

Financial Statements for the Year Ended 31 March 2023

for

The GOS Hotel Ltd

MONDAY



\*ACD9W5BT\*

A14

02/10/2023

#96

COMPANIES HOUSE

CH number - 11054774

The GOS Hotel Ltd

Contents of the Financial Statements  
for the Year Ended 31 March 2023

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

The GOS Hotel Ltd

Company Information  
for the Year Ended 31 March 2023

**DIRECTORS:**

J J Bester  
J A Nel

**REGISTERED OFFICE:**

2nd Floor  
10 Bridge Street  
Bath  
BA2 4AS

**REGISTERED NUMBER:**

11054774 (England and Wales)

**AUDITORS:**

PKF Francis Clark  
Lowin House  
Tregolls Road  
Truro  
Cornwall  
TR1 2NA

**BANKERS:**

National Westminster Bank PLC  
2-4 St Nicholas Street  
Truro  
Cornwall  
TR1 2RN

The GOS Hotel Ltd (Registered number: 11054774)Balance Sheet  
31 March 2023

	Notes	31.3.23 £	31.3.22 £
<b>FIXED ASSETS</b>			
Intangible assets	5	2,086,662	-
Tangible assets	6	2,713,338	-
Investments	7	-	4,607,170
		4,800,000	4,607,170
<b>CURRENT ASSETS</b>			
Stocks	8	9,180	-
Debtors	9	785,966	1,105,924
Cash at bank and in hand		59,702	4,403
		854,848	1,110,327
<b>CREDITORS</b>			
Amounts falling due within one year	10	6,744,769	4,818,668
<b>NET CURRENT LIABILITIES</b>		(5,889,921)	(3,708,341)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(1,089,921)	898,829
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	-	(1,220,559)
<b>PROVISIONS FOR LIABILITIES</b>		(260,399)	-
<b>NET LIABILITIES</b>		(1,350,320)	(321,730)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Retained earnings		(1,350,420)	(321,830)
<b>SHAREHOLDERS' FUNDS</b>		(1,350,320)	(321,730)

The notes form part of these financial statements

The GOS Hotel Ltd (Registered number: 11054774)

Balance Sheet - continued  
31 March 2023

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on ... **28/09/2023** ..... and were signed on its behalf by:

DocuSigned by:  
  
FA3F2A7071294DB...

.....  
J J Bester - Director

The notes form part of these financial statements

The GOS Hotel Ltd

Notes to the Financial Statements  
for the Year Ended 31 March 2023

**1. GENERAL INFORMATION**

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

The address of the registered office is:

2nd Floor  
10 Bridge Street  
Bath  
Somerset  
BA2 4AS  
United Kingdom

The principal place of business is:

The Grange Hotel  
Station Square  
Grange-over-Sands  
Cumbria  
LA11 6EJ  
England

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The disclosure requirements of Section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in pounds sterling which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest pound.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared using the historical cost convention.

**Going concern**

At the balance sheet date the company had net current liabilities of £5,889,921 (2022: £3,708,341). Included in current liabilities is £6,480,509 (2022: £1,783,844) connected with other companies under common ownership having provided funds to The GOS Hotel Limited. The company is party to a composite guarantee provided to Natwest Bank with the total outstanding of £17,201,823. The group is currently unable to pass the covenant applied by the bank and is not expected to do so until September 2024. To date the bank has waived these breaches after the year end, as a result the total outstanding debt is being shown within creditors due in less than one year.

The GOS Hotel LtdNotes to the Financial Statements - continued  
for the Year Ended 31 March 2023

The group has reviewed its current projections, which have identified that debt is forecast to continue to be serviced beyond twelve months from the approval of these financial statements, but that the banking covenant is likely to continue to be breached. A sensitivity analysis has been produced by the company to show that the group of companies, of which this company is party, can continue to service its debts subject to the sensitized projections being achieved. Trading for the year to date has been impacted by the closure of Headland Hotel following a kitchen fire. Like for like sales from the other sites is c3% down to the end of July. For the remainder of the year the projections show a reduction of c1% compared to the prior year which is between 7 and 15% below the original projections for the year.

Since the start of the summer trading period when Headland reopened, wage costs and other costs have been between 2% and 5% down compared with the original projections and actual reductions for the year to date are in line with this. If the group can continue to reduce costs at this rate, and sales can meet the targeted positions, then it will continue to be able to service the bank debt in line with original requirement, albeit whilst breaching covenant. Should the group not meet the required levels of profitability to continue to service its debts the funders for the group will seek to take restorative action. Within working capital there are amounts that have been advanced to the service company. This amount is repayable on demand and the funders intend to continue their support of the group. Whilst the group continues to breach its bank leverage covenant, discussions with the groups bankers has been positive. Therefore, the group believes that its bankers will not demand immediate repayment of its loan providing this debt continues to be serviced.

The group's ability to continue as a going concern is dependent upon both the ongoing support of its bankers and its ability to achieve its forecast results. The directors have concluded that they believe this support will be forthcoming and either trade will be at a sufficient level or that restorative action can be taken to ensure the group meets its debt service requirements. Therefore, the directors consider that there is not material uncertainty to the company being able to continue to operate as a going concern. Consequently, the financial statements have been prepared on a going concern basis.

The GOS Hotel LtdNotes to the Financial Statements - continued  
for the Year Ended 31 March 2023**3. ACCOUNTING POLICIES - continued****Critical accounting judgements and key sources of estimation uncertainty**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Directors the key area of estimation uncertainty in the financial statements is as follows:

**i) Valuation of fixed assets (note 7)**

During the year the company adopted the revaluation basis in respect of its tangible fixed assets. The fair value of the hotel as at 31 March 2023 was assessed by a professionally qualified external valuer, and this valuation has been used by management for the basis of assessing fair value at the balance sheet date.

At the balance sheet date the carrying value of fixed assets was £2,713,338 (2022 - £4,607,170).

**Revenue recognition**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Accommodation revenue is recognised at the point of the customer staying in the room. Deposits received in advance of customer stays are treated as payments on account and recognised within creditors due within one year.

Food, beverage and other income is recognised at the point of sale.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.



**The GOS Hotel Ltd****Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023****3. ACCOUNTING POLICIES - continued****Tangible fixed assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	2% straight line
Plant and machinery	4%-10% straight line
Fixtures and fittings	33% straight line

No depreciation has been provided for on freehold property as it is the company's policy to maintain its property in good condition to prolong its useful life. Maintenance is regularly undertaken and systematically charged to the profit and loss account. In the opinion of the directors, any depreciation would not be material.

**Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	10 years

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost less impairment and classified as fixed asset investments.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The GOS Hotel Ltd

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

Classification

The company holds the following financial instruments:

- inter company loans;
- other loans from the parent undertaking; and
- cash at bank.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles of FRS102.

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

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

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**The GOS Hotel Ltd****Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023****3. ACCOUNTING POLICIES - continued****Defined contribution pension obligation**

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

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 46 (2022 - NIL).

**5. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
Additions	4,607,170
Impairments	<u>(2,059,791)</u>
At 31 March 2023	<u>2,547,379</u>
<b>AMORTISATION</b>	
Amortisation for year	<u>460,717</u>
At 31 March 2023	<u>460,717</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u><u>2,086,662</u></u>

The GOS Hotel LtdNotes to the Financial Statements - continued  
for the Year Ended 31 March 2023**6. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
Additions	<u>2,540,063</u>	<u>174,782</u>	<u>19,918</u>	<u>2,734,763</u>
At 31 March 2023	<u>2,540,063</u>	<u>174,782</u>	<u>19,918</u>	<u>2,734,763</u>
<b>DEPRECIATION</b>				
Charge for year	<u>-</u>	<u>16,577</u>	<u>4,848</u>	<u>21,425</u>
At 31 March 2023	<u>-</u>	<u>16,577</u>	<u>4,848</u>	<u>21,425</u>
<b>NET BOOK VALUE</b>				
At 31 March 2023	<u>2,540,063</u>	<u>158,205</u>	<u>15,070</u>	<u>2,713,338</u>

**7. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2022	4,607,170
Disposals	<u>(4,607,170)</u>
At 31 March 2023	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>4,607,170</u>

**8. STOCKS**

	31.3.23 £	31.3.22 £
Stocks	<u>9,180</u>	<u>-</u>

**The GOS Hotel Ltd**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023**

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23	31.3.22
	£	£
Trade debtors	155,553	-
Amounts owed by group undertakings	427,012	1,094,721
Other debtors	123,088	2,909
Prepayments	80,313	8,294
	<u>785,966</u>	<u>1,105,924</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23	31.3.22
	£	£
Bank loans and overdrafts (see note 12)	-	3,030,166
Trade creditors	49,033	-
Outstanding pension costs	2,505	-
Amounts owed to group undertakings	6,480,509	1,783,844
Social security and other taxes	115,229	-
Other creditors	5,044	1,873
Payments on account	48,897	-
Accrued expenses	43,552	2,785
	<u>6,744,769</u>	<u>4,818,668</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.23	31.3.22
	£	£
Other loans (see note 12)	<u>-</u>	<u>1,220,559</u>

**12. LOANS**

An analysis of the maturity of loans is given below:

	31.3.23	31.3.22
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>-</u>	<u>3,030,166</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>-</u>	<u>1,220,559</u>

The GOS Hotel LtdNotes to the Financial Statements - continued  
for the Year Ended 31 March 2023**12. LOANS - continued**

The bank loan facilities at the prior year end balance sheet date were secured by means of:

- A deed of assession provided to the lender;
- Debentures and legal charges in favour of the lender;
- An inter creditor loan agreement in favour of the lender;
- A deed of subordination and share charge provided by Fairtree Hospitality Real Estate Private Equity LP;
- Guarantees provided by fellow subsidiaries under the common control of Fairtree Hospitality Real Estate Private Equity LP.

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23 £	31.3.22 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

**14. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.


Thomas Roach BSc FCA (Senior Statutory Auditor)  
for and on behalf of PKF Francis Clark

**15. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENCIES**Amounts not provided for in the balance sheet

In the prior year The GOS Hotel Limited had provided guarantees in respect of borrowings due to the bank from fellow subsidiaries of Fairtree Hospitality Real Estate Private Equity LP INC.

Including debt within the accounts of The GOS Hotel Limited the total value of guarantees provided by the company and fellow group undertakings was £17,918,566.

The total amount of guarantees not included in the balance sheet was £14,888,400. The guarantee is now with Fairtree Hotels Midco Limited, and is £17,201,823.

 **The GOS Hotel Ltd**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**16. ULTIMATE CONTROLLING PARTY**

The company's immediate parent is Fairtree Hotels Midco Limited, incorporated in England and Wales. Its registered office is 2nd Floor, 10 Bridge Street, Bath, BA2 4AS.

The ultimate parent is Fairtree Hotels Limited, incorporated in England and Wales. Its registered office is 2nd Floor, 10 Bridge Street, Bath, BA2 4AS.

The most senior parent entity producing publicly available financial statements is Fairtree Hotels Limited. These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ.