
BANKSIDE HOTELS LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2017

FRIDAY



A7KB019E

A20

07/12/2018

#87

COMPANIES HOUSE

BANKSIDE HOTELS LIMITED
REGISTERED NUMBER: 03214521

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	450,275	500,305
Investments	7	21	21
Investment property	8	34,897,711	34,897,712
		<u>35,348,007</u>	<u>35,398,038</u>
Current assets			
Debtors: amounts falling due after more than one year	9	1,743,364	1,729,233
Debtors: amounts falling due within one year	9	1,771,859	1,455,428
Cash at bank and in hand		1,178,530	814,544
		<u>4,693,753</u>	<u>3,999,205</u>
Creditors: amounts falling due within one year	10	(855,824)	(875,741)
Net current assets		<u>3,837,929</u>	<u>3,123,464</u>
Total assets less current liabilities		<u>39,185,936</u>	<u>38,521,502</u>
Creditors: amounts falling due after more than one year	11	(15,000,000)	(15,000,000)
Provisions for liabilities			
Deferred tax	13	(2,861,251)	(2,922,318)
		<u>(2,861,251)</u>	<u>(2,922,318)</u>
Net assets		<u>21,324,685</u>	<u>20,599,184</u>
Capital and reserves			
Called up share capital		100	100
Property revaluation reserve		21,588,388	21,529,288
Profit and loss account		(263,803)	(930,204)
		<u>21,324,685</u>	<u>20,599,184</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

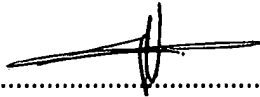
BANKSIDE HOTELS LIMITED
REGISTERED NUMBER: 03214521

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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



.....
C D Gourgey
Director

Date: 03-12-2018

The notes on pages 4 to 13 form part of these financial statements.

BANKSIDE HOTELS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Investment property revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2016 (as previously stated)	100	20,691,081	(1,639,590)	19,051,591
Prior year deferred tax adjustment	-	840,956	(58,176)	782,780
	<u>100</u>	<u>21,532,037</u>	<u>(1,697,766)</u>	<u>19,834,371</u>
At 1 January 2016 (as restated)				
Comprehensive income for the year				
Profit for the year	-	-	764,813	764,813
Deferred tax adjustment	-	(2,749)	2,749	-
	<u>100</u>	<u>21,529,288</u>	<u>(930,204)</u>	<u>20,599,184</u>
At 1 January 2017				
Comprehensive income for the year				
Profit for the year	-	-	725,501	725,501
Deferred tax adjustment	-	59,100	(59,100)	-
	<u>100</u>	<u>21,588,388</u>	<u>(263,803)</u>	<u>21,324,685</u>
At 31 December 2017				

The notes on pages 4 to 13 form part of these financial statements.

BANKSIDE HOTELS LIMITED

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

1. General information

The principal activity of Bankside Hotels Limited ('the company') is that of leasing hotels.

The company is a private company limited by shares and is incorporated in England and Wales.

The address of its registered office is 35 Ballards Lane, London, N3 1XW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland FRS 102 and the Companies Act 2006..

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BANKSIDE HOTELS LIMITED

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

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 10% reducing balance
Fixtures and fittings	- 10% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Investment property

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

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to and from related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the

BANKSIDE HOTELS LIMITED

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

2. Accounting policies (continued)

2.7 Financial instruments (continued)

asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, 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 receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

2.8 Finance costs

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

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

BANKSIDE HOTELS LIMITED

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

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no judgments (apart from those involving estimates) that have had a significant effect on amounts recognised in the financial statements.

BANKSIDE HOTELS LIMITED

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

4. Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £12,000 (2016 - 12,000).

5. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 - 4).

6. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2017	2,622,000	612,329	3,234,329
At 31 December 2017	2,622,000	612,329	3,234,329
Depreciation			
At 1 January 2017	2,218,474	515,549	2,734,023
Charge for the year on owned assets	40,353	9,678	50,031
At 31 December 2017	2,258,827	525,227	2,784,054
Net book value			
At 31 December 2017	363,173	87,102	450,275
At 31 December 2016	403,526	96,780	500,306

BANKSIDE HOTELS LIMITED

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

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	21
At 31 December 2017	<u>21</u>
Net book value	
At 31 December 2017	<u>21</u>
At 31 December 2016	<u>21</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Riverbank Hotels Ltd	Ordinary	100 %	A holding company
Pedersen (Temple Quay) Ltd	A Ordinary	95 %	A lessor of hotels
Pedersen (Newport) Ltd	A Ordinary	95 %	Owns and operates an hotel
Pedersen (Swansea) Ltd	A Ordinary	95 %	Holds shares in Pearl Hotel (Swansea) Ltd
Pearl Hotel (Swansea) Ltd	Ordinary	95 %	Owns and operates an hotel

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Riverbank Hotels Ltd	2,970,466	107,572
Pedersen (Temple Quay) Ltd	704,702	103,786
Pedersen (Newport) Ltd	(95,850)	203,682
Pedersen (Swansea) Ltd	(928,864)	305,984
Pearl Hotel (Swansea) Ltd	(2,623,706)	46,890
	<u>26,748</u>	<u>767,914</u>

BANKSIDE HOTELS LIMITED

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

8. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017	34,897,711
At 31 December 2017	34,897,711

The 2017 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	10,494,831	10,494,831

BANKSIDE HOTELS LIMITED

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

9. Debtors

	2017 £	2016 £
Due after more than one year		
Amounts owed by group undertakings	300,000	300,000
Other debtors	1,443,364	1,429,233
	<u>1,743,364</u>	<u>1,729,233</u>
	2017 £	2016 £
Due within one year		
Amounts owed by group undertakings	1,220,149	1,067,901
Other debtors	385,243	300,001
Prepayments and accrued income	166,467	87,526
	<u>1,771,859</u>	<u>1,455,428</u>

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	85,000	85,000
Taxation and social security	144,226	184,139
Other creditors	7,442	7,442
Accruals and deferred income	619,156	599,160
	<u>855,824</u>	<u>875,741</u>

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

	2017 £	2016 £
Bank loans	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>

Secured loans

The bank loan is secured by:

- (i) A first legal charge over the company's freehold property
- (ii) A mortgage debenture giving a fixed and floating charge over the assets of the company.

BANKSIDE HOTELS LIMITED

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

12. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due 2-5 years		
Bank loans	15,000,000	15,000,000
	<u>15,000,000</u>	<u>15,000,000</u>

13. Deferred taxation

	2017 £	2016 £
At beginning of year	(2,922,318)	(2,813,647)
Charged to profit or loss	61,067	(108,671)
At end of year	<u>(2,861,251)</u>	<u>(2,922,318)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(46,759)	(48,726)
Revaluation of investment property	(2,814,492)	(2,873,592)
	<u>(2,861,251)</u>	<u>(2,922,318)</u>

14. Transactions with directors

During the year there was a loan due from C Gourney, included within other debtors. This comprised an opening balance of £1,232, and repayments of £Nil, leaving a year end balance of £1,232. This balance was unsecured and at the official rate of interest.

During the year there was also a loan due from N Gourney, included within other debtors. This comprised an opening balance of £1,232, and repayments of £Nil, leaving a year end balance of £1,232. This balance was unsecured and at the official rate of interest.

BANKSIDE HOTELS LIMITED

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

15. Related party transactions

Where possible, the company has taken advantage of the exemption conferred by FRS 102 Section 33 from the requirement to disclose transactions with wholly owned group entities.

Included within the administrative expenses are management fees totalling £750,000 (2016: £555,000) paid to a company with common directors.

Included within debtors falling due within one year are amounts owed from group undertakings totalling £1,220,149 (2016: £1,067,901). Included within debtors falling due after one year are amounts owed from group undertakings totalling £300,000 (2016: £300,000).

Included within other debtors is a balance owed by directors and connected persons of £2,463 (2016: £2,463). There has been no movement during the year.

Included within other debtors due within one year is a balance totalling £380,317 (2016: £295,074) owed by entities with common directors. Movement in the year is due to intercompany financing and intercompany recharges. Rent was paid to the entities of £50,000 (2016: £nil).

Included within other debtors due in more than one year is a balance totalling £1,443,363 (2016: £1,429,233) owed by entities with common directors. Movement in the year is due to interest charged on the balances.

Included within other creditors is a loan balance of £7,442 (2016: £7,442) owed to entities with common control.

Included in creditors falling due within one year are amounts payable to an undertaking with common shareholders totalling £85,000 (2016: £85,000).

Included within interest receivable is a balance of £75,006 (2016: £68,989) received from entities with common control.

Included within administrative expenses are salaries paid to directors of £62,000 (2016: £nil).

16. Controlling party

There is no one party which has overall control of the company.

17. Auditors' information

The accounts have been audited in accordance with applicable law and International Standards on Auditing (UK and Ireland).

The audit report expressed an unqualified opinion and was signed by Steven Hocking-Robinson FCA, the Senior Statutory Auditor of Berg Kaprow Lewis LLP.