REGISTERED NUMBER: 08635331 (England and Wales)

Report of the Directors and

Audited Financial Statements

for the Year Ended 31 December 2018

for

Inn Collection Acquisitionco Limited

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A16 29/06/2019 #171
COMPANIES HOUSE

KPMG LLP, Statutory Auditor
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Contents of the Financial Statements for the Year Ended 31 December 2018

Inn Collection Acquisitionco Limited

Company Information
for the Year Ended 31 December 2018

DIRECTORS:	Mr A K Liddell Mr S L Donkin Ms C L Burgess
REGISTERED OFFICE:	C/O Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne Tyne and Wear NE1 3DX
REGISTERED NUMBER:	08635331 (England and Wales)
AUDITORS:	KPMG LLP, Statutory Auditor Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX

Inn Collection Acquisitionco Limited

Report of the Directors
for the Year Ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of a hotel including bar and restaurant.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

Mr A K Liddell
Mr S L Donkin

Other changes in directors holding office are as follows:

Mr G M Hodgson - resigned 19 June 2018

Ms C L Burgess was appointed as a director after 31 December 2018 but prior to the date of this report.

Mr I Stein ceased to be a director after 31 December 2018 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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;

- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, KPMG LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Inn Collection Acquisitionco Limited

Report of the Directors
for the Year Ended 31 December 2018

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

ON BEHALF OF THE BOARD:

....
Ms C L Burgess - Director

Date: 27 June 2019

Report of the Independent Auditors to the Members of Inn Collection Acquisitionco Limited

Opinion

We have audited the financial statements of Inn Collection Acquisitionco Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the impairment of financial and non financial assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Report of the Independent Auditors to the Members of Inn Collection Acquisitionco Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page two, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Date: 28 June 2019

Inn Collection Acquisitionco Limited

Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2018

	Notes	2018 £	2017 £
TURNOVER	4	1,014,629	1,026,113
Cost of sales		237,448	259,239
GROSS PROFIT		777,181	766,874
Administrative expenses		773,245	736,043
OPERATING PROFIT	6	3,936	30,831
Interest receivable and similar income		19	17
		3,955	30,848
Interest payable and similar expenses	7	753	753
PROFIT BEFORE TAXATION		3,202	30,095
Tax on profit	8	16,579	22,802
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(13,377)	7,293
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		(13,377)	7,293

The notes form part of these financial statements

Inn Collection Acquisitionco Limited (Registered number: 08635331)

Balance Sheet
31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Intangible assets	9	-		-	
Tangible assets	10	1,387,925		1,338,788	
			1,387,925		1,338,788
CURRENT ASSETS					
Stocks	11	15,306		13,023	
Debtors	12	37,398		36,043	
Cash at bank and in hand		48,074		60,223	
		100,778		109,289	
CREDITORS					
Amounts falling due within one year	13	1,613,706		1,572,069	
NET CURRENT LIABILITIES			(1,512,928)		(1,462,780)
TOTAL ASSETS LESS CURRENT LIABILITIES			(125,003)		(123,992)
CREDITORS					
Amounts falling due after more than one year	14		(2,806)		(7,015)
PROVISIONS FOR LIABILITIES	17		(29,525)		(12,950)
NET LIABILITIES			(157,334)		(143,957)
CAPITAL AND RESERVES					
Called up share capital	18		81,656		81,656
Profit and loss account	19		(238,990)		(225,613)
SHAREHOLDERS' FUNDS			(157,334)		(143,957)

The financial statements were approved by the Board of Directors on 27 June 2019 and were signed on its behalf by:

....
Ms C L Burgess - Director

Inn Collection Acquisitionco Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2017	81,656	(232,906)	(151,250)
Changes in equity			
Total comprehensive income	-	7,293	7,293
Balance at 31 December 2017	81,656	(225,613)	(143,957)
Changes in equity			
Total comprehensive income	-	(13,377)	(13,377)
Balance at 31 December 2018	81,656	(238,990)	(157,334)

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2018

1. **STATUTORY INFORMATION**

Inn Collection Acquisitionco Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The company's trading address is The King's Head Inn, The Green, Newton under Roseberry, Great Ayton, Cleveland, TS9 6QR.

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention.

Going concern
Notwithstanding net liabilities of £157,334 as at 31 December 2018 and a loss for the year then ended of £13,377, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company is a party to group cross guarantee borrowing arrangements. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the group will have sufficient funds, through funding from the ultimate parent company, Alchemy Special Opportunities LLP, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's ultimate parent company, Alchemy Special Opportunities LLP, not seeking repayment of the amounts currently due from the group. Alchemy Special Opportunities LLP has indicated it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover
Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for bar, restaurant and accommodation sales rendered, stated net of discounts and of value added tax.

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities described below.

Accommodation:
Turnover for accommodation sales are recognised in accordance with the booking terms and conditions where the company obtains the right to receive the consideration.

Bar and restaurant sales:
Turnover from the sale of bar and restaurant goods are recognised when the significant risks and rewards of ownership of the products has transferred to the buyer. This will be at the point of sale at the till.

continued...

3. **ACCOUNTING POLICIES - continued**

Intangible assets

Intangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated useful life of three years using the straight-line method.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	-	2% on cost
Plant and machinery	-	20% on cost
Motor vehicles	-	20% on cost
Computer equipment	-	15% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are measured at the lower of cost and selling price less cost to complete and sell. Cost is calculated on a first in, first out basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to their present location and condition.

Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current taxation is the amount of taxation in respect of the taxable profit for the year or prior years.

A deferred taxation asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of the current and previous period.

Deferred taxation arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred taxation recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred taxation is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences. Deferred tax relating to land and buildings measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

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3. **ACCOUNTING POLICIES - continued**

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 assets and financial liabilities are recognised in full in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other 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. Other financial assets classified as fair value through the statement of comprehensive income are measured at fair value.

Debtors:
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors:
Short term trade creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Derecognition of financial assets and liabilities:
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all of the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is liable to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation in the contract is discharged, cancelled or expires.

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.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Employee benefits
Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Provisions for liabilities
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at salary cost payable for the period of absence.

Critical accounting estimates and judgements
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.

continued...

3. **ACCOUNTING POLICIES - continued**

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2018	2017
	£	£
Accommodation	125,575	141,175
Bar	281,980	284,882
Restaurant	607,074	600,056
	1,014,629	1,026,113

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
United Kingdom	1,014,629	1,026,113
	1,014,629	1,026,113

5. **EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	353,153	336,965
Social security costs	25,422	22,787
Other pension costs	3,668	1,831
	382,243	361,583

The average number of employees during the year was as follows:

	2018	2017
Management	1	1
Housekeeping, bar and restaurant staff	21	24
	22	25

	2018	2017
	£	£
Directors' remuneration	-	-

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	124,344	110,328
Depreciation - assets on finance leases	3,426	3,425
Loss on disposal of fixed assets	-	414
Goodwill amortisation	-	6,945

Auditor's remuneration is paid for the group, by the company's immediate parent, Inn Collection Bidco Limited.

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Finance lease	753	753

continued...

8. **TAXATION**

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
Group relief	4	3
Deferred tax:		
Origination and reversal of timing differences	17,645	21,625
Adjustments in respect of prior years	(1,070)	1,174
Total deferred tax	16,575	22,799
Tax on profit	16,579	22,802

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Profit before tax	3,202	30,095
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	608	5,793
Effects of:		
Expenses not deductible for tax purposes	19,117	18,692
Adjustments to tax charge in respect of previous periods	(1,070)	1,174
Reduction in tax rate on deferred tax balances	(2,076)	(2,857)
Total tax charge	16,579	22,802

Reductions to the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability (see note 17) at 31 December 2018 has been calculated based on these rates.

9. **INTANGIBLE FIXED ASSETS**

	Goodwill
	£
COST	
At 1 January 2018 and 31 December 2018	250,000
AMORTISATION	
At 1 January 2018 and 31 December 2018	250,000
NET BOOK VALUE	
At 31 December 2018	-
At 31 December 2017	-

Goodwill relates to the acquisition of the The King's Head Hotel.

 continued...

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2018	1,284,430	415,571	17,130	35,102	1,752,233
Additions	-	174,253	-	2,654	176,907
At 31 December 2018	1,284,430	589,824	17,130	37,756	1,929,140
DEPRECIATION					
At 1 January 2018	103,927	282,776	7,994	18,748	413,445
Charge for year	25,688	93,232	3,426	5,424	127,770
At 31 December 2018	129,615	376,008	11,420	24,172	541,215
NET BOOK VALUE					
At 31 December 2018	1,154,815	213,816	5,710	13,584	1,387,925
At 31 December 2017	1,180,503	132,795	9,136	16,354	1,338,788

11. STOCKS

	2018 £	2017 £
Raw materials	15,306	13,023

Raw materials recognised in cost of sales in the year amounted to £237,448 (2017 - £259,239).

The write down of stocks to net realisable value amounted to £Nil (2017 - £Nil).

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Amounts owed by group undertakings	15,497	16,690
Other debtors	5,178	1
Prepayments and accrued income	16,723	19,352
	37,398	36,043

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Finance leases (see note 15)	4,209	4,209
Trade creditors	59,402	55,139
Amounts owed to group undertakings	1,464,924	1,445,382
Social security and other taxes	42,938	43,338
Other creditors	23,539	18,344
Accrued expenses	18,694	5,657
	1,613,706	1,572,069

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Finance leases (see note 15)	2,806	7,015

continued...

15. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	4,962	4,962
Between one and five years	3,308	8,270
	8,270	13,232
Finance charges repayable:		
Within one year	753	753
Between one and five years	502	1,255
	1,255	2,008
Net obligations repayable:		
Within one year	4,209	4,209
Between one and five years	2,806	7,015
	7,015	11,224

16. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Finance leases	7,015	11,224

The finance leases are secured against the assets to which they relate and have a carrying value of £5,710 (2017: £9,136).

17. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	29,525	12,950

	Deferred tax
	£
Balance at 1 January 2018	12,950
Charge to Profit and Loss Account and Other Comprehensive Income during year	16,575
Balance at 31 December 2018	29,525

The provision for deferred taxation is made up as follows:

	2018	2017
	£	£
Deferred tax liability on accelerated capital allowances	32,103	33,963
Deferred tax asset on losses and other deductions	(2,578)	(21,013)
	29,525	12,950

continued...

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
81,656	Ordinary	£1	81,656	81,656

19. RESERVES

Profit and loss account:
Includes all current and prior period retained profit and losses.

20. ULTIMATE PARENT COMPANY

Inn Collection Bidco Limited, company number 08635387, is the company's immediate parent company. The ultimate parent company is Alchemy Partners GP Limited registered in Guernsey with company number 57891.

Vindolanda Topco Limited heads up the largest and smallest group of companies for which a consolidation is prepared containing the results of Inn Collection Acquisitionco Limited.

Copies of the financial statements for Vindolanda Topco Limited are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

21. CONTINGENT LIABILITIES

The company is subject to a cross guarantee with other group companies in respect of group borrowings. At the balance sheet date the amount outstanding, to which this guarantee relates, amounted to £8,985,343 (2017: £5,516,657). The group facilities are also secured on the assets of the company.

22. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

23. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Alchemy Partners GP Limited registered in Guernsey with company number 57891.