

Company Number: NI 011591

Burrendale Hotel Limited

Directors' Report and Unaudited Financial Statements

for the financial year ended 31 March 2020

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Burrendale Hotel Limited

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Burrendale Hotel Limited
DIRECTORS AND OTHER INFORMATION

Directors	Mr. Nicholas Small Mrs. Joanne Skillen Mrs. June Muriel Jordan
Company Secretary	Mr. Maurice Murphy
Company Number	NI 011591
Registered Office and Business Address	Castlewellan Road Newcastle Down BT33 0JY Northern Ireland
Accountants	Morrison & Co Accountants Limited Chartered Certified Accountants Old Golf Links Road, Blackrock, Dundalk, Co Louth Republic of Ireland
Bankers	Danske Bank 45-48 High Street Portadown, Craigavon Co Armagh Northern Ireland
Solicitors	Scullion and Green Solicitors 48 St Patricks Avenue Downpatrick BT30 6DW Northern Ireland

Burrendale Hotel Limited

DIRECTORS' REPORT

for the financial year ended 31 March 2020

The directors present their report and the unaudited financial statements for the financial year ended 31 March 2020.

Principal Activity

The principal activity of the company is the operation of a Hotel and Leisure Club in Newcastle, Co. Down.

Principal Risks and Uncertainties

The principal business risks affecting this business (and the hotel sector generally) relate to the current economic climate and competition.

The industry report "The Hospitality Sector in Northern Ireland, The Road to Recovery" issued by BDO accountants in May 2020 predicts a challenging environment for the sector in general in the medium term as a result of the Covid 19 pandemic.

There is continued uncertainty about the precise impact and duration of COVID 19, which caused the closure of the hotel from 20 March 2020 to 10 August 2020. In addition, the effect of Brexit remains uncertain.

The directors have prepared and stress-tested three year financial projections which indicate that despite the challenges currently being experienced, the company will be in a position to trade profitably in the medium term and manage any unexpected costs which may arise.

Results and Dividends

The (loss) for the financial year after providing for depreciation and taxation amounted to £(202,490) (2019 – profit £260,284).

A dividend of £40,000 was proposed for the period.

The principal reason for the net loss in the current year was an impairment loss of £353,327 on the value of hotel property. A description of the events and circumstances which led to the impairment loss is included in note 6.

The directors continue to focus on cost efficiencies while striving to maintain and improve market share.

Directors

The directors who served during the financial year are as follows:

Mr. Nicholas Small
Mrs. Joanne Skillen
Mrs. June Muriel Jordan

There were no changes in shareholdings between 31 March 2020 and the date of signing the financial statements.

Political Contributions

The company did not make any disclosable political donations in the current financial year.

Burrendale Hotel Limited

DIRECTORS' REPORT

for the financial year ended 31 March 2020

Statement of directors' Responsibilities and Declaration on Unaudited Financial Statements

General responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 and apply them consistently;
- make judgements 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.

Directors' declaration on unaudited financial statements

In relation to the financial statements comprising the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes:

The directors approve these financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgements underlying them. They have been prepared on the going concern basis on the grounds that the company will continue in business.

The directors confirm that they have made available to Morrison & Co Accountants Limited, (Chartered Certified Accountants), all the company's accounting records and provided all the information, books and documents necessary for the compilation of the financial statements.

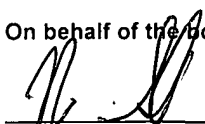
Future developments

During the period of forced closure the reception and dining areas of the hotel have been refurbished and reorganised in accordance with government guidelines and this development, which will result in an improved and safer customer experience is expected to benefit trade in the short to medium term.

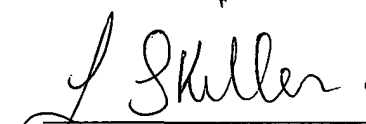
Special provisions relating to small companies

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board


Mr. Nicholas Small
Director

Date: 16-9-2020


Mrs. Joanne Skillen
Director

Date: 16/09/2020

Burrendale Hotel Limited
CHARTERED CERTIFIED ACCOUNTANTS REPORT
to the directors on the preparation of the unaudited statutory accounts of
Burrendale Hotel Limited for the financial year ended 31 March 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Burrendale Hotel Limited for the financial year ended 31 March 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes thereto from the company's accounting records and from information and explanations you have given to us.

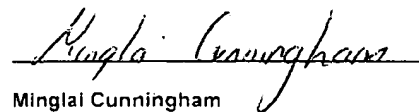
As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at
<<http://www.accaglobal.com/gb/en/member/standards/rules-and-standards/rulebook.html>>

This report is made solely to the Board of Directors of Burrendale Hotel Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Burrendale Hotel Limited and state those matters that we have agreed to state to the Board of Directors of Burrendale Hotel Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at:
<<http://www.accaglobal.com/ie/en/technical-activities/technical-resources-search/2009/october/factsheet-163-audit-exempt-companies.html>>

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Burrendale Hotel Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Burrendale Hotel Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Burrendale Hotel Limited. You consider that Burrendale Hotel Limited is exempt from the statutory audit requirement for the financial year.

We have not been instructed to carry out an audit or a review of the accounts of Burrendale Hotel Limited. For this reason, We have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and We do not, therefore, express any opinion on the statutory accounts.



Minglai Cunningham
for and on behalf of
MORRISON & CO ACCOUNTANTS LIMITED
Chartered Certified Accountants
Old Golf Links Road,
Blackrock,
Dundalk,
Co Louth
Republic of Ireland

Date: 16-09-2020

Burrendale Hotel Limited
INCOME STATEMENT

for the financial year ended 31 March 2020

	Notes	2020 £	2019 £
Turnover	4	4,405,251	4,674,363
Cost of sales		(1,064,582)	(1,184,274)
Gross profit		3,340,669	3,490,089
Administrative expenses		(3,171,174)	(3,202,126)
Other operating income		17,187	41,451
Operating profit	5	186,682	329,414
Exceptional items	6	(353,327)	-
(Loss)/profit on ordinary activities before interest		(166,645)	329,414
Interest payable and similar charges	7	(3,083)	(8,052)
(Loss)/profit on ordinary activities before taxation		(169,728)	321,362
Tax on (loss)/profit on ordinary activities	9	(32,762)	(61,078)
(Loss)/profit for the financial year	20	(202,490)	260,284
Total comprehensive income		(202,490)	260,284

Burrendale Hotel Limited

Company Number: NI 011591

STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

	Notes	2020 £	2019 £
Non-Current Assets			
Property, plant and equipment	11	<u>3,357,888</u>	<u>3,789,080</u>
Current Assets			
Stocks	12	69,501	84,367
Debtors	13	48,449	73,953
Cash and cash equivalents		<u>397,592</u>	<u>422,000</u>
		<u>515,542</u>	<u>580,320</u>
Creditors: Amounts falling due within one year	14	<u>(1,029,166)</u>	<u>(1,224,175)</u>
Net Current Liabilities		<u>(513,624)</u>	<u>(643,855)</u>
Total Assets less Current Liabilities		<u>2,844,264</u>	<u>3,145,225</u>
Creditors			
Amounts falling due after more than one year	15	-	(46,179)
Provisions for liabilities	17	-	(12,292)
Net Assets		<u>2,844,264</u>	<u>3,086,754</u>
Capital and Reserves			
Called up share capital	19	50,000	50,000
Income statement	20	<u>2,794,264</u>	<u>3,036,754</u>
Equity attributable to owners of the company		<u>2,844,264</u>	<u>3,086,754</u>


These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

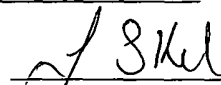
For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors confirm that the members have not required the company to obtain an audit of its financial statements for the financial year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Approved by the Board and authorised for issue on 16-9-2020 and signed on its behalf by


Mr. Nicholas Small
Director


Mrs. Joanne Skillen
Director

Burrendale Hotel Limited
STATEMENT OF CHANGES IN EQUITY
as at 31 March 2020

	Share capital	Retained earnings	Total
	£	£	£
At 1 April 2018	50,000	2,816,470	2,866,470
Profit for the financial year	-	260,284	260,284
Dividends payable	-	(40,000)	(40,000)
At 31 March 2019	50,000	3,036,754	3,086,754
Loss for the financial year	-	(202,490)	(202,490)
Dividends payable	-	(40,000)	(40,000)
At 31 March 2020	50,000	2,794,264	2,844,264

Burrendale Hotel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2020

1. GENERAL INFORMATION

Burrendale Hotel Limited is a company limited by shares incorporated in Northern Ireland. Castlewella Road, Newcastle, Down, BT33 0JY, Northern Ireland is the registered office, which is also the principal place of business of the company. The principal activity of the company is the operation of a Hotel and Leisure Club in Newcastle, Co. Down. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 March 2020 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Cash flow statement

The company has availed of the exemption in FRS 102 from the requirement to prepare a Statement of Cash Flows because it is classified as a small company.

Turnover

Turnover comprises the invoice value of goods and services supplied by the company, exclusive of trade discounts and value added tax.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Going Concern

The directors have assessed the viability of the business in the light of the COVID 19 pandemic. There is continued uncertainty about the precise impact and duration of COVID 19. Financial projections covering the next three years period have been prepared and stress-tested. The company is in a positive cash position and has reduced its bank borrowings to minimal level. It is assumed that bank facilities will continue to be made available to this company to assist cash-flow, if required. For these reasons, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 2 for the useful economic lives for each class of assets.

Burrendale Hotel Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 March 2020

continued

Land and Buildings

An assessment of the net realisable value of the property under the historic cost convention has been undertaken. On the basis that the property will be well maintained and such repair costs will be charged to the income statement, it is the view of the directors that net realisable value at least equates to cost.

Depreciation is charged on freehold property (excluding land) on the cost less the estimated residual value over 50 years. On the basis of the above, no charge is deemed necessary.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of property, plant and equipment, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	- 0%
Plant and machinery	- 17.5% Reducing balance
Motor vehicles	- 20% Reducing balance

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing and hire purchases

Property, plant and equipment held under leasing and Hire Purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the Statement of Financial Position at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the Income Statement.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks are determined on a first-in first-out basis. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Burrendale Hotel Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2020

continued

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Government grants

Capital grants received and receivable are treated as deferred income and amortised to the Income Statement annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Income Statement when received.

Ordinary share capital

The ordinary share capital of the company is presented as equity.

Exceptional item

Exceptional items are those that the directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the company's financial performance.

3. GOING CONCERN

The financial statements have been prepared on a going concern basis.

4. TURNOVER

The whole of the company's turnover is attributable to its market in the United Kingdom and is derived from the principal activity of operating a hotel.

5. OPERATING PROFIT	2020 £	2019 £
Operating profit is stated after charging/(crediting):		
Depreciation of property, plant and equipment	165,125	183,625
Government grants received	(17,187)	(41,451)
	<u>147,938</u>	<u>142,174</u>
6. EXCEPTIONAL ITEMS	2020 £	2019 £
Impairment	(353,327)	-
	<u>(353,327)</u>	<u>-</u>

Impairment loss

During the year, impairment losses of £353,327 (2018/19 £nil) and impairment reversals of £nil (2018/19: £nil) were recognised.

The non-current assets are reviewed annually for indicators of impairment. Where indicators of impairment are identified, an impairment assessment is undertaken.

In assessing whether an asset has been impaired, the carrying amount of the asset is compared to its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. For the purpose of estimating the value in use of assets, management has used a discounted cash flow approach.

The calculations use cash flow projections based on financial projections approved by management including management's best estimate about future developments and market assumptions.

Burrendale Hotel Limited
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2020

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Loan interest	<u>3,083</u>	<u>8,052</u>

8. EMPLOYEES

The average monthly number of employees, including directors, during the financial year was 159, (2019 - 166).

	2020 Number	2019 Number
Directors	2	2
Employees	<u>157</u>	<u>164</u>
	<u>159</u>	<u>166</u>

9. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2020 £	2019 £
(a) Analysis of charge in the financial year		
Current tax:		
Corporation tax at 19.00% (2019 - 19.00%) (Note 9 (b))	<u>45,054</u>	<u>71,394</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(12,292)</u>	<u>(10,316)</u>
Total deferred tax	<u>(12,292)</u>	<u>(10,316)</u>
Tax on profit on ordinary activities (Note 9 (b))	<u>32,762</u>	<u>61,078</u>

(b) Factors affecting tax charge for the financial year

The tax assessed for the financial year differs from the standard rate of corporation tax in the United Kingdom 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit taxable at 19.00%	<u>(169,728)</u>	<u>321,362</u>
(Loss)/profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the United Kingdom at 19.00% (2019 - 19.00%)	<u>(32,248)</u>	61,059
Effects of:		
Expenses not deductible for tax purposes	22	19
Depreciation in excess of capital allowances for period	10,148	10,316
Deferred tax	(12,292)	(10,316)
Impairment	<u>67,132</u>	<u>-</u>
Total tax charge for the financial year (Note 9 (a))	<u>32,762</u>	<u>61,078</u>

10. DIVIDENDS

	2020 £	2019 £
Dividends on equity shares:		
Ordinary - Final accrued	<u>40,000</u>	<u>40,000</u>

Burrendale Hotel Limited
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2020

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2019	3,808,620	4,719,490	26,641	8,554,751
Additions	9,006	78,254	-	87,260
Impairment	(353,327)	-	-	(353,327)
At 31 March 2020	3,464,299	4,797,744	26,641	8,288,684
Depreciation				
At 1 April 2019	883,486	3,865,155	17,030	4,765,671
Charge for the financial year	-	163,203	1,922	165,125
At 31 March 2020	883,486	4,028,358	18,952	4,930,796
Net book value				
At 31 March 2020	2,580,813	769,386	7,689	3,357,888
At 31 March 2019	2,925,134	854,335	9,611	3,789,080

A description of the events and circumstances which lead to the recognition of the impairment loss is included in note 6.

12. STOCKS

	2020 £	2019 £
Stock Bar and Spa	55,758	57,897
Stock kitchen	13,743	26,470
	<u>69,501</u>	<u>84,367</u>

The replacement cost of stock did not differ significantly from the figures shown.

13. DEBTORS

	2020 £	2019 £
Trade debtors	(3,187)	12,103
Prepayments and accrued income	51,636	61,850
	<u>48,449</u>	<u>73,953</u>

14. CREDITORS

Amounts falling due within one year	2020 £	2019 £
Bank loans and overdraft	36,599	42,601
Trade creditors	108,900	280,534
Taxation (Note 16)	186,131	251,802
Other creditors	143,927	140,682
Accruals	553,609	508,556
	<u>1,029,166</u>	<u>1,224,175</u>

Burrendale Hotel Limited
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2020

15. CREDITORS	2020	2019
Amounts falling due after more than one year	£	£
Bank loan	-	46,179
Loans		
Repayable in one year or less, or on demand (Note 14)	36,599	42,601
Repayable between one and two years	-	46,179
	36,599	88,780

The security held by Danske Bank consists of:

A floating charge on the undertaking of the company and all its property whatsoever and wheresoever both present and future including its uncalled capital and;
A mortgage on all that property situate at and known as Burrendale Hotel and Country Club, Castlewellan Road, Newcastle, Co.Down, BT33 QJY

16. TAXATION	2020	2019
	£	£
Creditors:		
VAT	118,166	152,921
Corporation tax	45,208	71,548
PAYE / NI	22,757	27,333
	186,131	251,802

17. PROVISIONS FOR LIABILITIES

The amounts provided for deferred taxation are analysed below:

	Capital allowances	Total	Total
	£	2020 £	2019 £
At financial year start	12,292	12,292	22,608
Charged to profit and loss	(12,292)	(12,292)	(10,316)
At financial year end	-	-	12,292

18. GRANTS AND STATE FUNDING

State Department	Grant Agency	Type of Funding	2020 £	2019 £
Ofgem	Office of gas and electricity markets	Northern Ireland renewable heat incentive scheme	4,586	41,451
Government	HMRC	Job Retention Scheme	12,600	-
			17,186	41,451

Burrendale Hotel Limited
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2020

19. SHARE CAPITAL			2020 £	2019 £
Description	Number of shares	Value of units		
Allotted, called up and fully paid Ordinary	50,000	£1 each	<u>50,000</u>	<u>50,000</u>

20. PROFIT AND LOSS ACCOUNT

	2020 £	2019 £
At 1 April 2019	3,036,754	2,816,470
(Loss)/profit for the financial year	(202,490)	260,284
Dividends payable	(40,000)	(40,000)
At 31 March 2020	<u>2,794,264</u>	<u>3,036,754</u>

21. CAPITAL COMMITMENTS

The company had no material capital commitments at the financial year-ended 31 March 2020.

22. DIRECTORS' REMUNERATION	2020 £	2019 £
Remuneration	<u>100,017</u>	<u>99,577</u>

23. RELATED PARTY TRANSACTIONS

The Sean Small Trust owns the share capital of Burrendale Hotel Ltd. At the period end, the related party Sean Small Trust is owed £116,764 by the company. This amount is currently reflected in Other creditors.

Maurice Murphy is the company secretary of Burrendale Hotel Ltd. During the current financial year Mr Murphy provided management consultancy services to Burrendale Hotel Ltd under a contract for services to the value of £38,836 (2019, £37,520).

Burrendale Hotel Limited
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 March 2020

24. EVENTS AFTER END OF REPORTING PERIOD

COVID-19 pandemic Closure of hotels and restaurants.

The company closed the Burrendale hotel on 20th March 2020 and reopened the Food and Accommodation function on 10 August 2020. In relation to the Bar, Spa and Country Club, there is material uncertainty that these departments will return to full operating capacity in the near future as they are subject to stringent government guidelines. The return to operation will be judged on a prudent basis as and when authoritative guidance is received and any necessary clarification is professional provided. Despite the mitigating actions the company is taking, the closure of the hotel will result in a material reduction in revenue for the financial year ending 31 March 2020. Given this, the company may not make any profit during that period with the clear possibility that it will be loss-making. The company has and will utilise the business support measures introduced by the Government in light of the COVID-19 pandemic, including the Coronavirus Job Retention Scheme. During the period of closure the reception and dining areas of the hotel have been refurbished and reorganised in accordance with government guidelines taking particular account of the requirements of disabled customers.

The COVID 19 virus was declared a global pandemic on 11 March 2020, prior to the company's yearend of 31 March 2020. It was therefore necessary to take into account the effects of COVID 19 has on when assessing the values of assets and liabilities at 31 March 2020 and to make adjustments to existing valuations where differences were material.

Impairment of property, plant and equipment and right-of-use assets has been assessed. An impairment of £353,327 on property and plant and equipment has been included in expenses in the Profit and Loss account as an exceptional item and the relevant non-current assets have been reduced in value by this amount. In accordance with standard accounting practice, assets are assessed for impairment every year and impairment provisions can be made or reversed at that time.