

## **Brooklands Operations Limited**

Report and Financial Statements

Year Ended

31 December 2017

Company Number 08880311

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## **Brooklands Operations Limited**

### **Company Information**

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<b>Director</b>	A J Fish
<b>Company secretary</b>	K J Adair
<b>Registered number</b>	08880311
<b>Registered office</b>	Hill House 1 Little New Street London EC4A 3TR
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# Brooklands Operations Limited

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# **Brooklands Operations Limited**

## **Directors' Report for the Year Ended 31 December 2017**

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The director presents his report and the financial statements for the year ended 31 December 2017.

### **Principal activity**

The Company commenced trading on 27 March 2014 when it acquired the trade and assets of the Brooklands Hotel, Weybridge (the "Hotel") and assumed the operating lease of the Hotel as lessee.

### **Results**

The loss for the year, after taxation, amounted to £3k (2016 - loss of £16k).

### **Directors**

The directors who served during the year were:

A J Fish  
N S Kirk (resigned 4 May 2017)

### **Director's responsibilities**

The director is responsible for preparing the the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Practice). Under company law the director 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 director is 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 director is 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 to 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.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this director's report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

# Brooklands Operations Limited

## Directors' Report (continued) for the Year Ended 31 December 2017

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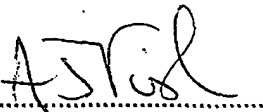
### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
A J Fish  
Director

Date: 4-5-18

# **Brooklands Operations Limited**

## **Independent Auditor's Report to the Members of Brooklands Operations Limited**

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### **Opinion**

We have audited the financial statements of Brooklands Operations Limited ("the Company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Brooklands Operations Limited**

## **Independent Auditor's Report to the Members of Brooklands Operations Limited (continued)**

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### **Other information**

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## Brooklands Operations Limited

### Independent Auditor's Report to the Members of Brooklands Operations Limited (continued)

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#### Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for 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 the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**BDO LLP**

Stuart Collins (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 9 May 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Brooklands Operations Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2017

	Note	2017 £000	2016 £000
Turnover	4	9,187	9,011
Cost of sales		(3,866)	(3,770)
<b>Gross profit</b>		<b>5,321</b>	<b>5,241</b>
Administrative expenses		(5,377)	(5,279)
Other income		39	-
<b>Operating loss</b>	5	<b>(17)</b>	<b>(38)</b>
Tax on loss	7	14	22
<b>Loss and total comprehensive loss for the financial year</b>		<b>(3)</b>	<b>(16)</b>

All amounts relate to continuing operations.

The notes on pages 9 to 17 form part of these financial statements.

# Brooklands Operations Limited

Registered number: 08880311

## Statement of Financial Position as at 31 December 2017

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Intangible assets	8	18	33
<b>Current assets</b>			
Stocks	9	64	66
Debtors: Amounts falling due after more than one year	10	72	58
Debtors: Amounts falling due within one year	10	607	413
Cash and cash equivalents		409	583
		<u>1,152</u>	<u>1,120</u>
Creditors: Amounts falling due within one year	11	(1,141)	(1,121)
<b>Net current liabilities</b>		<u>11</u>	<u>(1)</u>
<b>Total assets less current liabilities</b>		<u>29</u>	<u>32</u>
<b>Net assets</b>		<u>29</u>	<u>32</u>
<b>Capital and reserves</b>			
Share capital	13	-	-
Profit and loss account	14	29	32
		<u>29</u>	<u>32</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.

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

  
.....  
**A J Fish**  
Director

Date: 4-5-18

The notes on pages 9 to 17 form part of these financial statements.

# **Brooklands Operations Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2017**

	Profit and loss account	Total equity
	£000	£000
At 1 January 2017	32	32
<b>Comprehensive loss for the year</b>		
Loss and total comprehensive loss for the year	(3)	(3)
<b>At 31 December 2017</b>	<b>29</b>	<b>29</b>

## **Statement of Changes in Equity for the Year Ended 31 December 2016**

	Profit and loss account	Total equity
	£000	£000
At 1 January 2016	48	48
<b>Comprehensive loss for the year</b>		
Loss and total comprehensive loss for the year	(16)	(16)
<b>At 31 December 2016</b>	<b>32</b>	<b>32</b>

The notes on pages 9 to 17 form part of these financial statements.

# Brooklands Operations Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

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### 1. General information

Brooklands Operations Limited is a private company, limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the Company's operations, and principal activity are set out in the director's report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the financial year, exclusive of Value Added Tax and trade discounts.

Revenue is derived from the following sources: sales of hotel rooms, food and beverage, conference facilities and other ancillary services.

Revenue from these sources represents sales net of discounts provided in the normal course of business and is recognised when the related services have been rendered.

All revenue is derived wholly in the United Kingdom.

#### 2.3 Intangible assets

Intangible assets relate to the costs incurred in acquiring the hotel business, at the same time as a fellow related entity acquired the hotel assets. The costs are being amortised through the income statement over a period of five years.

Impairment tests on the carrying value of the intangible assets are undertaken at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### 2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

# **Brooklands Operations Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2017**

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### **2. Accounting policies (continued)**

#### **2.5 Financial instruments**

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Trade and other debtors are stated at their original invoiced value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. Trade debtors are reduced by appropriate allowances for estimated irrecoverable amounts. Interest on overdue trade receivables is recognised as it accrues.

Cash and cash equivalents comprise cash held by the Company.

Creditors are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

#### **2.6 Operating leases**

Rentals paid under operating leases are charged to the income statement on a straight line basis over the lease term.

#### **2.7 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

# Brooklands Operations Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 2. Accounting policies (continued)

#### 2.8 Current and deferred taxation

The income tax (credit)/expense for the financial 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 reporting 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. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has had to make the following judgements:

- Determine whether leases entered into by the Company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Deferred tax (see note 12)  
Management estimation is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and the level of future taxable profits together with an assessment of the effect of future tax planning strategies.

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

# Brooklands Operations Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 5. Operating loss

The operating loss is stated after charging:

	2017 £000	2016 £000
Amortisation of intangible assets	15	15
Fees payable to the Company's auditor for the audit of the Company's annual accounts	11	11
Operating lease rentals	2,536	2,697

During the year no director, who are considered to be key management, received any emoluments (2016 - £Nil)

### 6. Employees

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	2,156	2,062
Social security costs	152	152
Other pension costs	29	28
	2,337	2,242

The average monthly number of employees, including directors, during the year was 90 (2016 - 92).

### 7. Taxation

	2017 £000	2016 £000
<b>Current tax</b>		
UK corporation tax charge on loss for the year	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(14)	(24)
Changes to tax rates	-	2
<b>Taxation on loss on ordinary activities</b>	<b>(14)</b>	<b>(22)</b>

## Brooklands Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 7. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.25%). The differences are explained below:

	2017 £000	2016 £000
(Loss)/profit on ordinary activities before tax	(17)	(38)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.25%)	(3)	(8)
Effects of:		
Expenses not deductible for tax purposes	3	3
Group relief	(16)	(23)
Changes to tax rates	2	6
<b>Total tax credit for the year</b>	<b>(14)</b>	<b>(22)</b>



## Brooklands Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 8. Intangible assets

	Acquisition costs £000
<b>Cost</b>	
At 1 January 2017	73
At 31 December 2017	<u>73</u>
<b>Amortisation</b>	
At 1 January 2017	40
Charge for the year	15
At 31 December 2017	<u>55</u>
<b>Net book value</b>	
At 31 December 2017	<u>18</u>
At 31 December 2016	<u>33</u>

Intangible assets relate to the costs incurred in acquiring the hotel business, at the same time as a fellow related entity acquired the hotel assets.

## Brooklands Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 9. Stocks

	2017 £000	2016 £000
Hotel stocks	64	66

Stock recognised in cost of sales during the year as an expense was £683k (2016 - £677k).

No impairment loss was recognised in cost of sales against stock during the year (2016 - £Nil).

#### 10. Debtors

	2017 £000	2016 £000
<b>Due after more than one year</b>		
Deferred tax asset (note 14)	72	58
<b>Due within one year</b>		
Trade debtors	341	158
Other debtors	111	111
Prepayments and accrued income	155	144
	<b>607</b>	<b>413</b>

The impairment loss recognised in the statement of comprehensive income was £2k (2015 - £4k).

#### 11. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	262	296
Amounts owed to group undertakings	63	198
Taxation and social security	82	115
Other creditors	72	74
Accruals and deferred income	662	438
	<b>1,141</b>	<b>1,121</b>

# Brooklands Operations Limited

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 12. Deferred taxation

	2017 £000	2016 £000
At beginning of year	58	36
Charged to the income statement	14	22
At end of year	<u>72</u>	<u>58</u>

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	72	58
	<u>72</u>	<u>58</u>

### 13. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

### 14. Reserves

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £29k (2016 - £28k).

## Brooklands Operations Limited

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 16. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Within 1 year	2,528	2,826
Later than 1 year and not later than 5 years	477	3,297
<b>Total</b>	<b>3,005</b>	<b>6,123</b>

The lease payments due by the Company to Brooklands Weybridge Properties Limited are based on the operating performance of the Company and represent management's best estimate.

#### 17. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

#### 18. Controlling party

The immediate parent of the Company is Brooklands Holdings S.à.r.l., a company incorporated in Luxembourg at 20, rue de la Poste L-2346, Luxembourg, Grand-Duchy of Luxembourg.

The ultimate controlling party of the Company is Brooklands Singapore Pte Limited, a company incorporated in Singapore.