

## **Bristol Harbour Hotel Limited**

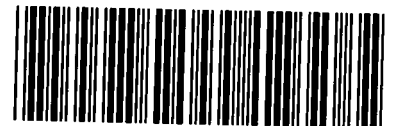
Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 09677406

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# Bristol Harbour Hotel Limited

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## Company Information

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Directors	D Robbins S A Bateman M O Warren
Registered number	09677406
Registered office	Harbour House 60 Purewell Christchurch Dorset BH23 1ES
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

# Bristol Harbour Hotel Limited

## Directors' Report For the Year Ended 31 December 2017

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The directors present their report and the financial statements for the year ended 31 December 2017.

### Principal activity

The principal activity of the company is that of owning and operating a hotel.

### Directors

The directors who served during the year were:

D Robbins  
S A Bateman  
M O Warren

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' 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.

### 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 directors have 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 by:



**D Robbins**  
Director

Date: 6-12-18

# **Bristol Harbour Hotel Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2017**

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The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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 directors are 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.

# **Bristol Harbour Hotel Limited**

## **Independent Auditor's report to the members of Bristol Harbour Hotel Limited**

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### **Opinion**

We have audited the financial statements of Bristol Harbour Hotel Limited ("the Company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have 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.

# **Bristol Harbour Hotel Limited**

## **Independent Auditor's report to the members of Bristol Harbour Hotel Limited (continued)**

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### **Other information**

The Directors are 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were 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.

# Bristol Harbour Hotel Limited

## Independent Auditor's report to the members of Bristol Harbour Hotel Limited (continued)

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### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are 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 Directors determine 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 Directors are 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 Directors either intend 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

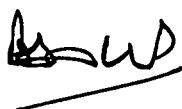
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

### Use of our report

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.



**Christopher Driver** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Southampton  
United Kingdom

6<sup>th</sup> December 2018

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

# Bristol Harbour Hotel Limited

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

	Note	2017 £	2016 Restated £
Turnover		3,409,739	331,048
Cost of sales		(2,090,141)	(426,058)
<b>Gross profit/(loss)</b>		<b>1,319,598</b>	<b>(95,010)</b>
Administrative expenses		(1,311,189)	(434,538)
Other operating income	4	-	398,431
<b>Operating profit/(loss)</b>		<b>8,409</b>	<b>(131,117)</b>
Interest receivable and similar income		23	6
Interest payable and similar charges	6	(435,598)	(279,344)
<b>Loss before tax</b>		<b>(427,166)</b>	<b>(410,455)</b>
Tax on loss		(86,696)	143,704
<b>Loss for the financial year</b>		<b>(513,862)</b>	<b>(266,751)</b>
Unrealised surplus on revaluation of tangible fixed assets		-	1,106,121
Deferred tax on revaluation of tangible fixed assets		29,628	405,016
<b>Other comprehensive income for the year</b>		<b>29,628</b>	<b>1,511,137</b>
<b>Total comprehensive income for the year</b>		<b>(484,234)</b>	<b>1,244,386</b>

2016 interest payable and similar charges have been increased by £150,876 and administrative expenses reduced by the same amount to be consistent with the presentation adopted for 2017.

The notes on pages 9 to 19 form part of these financial statements.



# Bristol Harbour Hotel Limited

Registered number: 09677406

## Statement of Financial Position As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible fixed assets	8		21,229,854		19,796,663
<b>Current assets</b>					
Stocks	9	65,158		34,277	
Debtors	10	1,842,968		654,243	
Cash at bank and in hand		116,244		2,991,820	
		<u>2,024,370</u>		<u>3,680,340</u>	
Creditors: amounts falling due within one year	11	(4,789,231)		(3,139,150)	
<b>Net current (liabilities)/assets</b>			<u>(2,764,861)</u>		<u>541,190</u>
<b>Total assets less current liabilities</b>			<u>18,464,993</u>		<u>20,337,853</u>
Creditors: amounts falling due after more than one year	12		(13,970,877)		(12,041,571)
<b>Provisions for liabilities</b>					
Deferred tax	13	(890,591)		(833,523)	
			<u>(890,591)</u>		<u>(833,523)</u>
<b>Net assets</b>			<u><u>3,603,525</u></u>		<u><u>7,462,759</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		1		1
Revaluation reserve	15		2,845,403		7,815,775
Profit and loss account	15		758,121		(353,017)
			<u><u>3,603,525</u></u>		<u><u>7,462,759</u></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:



**D Robbins**  
Director

Date: 6.12.18

The notes on pages 9 to 19 form part of these financial statements.

# Bristol Harbour Hotel Limited

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

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2016</b>	<b>1</b>	<b>6,304,638</b>	<b>(86,266)</b>	<b>6,218,373</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(266,751)	(266,751)
Deferred tax relating to revaluation of tangible fixed assets	-	405,016	-	405,016
Revaluation of tangible fixed assets	-	1,106,121	-	1,106,121
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>1,511,137</b>	<b>-</b>	<b>1,511,137</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,511,137</b>	<b>(266,751)</b>	<b>1,244,386</b>
<b>At 1 January 2017</b>	<b>1</b>	<b>7,815,775</b>	<b>(353,017)</b>	<b>7,462,759</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(513,862)	(513,862)
Deferred tax relating to revaluation of tangible fixed assets	-	29,628	-	29,628
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>29,628</b>	<b>(513,862)</b>	<b>(484,234)</b>
<b>Contributions by and distributions to owners</b>				
Bonus share issue	5,000,000	(5,000,000)	-	-
Share cancellation	(5,000,000)	-	5,000,000	-
Dividends: Equity capital	-	-	(3,375,000)	(3,375,000)
<b>Total transactions with owners</b>	<b>-</b>	<b>(5,000,000)</b>	<b>1,625,000</b>	<b>(3,375,000)</b>
<b>At 31 December 2017</b>	<b>1</b>	<b>2,845,403</b>	<b>758,121</b>	<b>3,603,525</b>

The notes on pages 9 to 19 form part of these financial statements.

### Issue of bonus shares and capital reduction

On 7 December 2017, the company capitalised £5,000,000 of its revaluation reserve through the issue of fully paid up bonus shares. The bonus shares were immediately cancelled with the corresponding balance being credited to the accumulated P&L reserve.

# Bristol Harbour Hotel Limited

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

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### 1. General information

Bristol Harbour Hotel 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 given on the company information page and the nature of the company's operations and its principal activity is disclosed in the directors' report.

### 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 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 financial statements are prepared in GBP and rounded to the nearest £.

The following principal accounting policies have been applied:

#### 2.2 Revenue

Turnover represents amounts receivable from the provision of hotel and restaurant services, recognised net of VAT at the point of service to the customer.

#### 2.3 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	6% per annum
Computer equipment	-	20% per annum

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.

# **Bristol Harbour Hotel Limited**

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

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

#### **2.4 Revaluation of tangible fixed assets**

Individual leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

#### **2.5 Land and buildings**

It is the company's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly the directors consider that the lives of these assets are so long and residual values are so high that their depreciation is insignificant.

In accordance with accounting standards the directors have also considered the recoverable amounts of land and buildings and consider that this is at least equal to the carrying value in the financial statements.

#### **2.6 Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

#### **2.7 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.

#### **2.8 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.

# **Bristol Harbour Hotel Limited**

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

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

#### **2.9 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.

#### **2.10 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

#### **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 Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### **2.14 Operating leases**

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

# **Bristol Harbour Hotel Limited**

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

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

#### **2.15 Sale and leaseback**

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

#### **2.16 Interest income**

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

#### **2.17 Current and deferred taxation**

The tax expense for the 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 statement of financial position 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.

# Bristol Harbour Hotel Limited

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

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating leases 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 tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance.
- The calculation of the company's tax charge involves a degree of estimation and judgement in respect of certain items, including the differences between the accounting and tax base; which assets qualify for capital allowances; the level of disallowable expenditure; the extent of rollover gains; indexation thereon and the tax base into which they are rolled; the amount of deferred tax assets which can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of future tax planning.

Other key sources of estimation uncertainty

- **Tangible fixed assets (note 8)**  
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as future economic viability, utilisation and continued relevance of the asset.

Leasehold property is revalued by an independent valuation expert on a regular basis such that the carrying value is in line with the prevailing market rates. The valuation uses the profit method which is based on the company's estimates and assumptions concerning its future revenue growth, trading and cash flows.

### 4. Other operating income

	2017 £	2016 £
Business interruption claims	-	398,431

### 5. Employees

The average monthly number of employees, including directors, during the year was 79 (2016 - 44).

The directors did not receive any emoluments in respect of their current and prior year services to the company because their services to the company were merely incidental to their services to the group as a whole.

# Bristol Harbour Hotel Limited

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

### 6. Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	3	-
Other loan interest payable	235,595	128,468
Finance leases and hire purchase contracts	200,000	150,876
	<u>435,598</u>	<u>279,344</u>

### 7. Dividends

	2017 £	2016 £
Dividends declared and paid	3,375,000	-
	<u>3,375,000</u>	<u>-</u>

### 8. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Finance lease asset £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	12,557,800	1,046,883	50,787	6,240,000	19,895,470
Additions	995,585	543,974	12,308	-	1,551,867
At 31 December 2017	<u>13,553,385</u>	<u>1,590,857</u>	<u>63,095</u>	<u>6,240,000</u>	<u>21,447,337</u>
<b>Depreciation</b>					
At 1 January 2017	-	88,650	10,157	-	98,807
Charge for the year on owned assets	-	106,057	12,619	-	118,676
At 31 December 2017	<u>-</u>	<u>194,707</u>	<u>22,776</u>	<u>-</u>	<u>217,483</u>
<b>Net book value</b>					
At 31 December 2017	<u>13,553,385</u>	<u>1,396,150</u>	<u>40,319</u>	<u>6,240,000</u>	<u>21,229,854</u>
At 31 December 2016	<u>12,557,800</u>	<u>958,233</u>	<u>40,630</u>	<u>6,240,000</u>	<u>19,796,663</u>



# Bristol Harbour Hotel Limited

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

### 8. Tangible fixed assets (continued)

#### Tangible assets held at valuation

The leasehold property along with the fixtures, fittings and equipment, was valued by Cushman & Wakefield, an independent chartered surveyor with experience in the hotel property market, on 17 March 2017 on the basis of market value under the profits method in accordance with The Royal Institute of Chartered Surveyors Valuation Professional Standards known as the "Red Book". Projected net earnings and cash flows have been discounted using a market discount rate. The critical assumptions are a capitalisation rate of 8.25% and a discount rate which is 2.0% above the capitalisation rate used in the cash flow.

Bristol Harbour Hotel has been valued at £14,850,000 and this valuation was adopted in the financial statements as at 31 December 2016. The hotel is one of a collection of hotels which together form the Harbour Hotels group.

The historical cost of the long-term leasehold property at 31 December 2017 is £6,414,335 (2016 - £4,862,468).

### 9. Stocks

	2017 £	2016 £
Food, Beverage and spa	65,158	34,277
	<u>65,158</u>	<u>34,277</u>

### 10. Debtors

	2017 £	2016 £
Trade debtors	248,459	335,980
Amounts owed by group undertakings	1,275,961	271,876
Other debtors	51,137	-
Prepayments and accrued income	267,411	46,387
	<u>1,842,968</u>	<u>654,243</u>

Amounts owed by group undertakings are interest free and repayable on demand.

# Bristol Harbour Hotel Limited

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

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

	2017 £	2016 £
Trade creditors	181,154	2,673,412
Amounts owed to group undertakings	4,094,552	-
Other taxation and social security	163,864	43,051
Other creditors	126,155	37,285
Accruals and deferred income	223,506	385,402
	<u>4,789,231</u>	<u>3,139,150</u>

Amounts owed to group undertakings are interest free and repayable on demand.

### 12. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	6,007,625	6,007,625
Amounts owed to group undertakings	7,963,252	6,033,946
	<u>13,970,877</u>	<u>12,041,571</u>

The amount owed to the company's parent is interest bearing and is repayable on 27 April 2022.

#### Finance lease

In 2016 the company entered into a sale and leaseback arrangement with a third party in respect of an interest in the hotel's freehold land. The lease is for a term of 999 years, with annual payments of £200,000 per year increasing with movements in RPI. The arrangement resulted in a finance lease with the proceeds of £6,240,000 being recognised as a liability net of costs of £206,054. Because the term is so long, measuring the liability at amortised cost using the effective interest method results in no reduction of the liability for the foreseeable future. The land subject to the finance lease arrangement has been shown within fixed assets as a separate class of asset which is not subject to depreciation at a cost equivalent to the proceeds received.

# Bristol Harbour Hotel Limited

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

### 13. Deferred taxation

	2017 £	2016 £
At beginning of year	833,523	1,382,243
Charged/(credited) to profit or loss	86,696	(143,704)
(Credited)/charged to other comprehensive income	(29,628)	(405,016)
<b>At end of year</b>	<b>890,591</b>	<b>833,523</b>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	197,944	90,404
Tax losses carried forward	(254,952)	(234,108)
Revaluation of tangible fixed assets	947,599	977,227
	<b>890,591</b>	<b>833,523</b>

# Bristol Harbour Hotel Limited

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

### 14. Share capital

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

### 15. Reserves

#### Revaluation reserve

The revaluation reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

#### Profit and loss account

The profit and loss account represents cumulative profits and losses, net of any dividends and other adjustments.

### 16. Security

The bank loans of Harbour Hotels Group Limited, the immediate parent company, are secured by a cross guarantee and a fixed and floating charge debenture over the company's assets.

### 17. Related party transactions

During the year the company entered into transactions with related parties outside of the Harbour Hotel Holdings Limited group of companies, as follows:

	Sales to related parties £	Purchases from related parties £	Other transactions with related parties £	Amounts owed from related parties £	Amounts owed to related parties £
2017	201,600	(1,425,562)	(59,548)	94,632	(1,019)
2016	201,600	(6,789,495)	59,546	185,760	(2,945,932)

# **Bristol Harbour Hotel Limited**

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

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### **18. Controlling party**

The company is a wholly owned subsidiary of Harbour Hotels Group Limited. The ultimate parent company is Harbour Hotels Holdings Limited, a company controlled by Mr N J Roach. Consolidated financial statements for Harbour Hotels Holdings Limited are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The smallest group in which the results of the company are consolidated is that headed by Harbour Hotels Group Limited and the largest group in which the results of the company are consolidated is that headed by Harbour Hotels Holdings Limited. The registered office of Harbour Hotels Group Limited and Harbour Hotels Holdings Limited is Harbour House, 60 Purewell, Christchurch, Dorset, BH23 1ES.