

**Company Registration No. 04011656 (England and Wales)**

**CASSEL HOTELS (CAMBRIDGE) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**PAGES FOR FILING WITH REGISTRAR**

# **CASSEL HOTELS (CAMBRIDGE) LIMITED**

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# CASSEL HOTELS (CAMBRIDGE) LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	4		6,315,034		8,017,700
<b>Current assets</b>					
Stocks		-		11,743	
Debtors	5	20,708		143,749	
Cash at bank and in hand		109,308		223,306	
		<u>130,016</u>		<u>378,798</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(3,815,007)</u>		<u>(3,872,634)</u>	
<b>Net current liabilities</b>			<u>(3,684,991)</u>		<u>(3,493,836)</u>
<b>Net assets</b>			<u>2,630,043</u>		<u>4,523,864</u>
<b>Capital and reserves</b>					
Called up share capital			1,800,000		1,800,000
Revaluation reserve			709,976		2,310,293
Profit and loss reserves			120,067		413,571
<b>Total equity</b>			<u>2,630,043</u>		<u>4,523,864</u>

The directors 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 by the board of directors and authorised for issue on 30 June 2021 and are signed on its behalf by:

H B Hart  
Director

Company Registration No. 04011656

# CASSEL HOTELS (CAMBRIDGE) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2018</b>	1,800,000	-	491,456	2,291,456
<b>Period ended 30 September 2019:</b>				
Loss for the period	-	-	(77,885)	(77,885)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	2,310,293	-	2,310,293
Total comprehensive income for the period	-	2,310,293	(77,885)	2,232,408
<b>Balance at 30 September 2019</b>	1,800,000	2,310,293	413,571	4,523,864
<b>Year ended 30 September 2020:</b>				
Loss for the year	-	-	(293,504)	(293,504)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	(1,600,317)	-	(1,600,317)
Total comprehensive income for the year	-	(1,600,317)	(293,504)	(1,893,821)
<b>Balance at 30 September 2020</b>	1,800,000	709,976	120,067	2,630,043

# CASSEL HOTELS (CAMBRIDGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Cassel Hotels (Cambridge) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

#### **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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

With regard to the recent Covid-19 outbreak, the directors have considered the impact of the pandemic on the company's operations. As is the case for many businesses, the results of the company are impacted by the health of the UK economy, with any potential downturn likely to have an impact upon the company's operations.

During the year the decision was taken to temporarily close the hotel due to the impact of the COVID pandemic and the consequent national lockdowns. Since then, the directors have continued to assess the feasibility of re-opening the hotel whilst also exploring alternative uses for the property.

Having reviewed the company's financial forecasts, future plans and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, notwithstanding the fact that the company's current liabilities exceed its current assets by £3,684,991 (2019: £3,493,836), the validity of which is dependent on the assurance received from its ultimate parent that it will continue to make funds available to enable the company to meet its obligations as they fall due for the foreseeable future, and at least 12 months from the date of approval of these financial statements. The financial statements do not include any adjustments that would result from discontinuance of their financial support. On this basis, the directors consider that it is appropriate for the financial statements to be prepared on the going concern basis.

#### **1.3 Turnover**

The turnover in the profit and loss account represents the right to consideration from the performance of the company's obligations.

Revenue from the sale of food and drink is recognised at the fair value of the consideration received or receivable for these goods, and is recognised once the goods have been provided to the buyer. The amount of revenue is shown net of VAT.

Revenue from room sales and other guest services is recognised when rooms are occupied and as services are provided.

#### **1.4 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.

# CASSEL HOTELS (CAMBRIDGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

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	Straight line over 50 years (excluding land)
Fixtures, fittings & equipment	Straight line over 10 years
IT equipment	Straight line over 5 years
Motor vehicles	Straight line over 3 years

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.

#### 1.5 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.

#### 1.6 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.

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.

#### 1.7 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.

# CASSEL HOTELS (CAMBRIDGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.8 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.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 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.

# CASSEL HOTELS (CAMBRIDGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. 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.

#### **1.11 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.

#### **1.12 Retirement benefits**

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

#### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



# CASSEL HOTELS (CAMBRIDGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 2 Judgements and key sources of estimation uncertainty

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.

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

### 3 Employees

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

	2020 Number	2019 Number
Total	40	49

### 4 Tangible fixed assets

	Land and buildings	FF&E, IT and vehicles	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 October 2019	7,830,024	1,403,692	9,233,716
Additions	-	17,893	17,893
Revaluation	(1,680,841)	-	(1,680,841)
At 30 September 2020	6,149,183	1,421,585	7,570,768
<b>Depreciation and impairment</b>			
At 1 October 2019	-	1,216,016	1,216,016
Depreciation charged in the year	80,524	39,718	120,242
Revaluation	(80,524)	-	(80,524)
At 30 September 2020	-	1,255,734	1,255,734
<b>Carrying amount</b>			
At 30 September 2020	6,149,183	165,851	6,315,034
At 30 September 2019	7,830,024	187,676	8,017,700

Land and buildings were revalued at 30 September 2020 by Knight Frank LLP, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

# CASSEL HOTELS (CAMBRIDGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 4 Tangible fixed assets

(Continued)

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	2020 £	2019 £
Cost	7,057,771	7,057,771
Accumulated depreciation	(1,618,564)	(1,538,040)
Carrying value	<u>5,439,207</u>	<u>5,519,731</u>

### 5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	16,440	46,116
Corporation tax recoverable	1,461	-
Other debtors	2,807	97,633
	<u>20,708</u>	<u>143,749</u>

### 6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	26,117	104,382
Amounts owed to group undertakings	3,658,524	3,405,760
Corporation tax	-	9,223
Other taxation and social security	100,605	138,452
Other creditors	29,761	214,817
	<u>3,815,007</u>	<u>3,872,634</u>

# CASSEL HOTELS (CAMBRIDGE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 7 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 unqualified.

#### *Material uncertainty related to going concern*

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.2 of the financial statements concerning the financial support provided by the ultimate parent company. In view of the fact that the preparation of the financial statements on the going concern basis assumes this continued support, we consider that attention should be drawn to these disclosures but our opinion is not qualified in this respect.

The senior statutory auditor was Asgher Sultan FCCA.  
The auditor was Gerald Edelman.

### 8 Related party transactions

#### Remuneration of key management personnel

	2020	2019
	£	£
Aggregate compensation	-	80,454
	<u>          </u>	<u>          </u>

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

During the period management fees of £20,000 (2019: £10,000) were paid to Melford Capital Partners LLP, a related entity.

The company has taken advantage of the exemption under terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

### 9 Parent company

The immediate parent company of Cassel Hotels (Cambridge) Limited is Howe Ltd. The results of Cassel Hotels (Cambridge) Limited are consolidated in the group accounts of Howe HoldCo Ltd. Both companies are resident in the Isle of Man with its registered address at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.