

**COMPANY REGISTRATION NUMBER: 09943455**

**Hurlston Hall Holding Limited**

**Financial Statements**

**30 December 2020**

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# **Hurlston Hall Holding Limited**

## **Financial Statements**

**Year ended 30 December 2020**

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# **Hurlston Hall Holding Limited**

## **Officers and Professional Advisers**

**The board of directors**

Mrs A M O'Brien  
Mr G F O'Brien

**Registered office**

Ayrton House  
Commerce Way  
Liverpool

**Auditor**

ERC Accountants & Business Advisers Limited  
Chartered accountants & statutory auditor  
Hanover Buildings  
11-13 Hanover Street  
Liverpool  
L1 3DN

# Hurlston Hall Holding Limited

## Strategic Report

Year ended 30 December 2020

### Fair review of the business

The group's principal activity is the ownership and operation of a clubhouse, golf club and shop, spa and caravan park. The company's principal activity is a holding company.

The results for the group show a decrease in turnover to £1,719,465 (2019: £2,887,546) and a subsequent decrease in gross profit to £1,269,220 (2019: £2,204,331). The group has generated an operating loss of £313,361 (2019: £134,960 operating loss) in the year.

The group has net liabilities as at 31 December 2020 of £476,937 (2019: £473,220).

See Key Performance Indicators for further information.

### Principal risks and uncertainties

The group operates in a leisure market place which can be affected by changes in the economy including consumer confidence and wealth.

Competition is high given the variety of similar trading offerings in the local area, such as golf courses, spa facilities and restaurants, which are all competing for consumer spend.

The group operates a membership scheme and hence credit risk is considered to be low as well as interest rate risk, as the group has no external funding.

### Key performance indicators

The directors monitor progress by reference to a number of key financial performance indicators, as set out below:

- Turnover

Turnover in the year was £1,719,465 (2019: £2,887,546). The group has invested in upgrading the spa facilities, driving range and clubhouse in the prior periods in order to generate new business. The impact of Covid-19 causing temporary closures and restrictions have adversely impacted the turnover activity for the period.

- Gross profit

Gross profit in the year was £1,269,220 (2019: £2,204,331). The decrease as mentioned is due to the adverse impact of Covid-19. There are no long term concerns when assessing future profitability once restrictions ease.

- Operating loss

Operating loss was £313,361 (2019: £134,960 operating loss).

### Future developments

Subsequent to the year end the group was affected by the COVID-19 pandemic which resulted in the groups activities being curtailed for significant periods of time. Management is confident that the group will return to normal levels of trade in the short to medium term as the effects of the pandemic decrease.

# **Hurlston Hall Holding Limited**

## **Strategic Report** *(continued)*

**Year ended 30 December 2020**

This report was approved by the board of directors on 20 January 2022 and signed on behalf of the board by:



Mr G F O'Brien  
Director

Registered office:  
Ayrton House  
Commerce Way  
Liverpool

# Hurlston Hall Holding Limited

## Directors' Report

### Year ended 30 December 2020

The directors present their report and the financial statements of the group for the year ended 30 December 2020.

#### Directors

The directors who served the company during the year were as follows:

Mr G F O'Brien

Mr P Didlick

Mrs A M O'Brien

(Appointed 12 May 2020)

Mr P M O'Brien

(Retired 12 May 2020)

#### Dividends

The directors do not recommend the payment of a dividend.

#### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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.

#### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

# **Hurlston Hall Holding Limited**

## **Directors' Report** *(continued)*

**Year ended 30 December 2020**

This report was approved by the board of directors on 20 January 2022 and signed on behalf of the board by:



Mr G F O'Brien  
Director

Registered office:  
Ayrton House  
Commerce Way  
Liverpool

## **Hurlston Hall Holding Limited**

### **Independent Auditor's Report to the Members of Hurlston Hall Holding Limited**

**Year ended 30 December 2020**

#### **Adverse opinion**

We have audited the financial statements of Hurlston Hall Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 December 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, because of the significance of the matter described in the basis for disclaimer of opinion section of our report, the financial statements:

- do not give a true and fair view of the state of the group's and of the parent company's affairs as at 30 December 2020 and of the group's loss for the year then ended;
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

In all other respects, in our opinion the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for disclaimer of opinion**

During our inspection we were unable to obtain sufficient evidence to provide reasonable assurance over the company's financial performance. This was due to the following reasons:

- Change in key personnel during the period.
- Change in accounting software during the period and issues arising from the transition of figures from one system to another.
- Lack of confidence in the figures presented to us upon year-end.
- Lack of supporting documentation to verify year-end balances.

The points noted above resulted in us being unable to determine whether any adjustments were necessary in respect of the overall performance for the period.

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 group 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 adverse opinion.



## **Hurlston Hall Holding Limited**

### **Independent Auditor's Report to the Members of Hurlston Hall Holding Limited** *(continued)*

**Year ended 30 December 2020**

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## Hurlston Hall Holding Limited

### Independent Auditor's Report to the Members of Hurlston Hall Holding Limited (continued)

**Year ended 30 December 2020**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management relating to controls in place, segregation of duties and any potential litigation and claims.
- Professional scepticism is maintained in areas of potential management override of controls including cash handling.
- Inspection and reconciliation of related party balances is performed to ensure accuracy and existence.

## **Hurlston Hall Holding Limited**

### **Independent Auditor's Report to the Members of Hurlston Hall Holding Limited** *(continued)*

#### **Year ended 30 December 2020**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## **Hurlston Hall Holding Limited**

### **Independent Auditor's Report to the Members of Hurlston Hall Holding Limited** *(continued)*

#### **Year ended 30 December 2020**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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.



Richard Brown (Senior Statutory Auditor)

For and on behalf of  
ERC Accountants & Business Advisers Limited  
Chartered accountants & statutory auditor

Hanover Buildings  
11-13 Hanover Street  
Liverpool  
L1 3DN

20 January 2022

**Hurlston Hall Holding Limited**  
**Consolidated Statement of Comprehensive Income**  
**Year ended 30 December 2020**

	Note	2020 £	2019 £
<b>Turnover</b>	<b>4</b>	1,719,465	2,887,546
Cost of sales		<u>450,245</u>	<u>683,215</u>
<b>Gross profit</b>		1,269,220	2,204,331
Administrative expenses		1,789,017	2,339,291
Other operating income	<b>5</b>	<u>206,388</u>	<u>—</u>
<b>Operating loss</b>	<b>6</b>	(313,409)	(134,960)
Interest payable and similar expenses		<u>123,353</u>	<u>120,456</u>
<b>Loss before taxation</b>		(436,762)	(255,416)
Tax on loss	<b>9</b>	(38,412)	8,066
<b>Loss for the financial year</b>		<u>(398,350)</u>	<u>(263,482)</u>
Revaluation of tangible assets		<u>—</u>	<u>160,316</u>
<b>Total comprehensive income for the year</b>		<u>(398,350)</u>	<u>(103,166)</u>

All the activities of the group are from continuing operations.

**Hurlston Hall Holding Limited**  
**Consolidated Statement of Financial Position**  
**30 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	10	67,188	78,872
Tangible assets	11	<u>8,322,244</u>	<u>8,379,725</u>
		8,389,432	8,458,597
<b>Current assets</b>			
Stocks	12	61,560	171,271
Debtors	13	323,047	504,634
Cash at bank and in hand		<u>172,856</u>	<u>65,063</u>
		557,463	740,968
<b>Creditors: Amounts falling due within one year</b>	15	<u>1,267,338</u>	<u>1,214,188</u>
<b>Net current liabilities</b>		<u>709,875</u>	<u>473,220</u>
<b>Total assets less current liabilities</b>		7,679,557	7,985,377
<b>Creditors: Amounts falling due after more than one year</b>	16	8,556,561	8,425,619
<b>Provisions</b>	18	<u>(8,839)</u>	<u>29,573</u>
<b>Net liabilities</b>		<u>(868,165)</u>	<u>(469,815)</u>
<b>Capital and reserves</b>			
Called up share capital	22	4	4
Revaluation reserve	23	320,632	320,632
Profit and loss account	23	<u>(1,188,801)</u>	<u>(790,451)</u>
<b>Shareholders deficit</b>		<u>(868,165)</u>	<u>(469,815)</u>

These financial statements were approved by the board of directors and authorised for issue on 20 January 2022, and are signed on behalf of the board by:



Mr G F O'Brien  
Director

Company registration number: 09943455

**Hurlston Hall Holding Limited**  
**Company Statement of Financial Position**  
**30 December 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Investments	14	1	1
Cash at bank and in hand		718	790
		<u>719</u>	<u>791</u>
<b>Creditors: Amounts falling due within one year</b>	15	1,400	1,400
<b>Net current liabilities</b>		<u>681</u>	<u>609</u>
<b>Total assets less current liabilities</b>		<u>(681)</u>	<u>(609)</u>
<b>Capital and reserves</b>			
Called up share capital	22	4	4
Profit and loss account	23	(685)	(613)
<b>Shareholders deficit</b>		<u>(681)</u>	<u>(609)</u>

The loss for the financial year of the parent company was £72 (2019: £75).

These financial statements were approved by the board of directors and authorised for issue on 20 January 2022, and are signed on behalf of the board by:



Mr G F O'Brien  
Director

Company registration number: 09943455

**Hurlston Hall Holding Limited**  
**Consolidated Statement of Changes in Equity**  
**Year ended 30 December 2020**

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 January 2019</b>		4	160,316	(526,969)	(366,649)
Loss for the year				(263,482)	(263,482)
Other comprehensive income for the year:					
Revaluation of tangible assets	11	—	160,316	—	160,316
<b>Total comprehensive income for the year</b>		—	160,316	(263,482)	(103,166)
<b>At 31 December 2019</b>		4	320,632	(790,451)	(469,815)
Loss for the year				(398,350)	(398,350)
<b>Total comprehensive income for the year</b>		—	—	(398,350)	(398,350)
<b>At 30 December 2020</b>		4	320,632	(1,188,801)	(868,165)

The notes on pages 17 to 30 form part of these financial statements.



**Hurlston Hall Holding Limited**  
**Company Statement of Changes in Equity**  
**Year ended 30 December 2020**

	Called up share capital £	Profit and loss account £	<b>Total £</b>
<b>At 1 January 2019</b>	4	(538)	(534)
Loss for the year	<u>—</u>	<u>(75)</u>	<u>(75)</u>
<b>Total comprehensive income for the year</b>	—	(75)	(75)
<b>At 31 December 2019</b>	4	(613)	(609)
Loss for the year	<u>—</u>	<u>(72)</u>	<u>(72)</u>
<b>Total comprehensive income for the year</b>	—	(72)	(72)
<b>At 30 December 2020</b>	<u>4</u>	<u>(685)</u>	<u>(681)</u>

The notes on pages 17 to 30 form part of these financial statements.

**Hurlston Hall Holding Limited**  
**Consolidated Statement of Cash Flows**  
**Year ended 30 December 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(398,350)	(263,482)
<i>Adjustments for:</i>		
Depreciation of tangible assets	156,671	310,556
Amortisation of intangible assets	11,684	11,684
Government grant income	(206,388)	–
Interest payable and similar expenses	123,353	120,456
Tax on loss	(38,412)	8,066
Accrued (income)/expenses	(62,007)	322,673
<i>Changes in:</i>		
Stocks	109,711	59,530
Trade and other debtors	181,587	(53,487)
Trade and other creditors	230,246	(347,237)
Cash generated from operations	108,095	168,759
Interest paid	(123,353)	(120,456)
Tax received	–	11,645
Net cash (used in)/from operating activities	<u>(15,258)</u>	<u>59,948</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(99,190)	(66,975)
Net cash used in investing activities	<u>(99,190)</u>	<u>(66,975)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	50,626	–
Government grant income	206,388	–
Payments of finance lease liabilities	(34,773)	(58,640)
Interest paid	–	1
Net cash from/(used in) financing activities	<u>222,241</u>	<u>(58,639)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	107,793	(65,666)
<b>Cash and cash equivalents at beginning of year</b>	65,063	130,729
<b>Cash and cash equivalents at end of year</b>	<u>172,856</u>	<u>65,063</u>

The notes on pages 17 to 30 form part of these financial statements.

# Hurlston Hall Holding Limited

## Notes to the Financial Statements

Year ended 30 December 2020

### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Ayrton House, Commerce Way, Liverpool.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

#### Consolidation

The financial statements consolidate the financial statements of Hurlston Hall Holding Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

#### Judgements and key sources of estimation uncertainty

In the application of the group'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.

# Hurlston Hall Holding Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 December 2020

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

#### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

#### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10% straight line
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# Hurlston Hall Holding Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 December 2020

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

#### Amortisation *(continued)*

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	10% straight line
Plant and machinery	-	25% straight line
Fixtures, fittings and equipment	-	20% straight line
Motor vehicles	-	25% straight line

#### Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

#### 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 largely independent of the cash inflows from other assets or groups of assets.

# Hurlston Hall Holding Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 December 2020

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

#### Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

**Hurlston Hall Holding Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 30 December 2020**

**3. Accounting policies** *(continued)*

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Financial instruments**

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**4. Turnover**

Turnover arises from:

	2020 £	2019 £
Sale of goods	<u>1,719,465</u>	<u>2,887,546</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

**Hurlston Hall Holding Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 30 December 2020**

**5. Other operating income**

	2020 £	2019 £
Government grant income	206,388	—

**6. Operating profit**

Operating profit or loss is stated after charging:

	2020 £	2019 £
Amortisation of intangible assets	11,684	11,684
Depreciation of tangible assets	156,671	310,556

**7. Auditor's remuneration**

	2020 £	2019 £
Fees payable for the audit of the financial statements	14,000	6,500

**8. Staff costs**

The average number of persons employed by the group during the year, including the directors, amounted to:

	2020 No.	2019 No.
Administrative staff	36	36
Management staff	21	31
	57	67

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020 £	2019 £
Wages and salaries	786,292	1,058,921
Social security costs	58,708	70,241
Other pension costs	17,242	23,974
	862,242	1,153,136

**9. Tax on loss****Major components of tax income**

2020 £	2019 £
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**Hurlston Hall Holding Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 30 December 2020**

**9. Tax on loss** *(continued)*

	<b>2020</b> £	<b>2019</b> £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(38,412)	8,066
<b>Tax on loss</b>	<u>(38,412)</u>	<u>8,066</u>

**Reconciliation of tax (income)/expense**

The tax assessed on the loss on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	<b>2020</b> £	<b>2019</b> £
Loss on ordinary activities before taxation	(436,762)	(255,416)
Loss on ordinary activities by rate of tax	80,756	48,529
Unused tax losses	(80,756)	(48,529)
Deferred tax timing difference	(38,412)	8,066
<b>Tax on loss</b>	<u>(38,412)</u>	<u>8,066</u>

**10. Intangible assets**

<b>Group</b>	<b>Goodwill</b> £
<b>Cost</b>	
<b>At 1 January 2020 and 30 December 2020</b>	<u>116,845</u>
<b>Amortisation</b>	
At 1 January 2020	37,973
Charge for the year	11,684
<b>At 30 December 2020</b>	<u>49,657</u>
<b>Carrying amount</b>	
<b>At 30 December 2020</b>	<u>67,188</u>
At 31 December 2019	<u>78,872</u>

The company has no intangible assets.

# Hurlston Hall Holding Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 December 2020

#### 11. Tangible assets

Group	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Investment Properties £	Total £
<b>Cost</b>						
At 1 Jan 2020	42,786	440,560	168,722	20,829	8,015,809	8,688,706
Additions	84,038	9,674	5,478	—	—	99,190
<b>At 30 Dec 2020</b>	<u>126,824</u>	<u>450,234</u>	<u>174,200</u>	<u>20,829</u>	<u>8,015,809</u>	<u>8,787,896</u>
<b>Depreciation</b>						
At 1 Jan 2020	9,390	232,874	63,679	3,038	—	308,981
Charge for the year	12,682	98,384	40,398	5,207	—	156,671
<b>At 30 Dec 2020</b>	<u>22,072</u>	<u>331,258</u>	<u>104,077</u>	<u>8,245</u>	<u>—</u>	<u>465,652</u>
<b>Carrying amount</b>						
<b>At 30 Dec 2020</b>	<u>104,752</u>	<u>118,976</u>	<u>70,123</u>	<u>12,584</u>	<u>8,015,809</u>	<u>8,322,244</u>
At 31 Dec 2019	<u>33,396</u>	<u>207,686</u>	<u>105,043</u>	<u>17,791</u>	<u>8,015,809</u>	<u>8,379,725</u>

The company has no tangible assets.

Included within the above is investment property as follows:

	Group £	Company £
At 1 January 2020 and 30 December 2020	8,015,809	—
At 1 January 2020	<u>8,015,809</u>	<u>—</u>

The directors believe the valuation of investment properties at the year ended 30 December 2020 reflects fair value.

#### 12. Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	11,560	24,945	—	—
Finished goods and goods for resale	50,000	146,326	—	—
	<u>61,560</u>	<u>171,271</u>	<u>—</u>	<u>—</u>

**Hurlston Hall Holding Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 30 December 2020**

**13. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	114,090	2,020	–	–
Other debtors	208,957	502,614	–	–
	<u>323,047</u>	<u>504,634</u>	<u>–</u>	<u>–</u>

**14. Investments**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investments in group undertakings	–	–	1	1
	<u>–</u>	<u>–</u>	<u>1</u>	<u>1</u>

**15. Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	5,000	–	–	–
Trade creditors	83,013	224,318	–	–
Amounts owed to group undertakings	–	–	1,400	1,400
Accruals and deferred income	285,255	347,262	–	–
Corporation tax	25,242	25,242	–	–
Social security and other taxes	128,699	88,900	–	–
Obligations under finance leases and hire purchase contracts	36,607	34,773	–	–
Director loan accounts	626	–	–	–
Other creditors	702,896	493,693	–	–
	<u>1,267,338</u>	<u>1,214,188</u>	<u>1,400</u>	<u>1,400</u>

A fixed charge dated 22nd July 2016 in favour of National Westminster Bank Plc is place on any interest the company has in the property, securing the liabilities of the company. Interest includes, rent receivable, goodwill of the business and proceeds of insurance all generated from the use of property as well as all fixed assets not forming part of the property.

A fixed charge dated 22nd July 2016 in favour of National Westminster Bank Plc is specifically in place on all rental income of the company securing the liabilities of the company.

A fixed charge dated 22nd July 2016 in favour of National Westminster Bank Plc is in place on all assets of the company securing the liabilities of both the company, all the companies within the group and ten additional connected companies.

# Hurlston Hall Holding Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 December 2020

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	45,000	—	—	—
Obligations under finance leases and hire purchase contracts	64,729	101,336	—	—
Other creditors	8,446,832	8,324,283	—	—
	<u>8,556,561</u>	<u>8,425,619</u>	<u>—</u>	<u>—</u>

Other creditors relates to loans of £2,084,588 (2019: £1,966,788) being "loan one" and £6,362,244 (2019: £6,357,495) being "loan two". Loan one incurs interest at a rate of 5.2% per annum plus 1% fixed LIBOR. The loan is repayable in full on 27th July 2022. Loan two incurs no interest and the loan will be repayable in full on 1st January 2022. The repayment date will be revisited every year on a rolling basis.

A fixed charge dated 22nd July 2016 in favour of National Westminster Bank Plc is place on any interest the company has in the property, securing the liabilities of the company. Interest includes, rent receivable, goodwill of the business and proceeds of insurance all generated from the use of property as well as all fixed assets not forming part of the property.

A fixed charge dated 22nd July 2016 in favour of National Westminster Bank Plc is specifically in place on all rental income of the company securing the liabilities of the company.

A fixed charge dated 22nd July 2016 in favour of National Westminster Bank Plc is in place on all assets of the company securing the liabilities of both the company, all the companies within the group and ten additional connected companies.

### 17. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	36,607	34,773	36,607	34,773
Later than 1 year and not later than 5 years	64,729	101,336	64,729	101,336
	<u>101,336</u>	<u>136,109</u>	<u>101,336</u>	<u>136,109</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

**Hurlston Hall Holding Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 30 December 2020**

**18. Provisions**

<b>Group</b>	<b>Deferred tax (note 19) £</b>
At 1 January 2020	29,573
Additions	<u>(38,412)</u>
<b>At 30 December 2020</b>	<u><b>(8,839)</b></u>

The company does not have any provisions.

**19. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Included in provisions (note 18)	<u>(8,839)</u>	<u>29,573</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	(8,839)	29,822	—	—
Other revaluations	<u>—</u>	<u>(249)</u>	<u>—</u>	<u>—</u>
	<u><b>(8,839)</b></u>	<u><b>29,573</b></u>	<u><b>—</b></u>	<u><b>—</b></u>

**20. Employee benefits****Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £17,242 (2019: £23,974).

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**21. Government grants**

The amounts recognised in the financial statements for government grants are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Recognised in other operating income:				
Government grants recognised directly in income	<u>206,388</u>	<u>—</u>	<u>—</u>	<u>—</u>

**Hurlston Hall Holding Limited**  
**Notes to the Financial Statements** *(continued)*

**Year ended 30 December 2020**

**22. Called up share capital**

**Issued, called up and fully paid**

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

**23. Reserves**

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss reserve includes all current and prior year retained profits and losses.

**24. Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**25. Analysis of changes in net debt**

	At 1 Jan 2020	Cash flows	At 30 Dec 2020
	£	£	£
Cash at bank and in hand	65,063	107,793	172,856
Debt due within one year	(34,773)	(7,460)	(42,233)
Debt due after one year	<u>(101,336)</u>	<u>(8,393)</u>	<u>(109,729)</u>
	<u>(71,046)</u>	<u>91,940</u>	<u>20,894</u>

**Hurlston Hall Holding Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 30 December 2020**

**26. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	<u>—</u>	<u>4,015</u>	<u>—</u>	<u>—</u>

**27. Directors' advances, credits and guarantees**

No director received advances, credits or guarantees during the current or previous accounting periods.

**28. Related party transactions****Company**

The following related party transactions were undertaken during the year:

Amounts due to related parties are as follows, these are interest free and repayable on demand:

OBG Finance Limited £91,000 (2019: £76,060)  
 OBG Pharmaceuticals Limited £224,095 (2019: £182,910)  
 Nextdom Limited £15,948 (2019: £14,648)

Amounts due from related parties are as follows, these are interest free and repayable on demand:

OBG Finance Limited £22,622 (2019: £19,335)  
 Nextdom Limited £75,077 (2019: £75,077)  
 OBG Pharmaceuticals Limited £4,178 (2019: £4,178)

No dividends were paid to the directors and shareholders in respect of their shareholdings.

No further transactions with related parties were undertaken such as are required to be disclosed in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**29. Controlling party**

Hurlston Hall Holding Limited is jointly owned and controlled by Mr G O'Brien and Mrs A O'Brien.

# Hurlston Hall Holding Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 December 2020

### 30. Subsidiaries

Name of undertaking	Registered office	Class of shares held	% Held
Hurlston Hall Clubhouse Limited	Ayrton House, Liverpool, L8 7BA	Ordinary	100%
Hurlston Hall Trading Limited	Ayrton House, Liverpool, L8 7BA	Ordinary	100%
Hurlston Hall Property Limited	Ayrton House, Liverpool, L8 7BA	Ordinary	100%
Hurlston Hall Limited	Ayrton House, Liverpool, L8 7BA	Ordinary	100%