

Warm Welcome Hotels (Southern) Limited

**Annual Report and Financial Statements
Year Ended 30 April 2023**

Registration number: 02345854

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Warm Welcome Hotels (Southern) Limited

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Warm Welcome Hotels (Southern) Limited

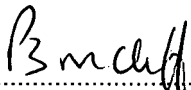
Balance Sheet

30 April 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	3,873,871	3,934,380
Current assets			
Stock		46,174	41,486
Debtors	5	64,887	50,030
Cash at bank and in hand		108,506	467,904
		<u>219,567</u>	<u>559,420</u>
Creditors: Amounts falling due within one year	6	<u>(537,973)</u>	<u>(656,842)</u>
Net current liabilities		<u>(318,406)</u>	<u>(97,422)</u>
Total assets less current liabilities		3,555,465	3,836,958
Creditors: Amounts falling due after more than one year	6	(1,872,887)	(1,992,227)
Deferred tax		<u>(127,000)</u>	<u>(138,000)</u>
Net assets		<u>1,555,578</u>	<u>1,706,731</u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve		1,601,746	1,638,467
Profit and loss account		<u>(46,268)</u>	<u>68,164</u>
Total equity		<u>1,555,578</u>	<u>1,706,731</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 16/11/2023 and signed on its behalf by:



 Mr P B M Cliff
 Director

Company Registration Number: 02345854

Warm Welcome Hotels (Southern) Limited

Statement of Changes in Equity

Year Ended 30 April 2023

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 May 2022	100	1,638,467	68,164	1,706,731
Loss for the year	-	-	(151,153)	(151,153)
Transfers	-	(36,721)	36,721	-
At 30 April 2023	100	1,601,746	(46,268)	1,555,578
	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 May 2021	100	1,675,189	(417,551)	1,257,738
Profit for the year	-	-	448,993	448,993
Transfers	-	(36,722)	36,722	-
At 30 April 2022	100	1,638,467	68,164	1,706,731

Warm Welcome Hotels (Southern) Limited

Notes to the Financial Statements

Year Ended 30 April 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

9 Lady Park Road
Livermead
Torquay
Devon
TQ2 6UA

The principal place of business is:

Bedford Hotel
1 Plymouth Road
Tavistock
Devon
PL19 8BB

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except as stated below in tangible fixed assets.

Going concern

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand, a long term bank loan and an undertaking from its parent company Warm Welcome Management Limited to provide sufficient continuing facilities.

Revenue recognition

Turnover represents the fair value of consideration receivable, excluding Value Added Tax, in the ordinary course of business for goods and services provided. Accommodation sales, including deposits received in advance, are recognised as turnover on the day of stay.

Revenue grants, including the CJRS grant, are recognised in the period to which they relate.

Warm Welcome Hotels (Southern) Limited

Notes to the Financial Statements

Year Ended 30 April 2023

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

All fixed assets are initially recorded at cost, except for freehold and leasehold properties acquired before 2016. Up to and including 30 April 2015 it was the Directors' policy to revalue freehold properties at their existing use valuation. The Directors adopted the transitional provisions of FRS 102, which provide that companies do not have to revalue tangible fixed assets. Previous valuations have been retained as deemed cost and have not been updated.

Depreciation

No depreciation is provided on freehold land and buildings, as the directors consider that the residual value of these properties is such that depreciation would be immaterial. The company has a policy and practice of regular maintenance and repair (charges for which are recognised in the profit and loss account) such that these assets are kept to their previously assessed standard of performance.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historic cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Depreciation is calculated, so as to write off the cost or valuation of assets, less any estimated residual value, over their expected useful economic life, as follows:

Asset class	Depreciation method and rate
Leasehold property	Over the term of the lease
Furniture, fittings and equipment	15% reducing balance

Stocks

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell.

Leases

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Warm Welcome Hotels (Southern) Limited

Notes to the Financial Statements

Year Ended 30 April 2023

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Financial instruments

Classification

The company holds the following instruments:

- Short term trade and other debtors and creditors;
- Short term Intra-group debtors and creditors;
- Long term Intra-group loans;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for long term Intra-group loans and bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Long term Intra-group loans and bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 139 (2022 - 150).

Warm Welcome Hotels (Southern) Limited

Notes to the Financial Statements

Year Ended 30 April 2023

4 Tangible assets

	Freehold land and buildings £	Long leasehold land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation				
At 1 May 2022	1,933,367	2,183,970	2,094,440	6,211,777
Additions	-	17,418	35,272	52,690
At 30 April 2023	1,933,367	2,201,388	2,129,712	6,264,467
Depreciation				
At 1 May 2022	-	511,591	1,765,806	2,277,397
Charge for the year	-	58,610	54,589	113,199
At 30 April 2023	-	570,201	1,820,395	2,390,596
Carrying amount				
At 30 April 2023	1,933,367	1,631,187	309,317	3,873,871
At 30 April 2022	1,933,367	1,672,379	328,634	3,934,380

Freehold property was revalued at £1,900,000 on 30 April 2013 by an independent valuer. The basis of this valuation was at open market value. The surplus on revaluation was credited to the Revaluation Reserve. This class of asset has a carrying amount at historical cost of £1,164,905 (2022 - £1,164,905). The depreciation on this historical cost is £nil (2022 - £nil).

Leasehold property was revalued at £2,270,000 on 30 April 2013 by an independent valuer. The basis of this valuation was at open market value. The surplus on revaluation was credited to the Revaluation Reserve. This class of asset has a carrying amount at depreciated historic cost of £765,906 (2022 - £764,281). The depreciation on this historical cost for the year is £21,888 (2022 - £21,408).

5 Debtors

	2023 £	2022 £
Trade debtors	40,342	24,419
Amounts due from group undertakings	1,786	11,189
Amounts due from related undertakings	15,759	-
Other debtors	7,000	6,088
Prepayments	-	8,334
	<u>64,887</u>	<u>50,030</u>

Warm Welcome Hotels (Southern) Limited

Notes to the Financial Statements

Year Ended 30 April 2023

6 Creditors

Creditors: amounts falling due within one year

	Note	2023 £	2022 £
Due within one year			
Loans and borrowings	7	5,350	2,486
Trade creditors		91,399	126,901
Corporation tax		-	102,593
Other tax and social security		154,270	104,145
Other creditors		169,146	178,960
Accrued expenses		117,808	141,757
		<u>537,973</u>	<u>656,842</u>
Due after one year			
Amounts due to group undertakings		<u>1,872,887</u>	<u>1,992,227</u>

7 Loans and borrowings

	2023 £	2022 £
Current loans and borrowings		
Bank overdrafts	<u>5,350</u>	<u>2,486</u>

8 Share capital

Allotted, called up and fully paid shares

	No.	2023 £	No.	2022 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9 Financial commitments, guarantees and contingencies

The company has mutually guaranteed the bank facilities of certain group companies. The contingent liability arising from those guarantees at 30 April 2023 amounted to £nil (2022: £nil).

Warm Welcome Hotels (Southern) Limited

Notes to the Financial Statements

Year Ended 30 April 2023

10 Parent and ultimate parent undertaking

The company's parent company and the parent of the smallest and largest group of companies for which accounts are drawn up is Warm Welcome Management Limited, a company incorporated in England and Wales.

The group accounts of this company are available to the public at Companies House.

The ultimate parent company is Warm Welcome 2022 Limited, a company incorporated in England and Wales.

11 Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Martin Hobbs BSc ACA, who signed for and on behalf of PKF Francis Clark on 22 Nov. 2023