

Company Registration No. 08338421 (England and Wales)

Scion Hotel Developments Limited

**Annual report and unaudited financial statements
for the year ended 31 March 2016**

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Scion Hotel Developments Limited

Company information

Directors	Jeffrey Abberley Joanne Sennitt
Secretary	Scion Secretarial Services Limited
Company number	08338421
Registered office	3rd Floor 21 Ganton Street London W1F 9BN

Scion Hotel Developments Limited

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Scion Hotel Developments Limited

Directors' report

For the year ended 31 March 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the company continued to be that of hotel development.

Directors

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

Jeffrey Abberley
Joanne Sennitt

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

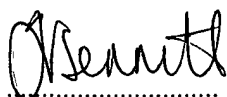
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company 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 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. They are 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.

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

On behalf of the board



Joanne Sennitt

Director

01/12/2016

Scion Hotel Developments Limited**Profit and loss account****For the year ended 31 March 2016**

	2016	2015
	£	£
Turnover	-	3,205,737
Cost of sales	(3,500)	(1,967,500)
Gross (loss)/profit	(3,500)	1,238,237
Administrative expenses	(1,532)	(9,588)
Operating (loss)/profit	(5,032)	1,228,649
Interest receivable and similar income	6,335	10,986
Interest payable and similar expenses	(3,234)	-
(Loss)/profit before taxation	(1,931)	1,239,635
Taxation	1	(260,345)
(Loss)/profit for the financial year	(1,930)	979,290
Other comprehensive income	-	-
Total comprehensive income for the year	(1,930)	979,290

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Scion Hotel Developments Limited**Balance sheet****As at 31 March 2016**

	Notes	£	2016 £	£	2015 £
Current assets					
Debtors	3	1,013,689		1	
Cash at bank and in hand		2,014,230		3,220,128	
		<u>3,027,919</u>		<u>3,220,129</u>	
Creditors: amounts falling due within one year	4	(62,975)		(253,255)	
Net current assets			<u>2,964,944</u>		<u>2,966,874</u>
Capital and reserves					
Called up share capital	5		1		1
Profit and loss reserves			<u>2,964,943</u>		<u>2,966,873</u>
Total equity			<u>2,964,944</u>		<u>2,966,874</u>

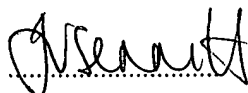
For the financial year ended 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

- 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;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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 01.11.2016 and are signed on its behalf by:



Joanne Sennitt
Director

Company Registration No. 08338421

1 Accounting policies

Company information

Scion Hotel Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, 21 Ganton Street, London, W1F 9BN.

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. The principal accounting policies adopted are set out below.

1.2 Cash flow statement

The company has taken advantage of the exemption in the Financial Reporting Standard 102 section 1A, from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.4 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.

1.5 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 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other 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 receipts 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. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 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.

1.7 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.

1 Accounting policies (continued)

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 2 (2015: 2)

3 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	402	-
Amounts due from group undertakings	1	1
Other debtors	1,013,286	-
	<u>1,013,689</u>	<u>1</u>

Amounts due from group undertakings are interest-free and repayable on demand.

4 Creditors: amounts falling due within one year

	2016	2015
	£	£
Corporation tax	-	125,950
Other creditors	62,975	127,305
	<u>62,975</u>	<u>253,255</u>

Scion Hotel Developments Limited

Notes to the financial statements (continued)

For the year ended 31 March 2016

5 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1

6 Financial commitments, guarantees and contingent liabilities

On 4 April 2013, Scion Hotels (Glasgow) LP entered into a loan agreement with Scion Asset Management Limited, a company under common control, for £5,600,000 and drew down £5,352,639. The loan has been drawn to part finance the cost of renovating the investment property at 34-36 North Fredrick Street Glasgow. The loan is repayable by the Limited Partnership in full on 5 July 2021 and bears interest at a fixed rate of 8 per cent per annum. Scion Hotel Development Limited has provided certain security to Scion Asset Management Limited in relation to its obligations to renovate the property.

7 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 Section 33 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary of the group.

Scion Films LLP

During the period the following transactions took place with Scion Films LLP. Scion Films LLP is considered to be a related party as Jeffrey Abberley is a member of Scion Films LLP and is a director of Scion Hotel Developments Limited.

	2016	2015
	£	£
Balance due from Scion Films LLP as at 1 April 2015	-	155,804
VAT reclaimed by Scion Films LLP on behalf of the company	13,586	163,963
Amounts paid to Scion Films LLP by the company	999,700	(319,767)
Balance due from Scion Films LLP as at 30 March 2016	1,013,286	-

8 Control

The company is a wholly owned subsidiary of Scion Investment Group Holdings Limited, a company incorporated in England and Wales. The ultimate parent entity is Scion Investment Group LLP, a Limited Liability Partnership incorporated in England and Wales.

The ultimate controlling parties are Jeffrey Abberley and Joanne Sennitt by virtue of their interest in Scion Investment Group LLP.

9 Reconciliation on adoption of FRS 102

These financial statements for the year ended 30 April 2016 are the first statements that comply with FRS 102 Section 1A small entities. The date of transition is 1 May 2014. Following the regulatory requirement for implementation of FRS 102, we have considered whether the prior period comparatives need to be restated to apply consistent principles across the periods. It has been considered that there are no adjustments necessary to the comparative results in order for them to be compliant with revised accounting policies or FRS 102 and therefore no reconciliation is required.