COMPANY REGISTRATION NUMBER: 05958476

Eclipse Hotels (Luton) Limited

Filleted Unaudited Financial Statements

31 December 2020

Eclipse Hotels (Luton) Limited

Statement of Financial Position

31 December 2020

	Note	2020 £	2020 £	2019 £
Fixed assets				
Tangible assets	6		**2,571,195**	2,604,156
Current assets				
Stocks		**166**		–
Debtors	7	**41,449**		33,494
Cash at bank and in hand		**57,825**		32,082
		99,440		65,576
Creditors: amounts falling due within one year	8	**1,683,583**		1,671,687
Net current liabilities			**1,584,143**	1,606,111
Total assets less current liabilities			**987,052**	998,045
Creditors: amounts falling due after more than one year	9		**1,806,206**	1,785,918
Provisions				
Pensions and similar obligations			**779**	1,438
Net liabilities			**(819,933)**	(789,311)
Capital and reserves				
Called up share capital			**100**	100
Revaluation reserve			**1,110,997**	1,110,997
Profit and loss account			**(1,931,030)**	(1,900,408)
Shareholders deficit			**(819,933)**	(789,311)

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

Eclipse Hotels (Luton) Limited

Statement of Financial Position *(continued)*

31 December 2020

These financial statements were approved by the board of directors and authorised for issue on 29 December 2021 , and are signed on behalf of the board by:

Mr S Damji

Director

Company registration number: 05958476

Eclipse Hotels (Luton) Limited

Notes to the Financial Statements

Year ended 31 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 6 Coda Centre, 189 Munster Road, London, SW6 6AW.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

Going Concern The company made a loss of £30,622 (31.12.2019 loss - £208,933) during the year ended 31st December 2020 and had net liabilities at that date of £819,933 (31.12.2019 - £789,311). Included in creditors falling due within one year are intercompany balances of £1,379,549 (31.12.2019 - £1,370,192) and in creditors falling due more than one year shareholders loan of £609,229. Bearing in mind that the shareholders will not draw out any funds in the foreseeable future, the directors are satisfied that the going concern basis is appropriate for the preparation of the financial statements.

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.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

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:

Franchise Fees - 10% straight line

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:

Freehold Building	-	1% straight line
Fixtures and Fittings	-	25% reducing balance
Motor Vehicles	-	25% reducing balance
Equipment	-	25% reducing balance

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. 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.

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.

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. Employee numbers

The average number of persons employed by the company during the year amounted to 8 (2019: 6).

5. Intangible assets

	Franchise Fees £
Cost	
At 1 January 2020 and 31 December 2020	**25,000**
Amortisation	
At 1 January 2020 and 31 December 2020	**25,000**
Carrying amount	
At 31 December 2020	**–**
At 31 December 2019	–

6. Tangible assets

	Land and buildings	Fixtures and fittings	Motor vehicles	Equipment	**Total**
	£	£	£	£	**£**
Cost					
At 1 January 2020	2,838,490	395,485	17,456	27,290	**3,278,721**
Additions	1,982	12,709	–	1,137	**15,828**
At 31 December 2020	2,840,472	408,194	17,456	28,427	**3,294,549**
Depreciation					
At 1 January 2020	302,030	334,610	15,066	22,859	**674,565**
Charge for the year	28,404	18,395	598	1,392	**48,789**
At 31 December 2020	330,434	353,005	15,664	24,251	**723,354**
Carrying amount					
At 31 December 2020	2,510,038	55,189	1,792	4,176	**2,571,195**
At 31 December 2019	2,536,460	60,875	2,390	4,431	2,604,156

Tangible assets held at valuation

As per valuation dated 18th July 2011 by Messrs Jones Lang Lasalle Hotels of 30 Warwick Street, London W1B 5NH, the value of the hotel is £2,765,000. In the opinion of the directors, the value of the hotel as at 31st December 2020 would not be materially different from that expressed by the valuers. This revalued amount has now been reflected in the financial statements which give a rise to revaluation reserve of £1,110,997.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property
	£
At 31 December 2020	
Aggregate cost	**1,729,475**
Aggregate depreciation	**(217,482)**
Carrying value	**1,511,993**
At 31 December 2019	
Aggregate cost	1,727,493
Aggregate depreciation	(200,188)
Carrying value	1,527,305

7. Debtors

	2020	2019
	£	£
Trade debtors	**431**	5,777
Other debtors	**41,018**	27,717
	41,449	33,494

8. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	**144,000**	144,000
Trade creditors	**73,519**	73,854
Social security and other taxes	**19,388**	16,263
Other creditors	**1,446,676**	1,437,570
	1,683,583	1,671,687

9. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	**1,196,977**	1,176,689
Other creditors	**609,229**	609,229
	1,806,206	1,785,918

The bank loan is secured by the company's freehold property.

10. Financial instruments

The basic financial instruments are measured at cost or fair value. These consist of bank balances, debtors and creditors. Debtors and creditors are measured at the undiscounted amount of cash value expected to be received or paid.

11. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2020	2019	**2020**	2019
	£	£	£	£
Eclipse Hotels Management Limited	44,798	96,250	(1,379,549)	(1,370,192)

Both the companies have common directors and shareholders. The transaction value relates to Management fees, Revenue management, payroll, HR, IT and Training fees paid to the above named company.