

**WATERFRONT HOTELS (SOUTHPORT) LIMITED (FORMERLY BLISS HOTELS
(SOUTHPORT) LIMITED)**

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020

WATERFRONT HOTELS (SOUTHPORT) LIMITED
REGISTERED NUMBER: 06190786

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	37,462	32,104
Tangible assets	5	3,050,443	2,522,682
		<u>3,087,905</u>	<u>2,554,786</u>
Current assets			
Stocks		22,348	22,348
Debtors: amounts falling due within one year	6	2,070,281	2,104,645
Cash at bank and in hand		140,626	52,142
		<u>2,233,255</u>	<u>2,179,135</u>
Creditors: amounts falling due within one year	7	(1,329,667)	(888,843)
Net current assets		<u>903,588</u>	<u>1,290,292</u>
Total assets less current liabilities		<u>3,991,493</u>	<u>3,845,078</u>
Creditors: amounts falling due after more than one year	8	(2,801,971)	(1,440,150)
Provisions for liabilities			
Deferred tax	10	-	(176,195)
		<u>-</u>	<u>(176,195)</u>
Net assets		<u><u>1,189,522</u></u>	<u><u>2,228,733</u></u>
Capital and reserves			
Called up share capital		143	143
Profit and loss account		1,189,379	2,228,590
		<u><u>1,189,522</u></u>	<u><u>2,228,733</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2022.

WATERFRONT HOTELS (SOUTHPORT) LIMITED
REGISTERED NUMBER: 06190786

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

K R Potter

Director

The notes on pages 3 to 11 form part of these financial statements.

WATERFRONT HOTELS (SOUTHPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The company is a private company limited by share capital and registered in England and Wales. The registered office address is Bliss Blakeney, Morston Road, Blakeney, Norfolk, England, NR25 7BG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company is dependent on its shareholder and bank loan facilities that have been provided to fund the acquisition and development of the hotel. The bank loan was refinanced in early 2019 and is due for full repayment in February 2023. Currently there has been no indication that the refinance of the existing facilities should not be achieved.

Furthermore, the shareholders have confirmed they will not seek repayment of the loans until the company has sufficient funds to do so.

As a result of the Coronavirus pandemic and the initial enforced closure of the hotel, the Company has been taking certain measures to ensure that the Company remains in a position where it can continue to meet its forecast liabilities as they fall due.

Steps include: -

-Restructuring of staff employed by the company's subsidiary undertaking to achieve the most efficient senior management team for the scale of the business in the short term,

-Temporary capitalisation of interest due on loans,

-Enhanced cost reduction measures; and

-Making use of relevant government support including Business Rates relief/rebates and the Coronavirus Job Retention Scheme via the company's subsidiary undertaking.

Based on the steps undertaken and with the continued support of the Company's lenders, the financial statements have been prepared on a going concern basis.

2.3 Revenue

Turnover comprises amounts receivable from the provision of hotel accommodation, conference facilities, food and beverages, excluding value added tax. Income for accommodation and conferencing facilities is recognised on a daily basis as the customers use the hotel. Food and beverage income is recognised at the point of sale to the customer.

2.4 Government grants

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website development	-	4 years straight line
---------------------	---	-----------------------

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Long-term leasehold property	- 5 - 25 years straight line
Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.14 Creditors

Short term creditors are measured at the transaction price.

WATERFRONT HOTELS (SOUTHPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

3. Employees

The average monthly number of employees, including directors, during the year was 136 (2019 - 117).

4. Intangible assets

	Website development £
Cost	
At 1 January 2020	111,721
Additions	22,535
	<hr/>
	134,256
At 31 December 2020	<hr/>
Amortisation	
At 1 January 2020	79,617
Charge for the year	17,177
	<hr/>
	96,794
At 31 December 2020	<hr/>
Net book value	
At 31 December 2020	<hr/> <hr/> 37,462
At 31 December 2019	<hr/> <hr/> 32,104

WATERFRONT HOTELS (SOUTHPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 January 2020	2,604,249	231,838	488,960	3,325,047
Additions	803,152	175,826	-	978,978
Transfers between classes	(276,293)	276,293	-	-
At 31 December 2020	<u>3,131,108</u>	<u>683,957</u>	<u>488,960</u>	<u>4,304,025</u>
Depreciation				
At 1 January 2020	348,875	115,464	338,026	802,365
Charge for the year	294,996	118,487	37,734	451,217
At 31 December 2020	<u>643,871</u>	<u>233,951</u>	<u>375,760</u>	<u>1,253,582</u>
Net book value				
At 31 December 2020	<u>2,487,237</u>	<u>450,006</u>	<u>113,200</u>	<u>3,050,443</u>
At 31 December 2019	<u>2,255,374</u>	<u>116,374</u>	<u>150,934</u>	<u>2,522,682</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Long-term leasehold property improvements	105,510	128,657
Plant and machinery	47,776	63,702
Furniture and fittings	32,107	42,809
	<u>185,393</u>	<u>235,168</u>

WATERFRONT HOTELS (SOUTHPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Debtors

	2020	2019
	£	£
Trade debtors	-	61,794
Amounts owed by group undertakings	2,005,531	1,808,438
Other debtors	23,941	52,415
Prepayments and accrued income	40,809	181,998
	<u>2,070,281</u>	<u>2,104,645</u>

7. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Bank loans	6,667	-
Trade creditors	457,609	582,932
Amounts owed to group undertakings	357,875	-
Corporation tax	762	762
Other taxation and social security	174,034	95,277
Obligations under finance lease and hire purchase contracts	55,358	60,116
Other creditors	277,362	149,756
	<u>1,329,667</u>	<u>888,843</u>

For detail of security see note 8.

WATERFRONT HOTELS (SOUTHPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	2,660,727	1,269,804
Net obligations under finance leases and hire purchase contracts	141,244	170,346
	<u>2,801,971</u>	<u>1,440,150</u>

A total of £3,333 (2019 - £Nil) is due for repayment by instalments after more than five years.

A bank loan due of £2,617,394 (2019 - £1,269,804) is secured by way of a fixed and floating charge over the assets of the company and a cross-guarantee with its parent company. For further details of the cross guarantee see note 11.

Net obligations under finance leases and hire purchase contracts are secured over the assets which they relate to.

All net obligations under finance leases and hire purchase contracts are due within 5 years.

9. Loans

Analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year		
Bank loans	6,667	-
Amounts falling due 1-2 years		
Bank loans	10,000	-
Amounts falling due 2-5 years		
Bank loans	2,647,394	1,269,804
Amounts falling due after more than 5 years		
Bank loans	<u>3,333</u>	<u>-</u>

WATERFRONT HOTELS (SOUTHPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Deferred taxation

	2020 £
At beginning of year	176,195
Charged to profit or loss	(176,195)
At end of year	-

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	-	176,195

11. Contingent liabilities

At the balance sheet date the company had entered into a group cross guarantee in respect of bank loans. At the balance sheet date the total contingent liability attributable to this company amounted to £13,163,456 (2019 - £12,500,000).

12. Capital commitments

At 31 December 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	1,195,000

13. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independent administered fund. Contributions totalling £3,419 (2019 - £17,030) were payable to the fund at the balance sheet date and are included in creditors.

14. Controlling party

The results of the company are included in the consolidated accounts of Waterfront Southport Holdings Limited which are available to the public and may be obtained from Bliss Blakeney, Morston Road, Blakeney, Norfolk, NR25 7BG.

WATERFRONT HOTELS (SOUTHPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 7 June 2022 by Daryush Farshchi-Heidari (FCA) (Senior statutory auditor) on behalf of Simmons Gainsford LLP.

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.