>(1,324,382)</u>	<u>(1,323,874)</u>
Net liabilities		<u>(1,324,382)</u>	<u>(1,323,874)</u>
Capital and reserves			
Called up share capital	7	1,250,002	1,250,002
Profit and loss account	8	(2,574,384)	(2,573,876)
Total deficit		<u>(1,324,382)</u>	<u>(1,323,874)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2021



D Waddell
Director

The notes on pages 9 to 15 form part of these financial statements.

YELLOW NOTE LIMITED
Statement of Changes in Equity
for the period ended 26 November 2020

	Share capital £	Profit and loss account £	Total equity £
At 29 November 2018	1,250,002	(2,573,383)	(1,323,381)
Loss for the period	-	(493)	(493)
At 28 November 2019	<u>1,250,002</u>	<u>(2,573,876)</u>	<u>(1,323,874)</u>
Loss for the period	-	(508)	(508)
At 26 November 2020	<u><u>1,250,002</u></u>	<u><u>(2,574,384)</u></u>	<u><u>(1,324,382)</u></u>

The notes on pages 9 to 15 form part of these financial statements.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 26 November 2020

1 Accounting policies

General information

Yellow Note 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 current year financial statements are prepared on a 52 week financial period (2019: 52 week period).

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

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

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hand Picked Hotels Limited as at 26 November 2020 and these financial statements may be obtained from Companies House.

Going Concern

The Company reports net current liabilities and net liabilities for the period. The company is no longer trading and is dependent on its parent company in order to remain a going concern.

The director is aware that Hand Picked Hotels Limited, its intermediate parent company, and parent of the banking group in which the company participates, has identified a material uncertainty due to COVID-19 and the impacts of a phased reintroduction of trading in the hotels sector in the UK. In this regard, the director feels it is appropriate to also disclose a material uncertainty that may cast significant doubt in respect of the Company's own ability to continue as a going concern for the foreseeable future.

However, after reviewing forecasts for the business and having made appropriate enquiries of its ultimate parent company, including receipt of a non-binding letter of ongoing financial support, the director has a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 26 November 2020

Accounting policies (continued)

Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer. Deposits which have been received at the balance sheet date for which services have not yet been provided are shown as payments in advance within creditors. All turnover arose within the United Kingdom.

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

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:

Freehold buildings core	50 years
Freehold buildings surface finishes and services	20 years
Fixtures and fittings	4 to 25 years

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 26 November 2020

Accounting policies (continued)

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.

At each reporting 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 the statement of comprehensive income.

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.

Interest

Interest income and expense is recognised in the income statement using the effective interest method.

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.

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 outright 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.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 26 November 2020

Accounting policies (continued)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

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.

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.

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.

Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 26 November 2020

Accounting policies (continued)

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 statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

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

In preparing these financial statements, the directors have made no significant judgements.

3 Operating loss

The auditor's remuneration for the period ended 26 November 2020 has been borne by another group company.

4 Staff costs

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

	Number	Number
Administration	<u>3</u>	<u>3</u>

None of the directors received any remuneration for the period (2019: £nil).

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 26 November 2020

5 Taxation	2020	2019
	£	£
Current tax		
UK corporation tax at 19% (2019: 19%)	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-

	2020	2019
	£	£
Reconciliation of tax charge		
Loss on ordinary activities before tax	(508)	(493)
Loss on ordinary activities multiplied by the standard rate of corporation tax at 19% (2019: 19%)	(97)	(94)
Effects of:		
Group relief surrendered	-	94
Deferred tax not recognised	97	-
Tax charge for the period	-	-

Potential deferred tax assets of £114,000 (2019: £114,000) have not been recognised in respect of trading losses carried forward available for offset against future trading profits.

6 Creditors: amounts falling due within one year	2020	2019
	£	£
Amounts due to parent undertaking	1,320,287	1,319,779
Other taxes and social security costs	510	510
Other creditors	3,585	3,585
	<u>1,324,382</u>	<u>1,323,874</u>

7 Share capital	2020	2019	2020	2019
	Number	Number	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1,250,002	1,250,002	<u>1,250,002</u>	<u>1,250,002</u>

YELLOW NOTE LIMITED
Notes to the Financial Statements
for the period ended 26 November 2020

8 Reserves

Profit & loss account

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

9 Contingent liabilities

The company has granted fixed and floating charges over its assets in respect of group borrowing facilities. The amount owed by the Hand Picked Hotels Limited group as at 26 November 2020 was £30,000,000 (2019: £30,000,000). Subsequent to the period end the facility has been repaid in full.

10 Ultimate parent company and controlling party

The company's immediate parent is Hand Picked Hotels Limited. The largest and smallest group in whose financial statements the results of the company will be consolidated is Hand Picked Hotels Limited. The consolidated accounts of Hand Picked Hotels Limited will be available to the public and will be obtainable in due course from the Registrar of Companies, Companies House, Crown Way, Cardiff.

The ultimate parent company is Julian Holdings Limited, and the ultimate controlling party is Mr G Hands.

Julian Holdings Limited is a company incorporated in Guernsey, whose registered office address is PO Box 286, Floor 2 Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.