

Company Registration No. 02238303 (England and Wales)

RUSSELL LODGE HOTEL LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

RUSSELL LODGE HOTEL LIMITED

COMPANY INFORMATION

Directors	Mr P J Russell Mrs M Russell Miss C Russell Miss K Russell
Secretary	Mrs M Russell
Company number	02238303
Registered office	4th Floor, Park Gate 161-163 Preston Road Brighton East Sussex BN1 6AF
Accountants	Friend-James Limited 4th Floor, Park Gate 161-163 Preston Road Brighton East Sussex BN1 6AF

RUSSELL LODGE HOTEL LIMITED

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RUSSELL LODGE HOTEL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company was that of letting property and property development.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P J Russell

Mrs M Russell

Miss C Russell

Miss K Russell

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mrs M Russell

Director

21 September 2018

RUSSELL LODGE HOTEL LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF RUSSELL LODGE HOTEL LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Russell Lodge Hotel Limited for the year ended 31 December 2017 set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Russell Lodge Hotel Limited, as a body, in accordance with the terms of our engagement letter dated 22 September 2014. Our work has been undertaken solely to prepare for your approval the financial statements of Russell Lodge Hotel Limited and state those matters that we have agreed to state to the Board of Directors of Russell Lodge Hotel Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Russell Lodge Hotel Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Russell Lodge Hotel Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Russell Lodge Hotel Limited. You consider that Russell Lodge Hotel Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Russell Lodge Hotel Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Friend-James Limited

21 September 2018

Chartered Accountants

4th Floor, Park Gate
161-163 Preston Road
Brighton
East Sussex
BN1 6AF

RUSSELL LODGE HOTEL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
	Notes	£	£
Turnover		209,153	207,057
Administrative expenses		(97,365)	(98,934)
Operating profit		111,788	108,123
Interest payable and similar expenses		(5,958)	(8,978)
Fair value gains and losses on investment properties	6	-	450,000
Profit before taxation		105,830	549,145
Tax on profit	3	(5,036)	(96,508)
Profit for the financial year		100,794	452,637

RUSSELL LODGE HOTEL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Intangible assets	4	-	1
Tangible assets	5	2,858	3,362
Investment properties	6	4,800,000	4,800,000
		<u>4,802,858</u>	<u>4,803,363</u>
Current assets			
Debtors	7	16,100	20,334
Cash at bank and in hand		52,495	52,258
		<u>68,595</u>	<u>72,592</u>
Creditors: amounts falling due within one year	8	<u>(217,191)</u>	<u>(246,132)</u>
Net current liabilities		<u>(148,596)</u>	<u>(173,540)</u>
Total assets less current liabilities		4,654,262	4,629,823
Creditors: amounts falling due after more than one year	9	(253,881)	(314,651)
Provisions for liabilities		<u>(524,288)</u>	<u>(539,873)</u>
Net assets		<u><u>3,876,093</u></u>	<u><u>3,775,299</u></u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Share premium account		328,000	328,000
Other reserves		3,064,128	3,064,128
Profit and loss reserves		482,965	382,171
Total equity		<u><u>3,876,093</u></u>	<u><u>3,775,299</u></u>

RUSSELL LODGE HOTEL LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 by the board of directors and authorised for issue on 21 September 2018 and are signed on its behalf by:

Mrs M Russell

Director

Company Registration No. 02238303

RUSSELL LODGE HOTEL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 January 2016	1,000	328,000	2,690,351	308,311	3,327,662
Year ended 31 December 2016:					
Profit and total comprehensive income for the year	-	-	-	452,637	452,637
Dividends	-	-	-	(5,000)	(5,000)
Transfers	-	-	373,777	(373,777)	-
Balance at 31 December 2016	1,000	328,000	3,064,128	382,171	3,775,299
Year ended 31 December 2017:					
Profit and total comprehensive income for the year	-	-	-	100,794	100,794
Balance at 31 December 2017	1,000	328,000	3,064,128	482,965	3,876,093

RUSSELL LODGE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Russell Lodge Hotel Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, Park Gate, 161-163 Preston Road, Brighton, East Sussex, BN1 6AF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the rent receivable.

1.3 Intangible fixed assets - goodwill

Goodwill represents the original acquisition cost to the company as transferred by way of a vending agreement from a former partnership now carried on by the directors. In view of the minimal amount involved the directors have decided to retain its value in the accounts.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	15% on written down value
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

RUSSELL LODGE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

RUSSELL LODGE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

RUSSELL LODGE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2016 - 4).

3 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	20,621	20,418
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(15,585)	76,090
	<u> </u>	<u> </u>
Total tax charge	<u>5,036</u>	<u>96,508</u>

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2017	1
Disposals	(1)
	<u> </u>
At 31 December 2017	-
	<u> </u>
Amortisation and impairment	
At 1 January 2017 and 31 December 2017	-
	<u> </u>
Carrying amount	
At 31 December 2017	-
	<u> </u>
At 31 December 2016	<u>1</u>

RUSSELL LODGE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2017 and 31 December 2017	41,001
Depreciation and impairment	
At 1 January 2017	37,639
Depreciation charged in the year	504
At 31 December 2017	38,143
Carrying amount	
At 31 December 2017	2,858
At 31 December 2016	3,362

6 Investment property

	2017 £
Fair value	
At 1 January 2017 and 31 December 2017	4,800,000

Investment property comprises residential properties held for rental and capital appreciation. The fair value of the investment properties has been arrived at on the basis of a valuation carried out by the directors at the year-end. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

7 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	16,100	20,201
Other debtors	-	133
	16,100	20,334

RUSSELL LODGE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	60,771	59,538
Trade creditors	36,982	21,846
Corporation tax	20,621	20,418
Other taxation and social security	333	416
Other creditors	98,484	143,914
	<u>217,191</u>	<u>246,132</u>

9 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	10	<u>253,881</u>	<u>314,651</u>

10 Loans and overdrafts

	2017 £	2016 £
Bank loans	<u>314,652</u>	<u>374,189</u>
Payable within one year	60,771	59,538
Payable after one year	<u>253,881</u>	<u>314,651</u>

The bank loan is secured by a fixed and floating charge over the assets of the company.

11 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</u>

12 Directors' transactions

At the balance sheet date, the company owed £70,646 (2016: £124,070) to Mr and Mrs Russell. The amount is interest free and repayable on demand.

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.