Company Registration No. 992321 (England and Wales)

# HYDE HOUSE HOTEL LIMITED

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 30 NOVEMBER 2016

# PAGES FOR FILING WITH REGISTRAR

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# HYDE HOUSE HOTEL LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Director** | A J Harvey |
| **Secretary** | H E Britton |
| **Company number** | 992321 |
| **Registered office** | 19 Common Road<br>Hanham<br>Bristol<br>BS15 3LL |
| **Auditor** | Baldwins Audit Services Limited<br>Churchill House<br>59 Lichfield Street<br>Walsall<br>West Midlands<br>WS4 2BX |
| **Business address** | Hyde House<br>Fosseway<br>Stow on the Wold<br>Gloucestershire<br>GL54 1JX |
| **Bankers** | Barclays Bank Plc<br>PO Box 674<br>3rd Floor<br>Windsor Court<br>Cardiff<br>CF10 3ZL |

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# HYDE HOUSE HOTEL LIMITED

## BALANCE SHEET

### *AS AT 30 NOVEMBER 2016*

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 3 | | 434,748 | | 424,814 |
| **Current assets** | | | | | |
| Stocks | | 11,348 | | 7,548 | |
| Debtors | 4 | 75,489 | | 101,963 | |
| Cash at bank and in hand | | 829,127 | | 32,456 | |
| | | 915,964 | | 141,967 | |
| **Creditors: amounts falling due within one year** | 5 | (2,274,798) | | (1,651,609) | |
| **Net current liabilities** | | | (1,358,834) | | (1,509,642) |
| **Total assets less current liabilities** | | | (924,086) | | (1,084,828) |
| **Creditors: amounts falling due after more than one year** | 6 | | (458,475) | | (591,863) |
| **Provisions for liabilities** | | | (852) | | - |
| **Net liabilities** | | | (1,383,413) | | (1,676,691) |
| **Capital and reserves** | | | | | |
| Called up share capital | 7 | | 1,000 | | 1,000 |
| Profit and loss reserves | | | (1,384,413) | | (1,677,691) |
| **Total equity** | | | (1,383,413) | | (1,676,691) |

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on ...14/7/2017

.....
A J Harvey
**Director**

**Company Registration No. 992321**

### 1 Accounting policies

**Company information**

Hyde House Hotel Limited is a private company limited by shares incorporated in England and Wales. The registered office is 19 Common Road, Hanham, Bristol, BS15 3LL.

### 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.

These financial statements for the year ended 30 November 2016 are the first financial statements of Hyde House Hotel Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 December 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

**1 Accounting policies** **(Continued)**

**1.3 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Land and buildings Freehold | Nil |
| Land and buildings Leasehold | Nil |
| Plant and machinery | 20% Reducing balance |
| Fixtures, fittings & equipment | 10% Reducing balance |
| Refurbishment works | 10% Reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The directors consider that the land and buildings freehold and leasehold are maintained to a level that the residual value of the assets are at least equal to the book values. Having regard to this; it is the opinion of the directors that amortisation of these assets as required by the Companies Act 2006 and accounting standards would not be material.

**1.4 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1 Accounting policies** **(Continued)**

**1.5 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.6 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.

**1.7 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 balance sheet 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.

***Basic financial assets***

Basic financial assets, which include 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. Financial assets classified as receivable within one year are not amortised.

***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.

***Basic financial liabilities***

Basic financial liabilities, including 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 payments 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. Amounts payable 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.

**1 Accounting policies** **(Continued)**

**1.8 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.

**1.9 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.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 26 (2015 - 23).

### 3 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Refurbishment works | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| At 1 December 2015 | 460,100 | 656,273 | 229,289 | 1,345,662 |
| Additions | - | 14,310 | - | 14,310 |
| At 30 November 2016 | 460,100 | 670,583 | 229,289 | 1,359,972 |
| **Depreciation and impairment** | | | | |
| At 1 December 2015 | 74,231 | 642,438 | 204,179 | 920,848 |
| Depreciation charged in the year | - | 1,865 | 2,511 | 4,376 |
| At 30 November 2016 | 74,231 | 644,303 | 206,690 | 925,224 |
| **Carrying amount** | | | | |
| At 30 November 2016 | 385,869 | 26,280 | 22,599 | 434,748 |
| At 30 November 2015 | 385,869 | 13,835 | 25,110 | 424,814 |

### 4 Debtors

| | 2016 | 2015 |
|---|---|---|
| **Amounts falling due within one year:** | £ | £ |
| Trade debtors | 3,176 | - |
| Amounts due from group undertakings | 52,659 | 52,659 |
| Other debtors | 19,654 | 22,795 |
| | 75,489 | 75,454 |
| Deferred tax asset | - | 26,509 |
| | 75,489 | 101,963 |

## 5 Creditors: amounts falling due within one year

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | 160,767 | 160,767 |
| Trade creditors | 53,140 | 136,177 |
| Amounts due to group undertakings | 1,306,852 | 1,173,465 |
| Corporation tax | 45,958 | - |
| Other taxation and social security | 4,694 | 32,187 |
| Other creditors | 703,387 | 149,013 |
| | 2,274,798 | 1,651,609 |

Amounts owing to the fellow group undertaking Harvey Shopfitters Limited are secured by a fixed and floating charge over the undertaking and all property and assets present and future; including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery.

## 6 Creditors: amounts falling due after more than one year

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | 458,475 | 591,863 |

The bank loan and overdraft is secured by a first legal charge over the freehold land and buildings at Hyde House Hotel and The Coach House. The loan is repayable over 14 years from 1 December 2005 with interest being calculated monthly at a variable interest rate of 0.95% over Barclays Bank Plc's prevailing base rate.

## 7 Called up share capital

| | 2016 | 2015 |
|---|---|---|
| | £ | £ |
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 1,000 Ordinary shares of £1 each | 1,000 | 1,000 |

## 8 Audit report information

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

The auditor's report was qualified and the auditor reported as follows:

**Qualified opinion on financial statements arising from disagreement of accounting treatment**
No depreciation has been provided on land and buildings freehold. This is not in accordance with the requirements of Section 17 Property, Plant and Equipment of FRS 102 and the Companies Act 2006.

Except for the foregoing, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its profit 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.

**Emphasis of matter**
Going concern
In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the financial support the company has received from its bank, shareholders, director and fellow subsidiary companies. In view of the significance of these uncertainties we consider that it should be brought to your attention but our opinion is not qualified in this respect.

The senior statutory auditor was Mark Handscombe.
The auditor was Baldwins Audit Services Limited.

## 9 Related party transactions

No guarantees have been given or received.

In accordance with Section 33.1A of FRS 102, the group has taken advantage of the exemption to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company. Other related party disclosure is as follows:

During the year the company made sales of £nil (2015: £411,342) to Hyde Barn LLP, an entity which A J Harvey had a controlling interest. As at 30 November 2016 there was a balance due to Hyde Barn LLP of £nil (2015: £65,247).

During the year the company incurred management charges of £3,414 (2015: £65,556) from Andrew J Harvey Limited, a company connected by common control. As at 30 November 2016 there was a balance due to Andrew J Harvey Limited of £nil (2015: £63,646).

During the year, the company had purchases totalling £19,887 (2015: £1,358) with Matthew A Harvey Limited, a company connected by family relations. As at 30 November 2016 there was a balance due to Matthew A Harvey Limited of £1,651 (2015: £1,358).

## 10 Parent company

The parent company is Harvey Events Holdings Limited, by virtue of their 100% ownership of Hyde House Hotel Limited's share capital.

The ultimate parent company is Harvey Commercial Holdings Limited, who own 76% of the share capital of Harvey Events Holdings Limited.

The ultimate controlling party is A Harvey, by virtue of his majority shareholding of the ultimate parent company.