

Company Registration No. 04180826 (England and Wales)

Deganwy Quay Limited

**Unaudited financial statements
for the year ended 30 September 2021**

Pages for filing with the Registrar

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Deganwy Quay Limited

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Deganwy Quay Limited**Statement of financial position
As at 30 September 2021**

			2021	2020
	Notes	£	£	£
Non-current assets				
Property, plant and equipment	4		512,915	725,400
Current assets				
Inventories		41,849	60,774	
Trade and other receivables	5	3,666,007	3,856,863	
Cash and cash equivalents		1,771,261	1,151,088	
		5,479,117	5,068,725	
Current liabilities	6	(1,045,575)	(1,256,906)	
Net current assets			4,433,542	3,811,819
Total assets less current liabilities			4,946,457	4,537,219
Provisions for liabilities			-	(9,929)
Net assets			4,946,457	4,527,290
Equity				
Called up share capital			1	1
Retained earnings			4,946,456	4,527,289
Total equity			4,946,457	4,527,290

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 September 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

Deganwy Quay Limited

Statement of financial position (continued)

As at 30 September 2021

The financial statements were approved and signed by the director and authorised for issue on 25/04/22


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Anthony Troy
Director

Company Registration No. 04180826

1 Accounting policies

Company information

Deganwy Quay Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mitre House, North Park Road, Harrogate, North Yorkshire, HG1 5RX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors acknowledge that the financial statements have been approved during the Covid-19 pandemic. At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the forecasts prepared and the level of cash held in this company and the wider group. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Revenue is recognised at the point at which goods and services are delivered to the customer.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	25 years straight line
Fixtures, fittings & equipment	4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Notes to the financial statements (continued)
For the year ended 30 September 2021

1 Accounting policies (continued)

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price is recognised as an impairment loss in profit or loss. *Reversals of impairment losses are also recognised in profit or loss.*

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the financial statements (continued)
For the year ended 30 September 2021

1 Accounting policies (continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Notes to the financial statements (continued)
For the year ended 30 September 2021

1 Accounting policies (continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	113	140
	<u> </u>	<u> </u>

Deganwy Quay Limited

Notes to the financial statements (continued)
For the year ended 30 September 2021

4 Property, plant and equipment

	Land and buildings leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 October 2020	277,124	2,291,034	2,568,158
Additions	-	48,752	48,752
At 30 September 2021	277,124	2,339,786	2,616,910
Depreciation and impairment			
At 1 October 2020	135,811	1,706,947	1,842,758
Depreciation charged in the year	11,085	250,152	261,237
At 30 September 2021	146,896	1,957,099	2,103,995
Carrying amount			
At 30 September 2021	130,228	382,687	512,915
At 30 September 2020	141,313	584,087	725,400

Leasehold land and buildings are secured by way of a charge dated 20 October 2014 in favour of Santander UK Plc against borrowings taken out by the ultimate parent undertaking.

5 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	82,855	54,859
Corporation tax recoverable	-	50,577
Amounts owed by group undertakings	3,504,156	3,519,392
Other receivables	52,380	232,035
	3,639,391	3,856,863

Deganwy Quay Limited

Notes to the financial statements (continued)
For the year ended 30 September 2021

5 Trade and other receivables (continued)

	2021	2020
	£	£
Amounts falling due after more than one year:		
Deferred tax asset	26,616	-
	<u>26,616</u>	<u>-</u>
Total debtors	3,666,007	3,856,863
	<u>3,666,007</u>	<u>3,856,863</u>

6 Current liabilities

	2021	2020
	£	£
Trade payables	267,697	277,540
Amounts owed to group undertakings	180,910	540,754
Corporation tax	32,220	1,294
Other taxation and social security	111,896	26,254
Other payables	452,852	411,064
	<u>1,045,575</u>	<u>1,256,906</u>

7 Financial commitments, guarantees and contingent liabilities

Leasehold land and buildings are secured by way of a charge dated 20 October 2014 in favour of Santander UK Plc against borrowings taken out by the ultimate parent undertaking.

The Company is party to an unlimited multilateral guarantee to secure the borrowings of The Inspire Holding Company Limited group from Santander UK Plc.

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
6,800,000	7,400,000
<u>6,800,000</u>	<u>7,400,000</u>

Deganwy Quay Limited

Notes to the financial statements (continued)
For the year ended 30 September 2021

9 Related party transactions

	2021	2020
	£	£
Amounts due to related parties		
Group undertakings	180,910	540,754

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due from related parties		
Group undertakings	3,504,156	3,519,392

10 Parent company

The ultimate parent company is The Inspire Holding Company Limited, a company registered in England and Wales. The registered office of The Inspire Holding Company Limited is Mitre House, North Park Road, Harrogate, North Yorkshire, HG1 5RX. The Inspire Holding Company Limited prepares group financial statements and copies can be obtained from Companies House.

The ultimate controlling party is Anthony Troy by virtue of his 100% shareholding in The Inspire Holding Company Limited.