

Company Registration No. 08384806 (England and Wales)

WOODLEY HOTELS (KENSINGTON) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

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WOODLEY HOTELS (KENSINGTON) LTD

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WOODLEY HOTELS (KENSINGTON) LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	4	14,975	17,993
Investment property	6	31,350,000	31,000,000
Investments	5	100	100
		<u>31,365,075</u>	<u>31,018,093</u>
Current assets			
Debtors	7	4,671,775	4,801,681
Cash at bank and in hand		17,382	4,550
		<u>4,689,157</u>	<u>4,806,231</u>
Creditors: amounts falling due within one year	8	<u>(452,350)</u>	<u>(506,760)</u>
Net current assets		<u>4,236,807</u>	<u>4,299,471</u>
Total assets less current liabilities		<u>35,601,882</u>	<u>35,317,564</u>
Creditors: amounts falling due after more than one year	9	(17,060,000)	(17,380,000)
Provisions for liabilities	10	<u>(482,251)</u>	<u>(1,093,808)</u>
Net assets		<u>18,059,631</u>	<u>16,843,756</u>
Capital and reserves			
Called up share capital	11	11,000,001	11,000,001
Profit and loss reserves	13	7,059,630	5,843,755
Total equity		<u>18,059,631</u>	<u>16,843,756</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 2023 and are signed on its behalf by:

Hoh Chin Yiep
Director

Company Registration No. 08384806

WOODLEY HOTELS (KENSINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Woodley Hotels (Kensington) Ltd (the 'Company') was incorporated on 1 February 2013 and is domiciled in the United Kingdom. The principal activities of the Company are described in the Directors' Report.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel and transactions between two or more members of a group.

The financial statements of the company are consolidated in the financial statements of Heeton Holdings Limited. These consolidated financial statements are available from its registered office, 60 Paya Lebar Road, #08-36 Paya Lebar Square, Singapore 409051.

1.2 Going concern

The Company is in a net current asset position of £4,236,807 at the balance sheet date which includes inter-company debtor balances owed of £4,671,589 (2021: £4,699,249) which the ultimate parent has confirmed in writing it will guarantee these amounts should the related companies be unable to repay if called upon.

At the balance sheet date, £231,217 is due to connected companies, which the ultimate parent undertaking has confirmed in writing to the directors it will not recall until the company is in a position to repay this and for at least 12 months from the date these financial statements are signed.

The directors have considered the forecasted future operations of the Company and that the ultimate parent undertaking has agreed to provide continuing financial support to the Company, and have concluded that the company will have adequate resources to continue in business for the foreseeable future, being at least 12 months from the date of approval of these financial statements. The directors therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Turnover

Rental income is recognised on a straight line basis over the lease term.

WOODLEY HOTELS (KENSINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10% - 20% straight line
Fixtures & fittings	20% straight line

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 the income statement.

Deferred tax is provided on these gains at the rate expected to apply when the property is sold.

1.6 Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

WOODLEY HOTELS (KENSINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 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 statement of financial position 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.

1.10 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 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 income statement 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 income statement, 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.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

WOODLEY HOTELS (KENSINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Investment properties are valued annually by the directors using an actual performance approach and input from third party valuation specialists. This uses market values of similar properties in the area of size and value but there is an inevitable degree of judgement involved in that each property is unique and value can ultimately be reliably tested in the market itself.

Key inputs to the valuations were:

- Termination of the franchise agreement in 2022.
- 2.5% of notional management fees per annum.
- FF&E reserve of 3% of total revenue and.
- Stabilised ADR of £93 and occupancy of 68%.

3 Employees

The average monthly number of persons employed by the company during the year was:

	2022 Number	2021 Number
Total	-	-
	==	==

The Company has no employees and the Company's directors are not remunerated for the work performed for the entity.

WOODLEY HOTELS (KENSINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2022 and 31 December 2022	22,404
Depreciation	
At 1 January 2022	4,411
Depreciation charged in the year	3,018
At 31 December 2022	7,429
Carrying amount	
At 31 December 2022	14,975
At 31 December 2021	17,993

5 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	100	100

6 Investment property

	2022 £
Fair value	
At 1 January 2022	31,000,000
Revaluations	350,000
At 31 December 2022	31,350,000

The investment property was valued at £31,350,000 at 21 December 2022 by Savills, Chartered Surveyors - regulated by the Royal Institution of Chartered Surveyors.

7 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	186	185
Other debtors	4,671,589	4,699,249
Prepayments and accrued income	-	102,247
	4,671,775	4,801,681

WOODLEY HOTELS (KENSINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Debtors (Continued)

The ultimate parent company, being Heeton Holdings Limited, has agreed to provide continuing financial support to the company and guarantee those inter-company balances due to the company from other group companies. These balances are included in other debtors and amount to £4,671,589 (2021: £4,699,249).

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	160,000	320,000
Trade creditors	11,100	38,606
Corporation tax	3,627	42
Other taxation and social security	29,645	28,134
Other creditors	247,978	119,978
	<u>452,350</u>	<u>506,760</u>

A charge has been registered at companies house by way of a security agreement between the company and United Overseas Bank, London Branch in relation to the loan facility over the freehold property at 15-25 Hogarth Road, Earls Court, Kensington, London SW5 0QJ. Chatteris Kensington Limited (subsidiary) and Chatteris Developments Limited (immediate parent) are chargors to the above agreement.

The ultimate parent company, being Heeton Holdings Limited, has agreed to provide continuing financial support to the company and guarantee those inter-company balances due from the company to other group companies. These balances are included in other creditors and amount to £231,217 at year end (2021: £101,217).

9 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans	<u>17,060,000</u>	<u>17,380,000</u>

A charge has been registered at companies house by way of a security agreement between the company and United Overseas Bank, London Branch in relation to refinancing the loan facility over the freehold property at 15-25 Hogarth Road, Earls Court, Kensington, London SW5 0QJ. Chatteris Kensington Limited (subsidiary) and Chatteris Developments Limited (immediate parent) are chargors to the above agreement.

WOODLEY HOTELS (KENSINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	-	(3,654)
Revaluations	482,251	1,097,462
	<u>482,251</u>	<u>1,093,808</u>
Movements in the year:		2022 £
Liability at 1 January 2022		1,093,808
Credit to profit or loss		(611,557)
Liability at 31 December 2022		<u>482,251</u>

The deferred tax liability set out above is expected to reverse within and relates to accelerated capital allowances that are expected to mature within the same period.

11 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>11,000,001</u>	<u>11,000,001</u>	<u>11,000,001</u>	<u>11,000,001</u>

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:
Statutory Auditor:

Shaun Roberts
LB Group (Colchester)

WOODLEY HOTELS (KENSINGTON) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	5,843,755	7,978,116
Profit/(loss) for the year	1,215,875	(2,134,361)
At the end of the year	<u>7,059,630</u>	<u>5,843,755</u>

Profit and loss reserves contain £4,432,367 of non-distributable reserves relating to the fair value movements of the property.

14 Operating lease commitments

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

2022 £	2021 £
<u>3,680,000</u>	<u>4,640,000</u>

15 Parent company

The immediate parent of the Company is Chatteris Developments Limited, a company incorporated in the British Virgin Islands.

The ultimate controlling parent of the company is Heeton Holdings Limited, a company incorporated in Singapore.

The smallest group into which Woodley Hotels (Kensington) Ltd is consolidated is Heeton Holdings Limited.

16 Directors' transactions

There were no guarantees with the directors in the year.

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.