

Registered number: 04675287

THE DOWER HOUSE HOTEL LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 NOVEMBER 2017

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017

	Note	2017 £	2016 £
Fixed assets		592,682	2,394,441
Current assets		287,988	159,736
Creditors: amounts falling due within one year	8	(266,740)	(229,932)
Net current assets/(liabilities)		21,248	(70,196)
Total assets less current liabilities		613,930	2,324,245
Creditors: amounts falling due after more than one year	9	(437,566)	(1,907,590)
Net assets		<u>176,364</u>	<u>416,655</u>
Capital and reserves		<u>176,364</u>	<u>416,655</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2018.

R Fielding
Director

The notes on pages 2 to 7 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017**

1. General information

The Dower House Hotel Limited is a private company limited by shares and registered in England and Wales. The company's registered number and office address can be found on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017**

2. Accounting policies (continued)

2.3 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 December 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.5 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.

2.6 Taxation

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.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017**

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 100 years
L/Term Leasehold Property	- 5% - straight line
Plant and machinery	- 15% reducing balance
Office equipment	- 15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.8 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 profit or loss.

2.9 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.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the 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.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017

3. Employees

The average monthly number of employees, including directors, during the year was 29 (2016 -29).

4. Tangible fixed assets

	Freehold property £	L/Term Leasehold Property £	Plant and machinery £	Office equipment £	Total £
Cost or valuation					
At 1 December 2016	2,433,383	-	425,572	25,434	2,884,389
Additions	1,330	-	4,582	1,291	7,203
Disposals	(1,968,771)	-	-	-	(1,968,771)
Transfers between classes	(465,942)	465,942	-	-	-
At 30 November 2017	-	465,942	430,154	26,725	922,821
Depreciation					
At 1 December 2016	191,311	-	282,858	15,779	489,948
Charge owned for the period	16,224	7,766	22,094	1,642	47,726
Disposals	(207,535)	-	-	-	(207,535)
At 30 November 2017	-	7,766	304,952	17,421	330,139
Net book value					
At 30 November 2017	-	458,176	125,202	9,304	592,682
At 30 November 2016	2,242,072	-	142,714	9,655	2,394,441

5. Stocks

	2017 £	2016 £
Finished goods and goods for resale	15,032	13,423
	<u>15,032</u>	<u>13,423</u>

THE DOWER HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017

6. Debtors

	2017 £	2016 £
Trade debtors	45,786	17,357
Prepayments and accrued income	24,740	30,164
	<u>70,526</u>	<u>47,521</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	202,430	98,792
	<u>202,430</u>	<u>98,792</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	55,311	80,091
Corporation tax	14,982	4,739
Other taxation and social security	64,841	65,658
Other creditors	112,805	64,965
Accruals and deferred income	18,801	14,479
	<u>266,740</u>	<u>229,932</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	437,566	1,907,590
	<u>437,566</u>	<u>1,907,590</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017**

10. 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 £25,528 (2016 - £24,000).

11. Related party transactions

The following details relate to businesses in the directors (and/or their spouses) have an undertaking in and are directors:

	2017 £	2016 £
617 Limited		
- Recharge of shared services	483	26,770
- Trade creditor balance	580	28,748
Pre-Eminent Solutions LLP		
- Provision of accountancy services	48,510	66,768
- Trade creditor balance	5,683	5,465
East Cost Wines Limited		
- Purchase of wines for resale	32,453	31,672
- Trade creditor balance	5,502	2,914
The Page Design Consultancy Limited		
- Purchase of artwork	810	-
	<u>94,021</u>	<u>162,337</u>

On 31 July 2017 the freehold property was sold to the Lennox & Fielding SIPP for a total consideration of £1,500,000. The beneficiaries of the SIPP are the directors, Messrs. Lennox and Fielding and their spouses. The basis of the consideration was a valuation conducted by a firm of Chartered Surveyors. Following the disposal, the property was leased from the SIPP at an open market rental of £120,000 per annum. During the year, the company paid rent to the SIPP amounting to £56,301. The company retained integral features and fittings in the property at a valuation by the directors of £465,942.

Creditors due after more than one year relate to interest free loans provided by the directors, Messrs. Fielding and Lennox. They do not propose to demand the repayment of the loans within the next 12 months.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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.