

Company Registration No. 06055959 (England and Wales)

PREMIER CIRCUIT HOTELS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

PREMIER CIRCUIT HOTELS LIMITED

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PREMIER CIRCUIT HOTELS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		9,554,488		9,781,081
Current assets					
Stocks		9,902		20,301	
Debtors	5	94,093		216,481	
Cash at bank and in hand		53,492		234,204	
		<u>157,487</u>		<u>470,986</u>	
Creditors: amounts falling due within one year	6	<u>(7,944,291)</u>		<u>(7,726,795)</u>	
Net current liabilities			<u>(7,786,804)</u>		<u>(7,255,809)</u>
Total assets less current liabilities			<u>1,767,684</u>		<u>2,525,272</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>1,767,584</u>		<u>2,525,172</u>
Total equity			<u>1,767,684</u>		<u>2,525,272</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their 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.

The financial statements were approved by the board of directors and authorised for issue on 9 December 2021 and are signed on its behalf by:

Mr A Chadha
Director

Company Registration No. 06055959

PREMIER CIRCUIT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Premier Circuit Hotels Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 1 Devonshire Street, London, W1W 5DR.

The business address is Flat 1, 10 Bourdon Street, Mayfair, London, W1K 3PF.

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

In accordance with COVID-19 restrictions, the company was required to close the hotel in late March 2020 to July 2020 and again in December 2020 through to June 2021. This has resulted in the company posting a loss for the year ended 31 March 2021 of £757,588.

Notwithstanding, the directors have reviewed the company's profit forecasts and financing facilities and at the time of approving the financial statements, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors have adopted the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts.

Revenue reflects the accrual of the right to consideration by reference to the value of the services rendered. Turnover not billed is included in debtors and amounts received on account in excess of the relevant amount of revenue are included in creditors.

1.4 Tangible fixed assets

Tangible fixed assets 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:

Freehold buildings	2% of residual value
Plant and equipment	25% straight line and 10% 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.

PREMIER CIRCUIT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock.

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.7 Financial instruments

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

Financial instruments are recognised in the company's balance sheet 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 debtors and cash and bank balances, are measured at transaction price including transaction. 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 creditors, and loans from group companies are recognised at transaction price. 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 creditors 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 creditors are recognised at transaction price.

1.8 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.

1.9 Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

PREMIER CIRCUIT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Government grants

Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme (CJRS) results in cash payments from the government to compensate employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer).

The CJRS grant is recognised under the accrual model, and is recognised as income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. As such the income from the grant is recognised on a straight line basis over the furlough period for each relevant employee.

Small Business Grants Fund

The Small Business Grant Fund, represent cash payments from local authorities to eligible businesses. These are government grants for which there are no future performance-related conditions.

The grant is recognised under the accrual model and is recognised as income in the period in which it becomes receivable. This is when the scheme eligibility criteria were first published, or if there was uncertainty around eligibility, when confirmation of entitlement was received from the local authority.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation of freehold buildings

The company estimates the residual value of its freehold buildings to be 30% of its cost. The balance of 70% is depreciated at the rate of 2% per annum. Any variation in the residual value will have an impact on both the balance sheet and the statement of comprehensive income. There is an inevitable degree of judgement involved in the estimation of the residual value which can only ultimately be confirmed on the sale of the building.

PREMIER CIRCUIT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Employees

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

	2021 Number	2020 Number
Total	19	20

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2020 and 31 March 2021	9,666,767	1,777,994	11,444,761
Depreciation and impairment			
At 1 April 2020	600,610	1,063,070	1,663,680
Depreciation charged in the year	107,475	119,118	226,593
At 31 March 2021	708,085	1,182,188	1,890,273
Carrying amount			
At 31 March 2021	8,958,682	595,806	9,554,488
At 31 March 2020	9,066,157	714,924	9,781,081

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	642	38,282
Corporation tax recoverable	-	87,602
Other debtors	93,451	90,597
	94,093	216,481

PREMIER CIRCUIT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	89,434	210,977
Amounts owed to group undertakings	7,740,397	7,317,683
Taxation and social security	6,981	8,360
Other creditors	107,479	189,775
	<u>7,944,291</u>	<u>7,726,795</u>

7 Government grants

Amounts included within operating profit as government grants are as follows:

The Coronavirus Job Retention Scheme £78,203 (2020: £nil)

Small Business Grant £21,750 (2020: £nil)

8 Related party transactions

At 1 April 2020, £7,261,683 was owed to the Parent. During the year under review, the Parent levied asset management fees of £240,000 (2020: £240,000) and charged interest of £196,902 (2020: £225,929) on loans made to the company. The Company made net repayments totalling £14,188 (2020: £284,083) and at the balance sheet date, £7,684,397 was owed to the Parent.

The parent company's bank loan is secured by way of a fixed and floating charge over the assets of the company.

In the prior year, the Company's ultimate parent entity charged £56,000 for tax losses which it had previously surrendered to the Company. At the balance sheet date, this amount remained owed to the ultimate parent entity.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.