

# Hoole Hall Hotel Limited

## ABBREVIATED ACCOUNTS

for the year ended

31 March 2013

SATURDAY



\*A207FG8Z\*

A07

28/12/2013

#153

COMPANIES HOUSE

# INDEPENDENT AUDITOR'S REPORT TO HOOLE HALL HOTEL LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Hoole Hall Hotel Limited for the year ended 31 March 2013 prepared under section 396 of the Companies Act 2006

## Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

## Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

## Other information

On 24.12.13 we reported as auditor to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraph:

## EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies to the financial statements concerning the company's ability to continue as a going concern. The company at the year ended 31 March 2013 had net current liabilities of £3,801,522. This condition, along with other matters explained in the accounting policies, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments which would result if the company was unable to continue as a going concern.

*Baker Tilly UK Audit LLP*

MICHAEL FAIRHURST FCA (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Steam Mill  
Steam Mill Street  
Chester CH3 5AN

*24 December 2013*

**HOOLE HALL HOTEL LIMITED****ABBREVIATED BALANCE SHEET**

31 March 2013

	<i>Notes</i>	2013 £	2012 £
<b>FIXED ASSETS</b>	<b>1</b>		
Tangible assets		<u>5,021,495</u>	<u>5,200,000</u>
<b>CURRENT ASSETS</b>			
Debtors		1,311,009	1,481,854
Cash at bank and in hand		<u>8,678</u>	<u>4,082</u>
		<u>1,319,687</u>	<u>1,485,936</u>
CREDITORS amounts falling due within one year	<b>2</b>	(5,121,209)	(5,722,480)
<b>NET CURRENT LIABILITIES</b>		<u>(3,801,522)</u>	<u>(4,236,544)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,219,973</u>	<u>963,456</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	<b>4</b>	100	100
Revaluation reserve		1,565,878	1,598,422
Profit and loss account		<u>(346,005)</u>	<u>(635,066)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,219,973</u>	<u>963,456</u>

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The abbreviated accounts on pages 2 to 6 were approved by the Board of Directors and authorised for issue on 20/12/13 and are signed on their behalf by



C J Wilce  
Director

# HOOLE HALL HOTEL LIMITED

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

### GOING CONCERN

The company continues to service its commitments as and when they fall due to creditors. The company has support from related parties. Those related parties are considered to have adequate capabilities to provide support as required and have formally confirmed their intention to support the company for at least the next 12 months. Whilst the directors acknowledge that the company's Balance Sheet position at 31 March 2013 showed net current liabilities of £3,801,522 (2012 £4,236,544), this is not considered unusual or of concern given the stage of development the company is at and given the size and nature of the development. In terms of trading, both the early performance and management forecasts have given the directors a reasonable expectation that the company has sufficient resources to continue to operate for the foreseeable future, with the confirmed support of related parties as noted above. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

### TURNOVER

Turnover is stated net of value added tax and represents the total amount receivable by the company in respect of accommodation provided during the year.

### FIXED ASSETS

All fixed assets held at valuation on an existing use valuation basis.

The directors have determined that it is more appropriate to hold the fixed assets at valuation. Since acquisition, the property has been redeveloped, branding of the hotel as Doubletree by Hilton and the business developed. The income is generated by use of the premises and hence they consider the asset should be valued on the existing use basis.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Life of the lease or 50 year whichever is the shorter
Fixtures & Fittings	-	7 - 12 years straight line
Equipment	-	4 years straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

# HOOLE HALL HOTEL LIMITED

## ACCOUNTING POLICIES

---

### DEFERRED TAXATION

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured as the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by that balance sheet date. Deferred tax is measured on a non-discounted basis.

### 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.

The interest expense on the liability component is calculated applying the effective interest rate for the liability component of the instrument. The difference between this amount and any repayments is added to the carrying amount of the liability in the balance sheet.

# HOOLE HALL HOTEL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 31 March 2013

### 1 FIXED ASSETS

	Tangible Assets £
Cost or valuation At 1 April 2012 and 31 March 2013	<u>5,583,477</u>
Depreciation At 1 April 2012	383,477
Charge for year	<u>178,505</u>
At 31 March 2013	<u>561,982</u>
Net book value At 31 March 2013	<u>5,021,495</u>
At 31 March 2012	<u>5,200,000</u>

Leasehold property were valued on an Existing Use Value basis on 25 July 2011 by Edward Symmons LLP, a Chartered Surveyors

Deferred tax has not been provided on the revaluation of the properties as tax would only be payable if the assets were sold Based on the current rates of 24% an estimate of the tax payable would be £102,834

### 2 CREDITORS amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013 £	2012 £
Loan notes	<u>2,000,000</u>	<u>2,000,000</u>

£2,000,000 secured loan notes were issued 6 May 2011, with a redemption date of 2 years and one day after issue The notes were drawn down on 5 July 2011 Interest is due at the higher rate of 8% per annum or 5% per annum on the Coutts & Co base lending rate During the period loan notes were breached due to failure to comply with interest terms resulting in penalty interest at accruing at 2% per annum and leading to the notes being repayable on demand

### 3 TRANSACTIONS WITH THE DIRECTORS

The director Mr P Bolton has £25 Ordinary share capital of which £25 remains in debtors as unpaid at the period end 31 March 2013

### 4 SHARE CAPITAL

	2013 £	2012 £
Allotted and called up 10,000 Ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows

	2013 £	2012 £
Ordinary shares	<u>50</u>	<u>50</u>

# HOOLE HALL HOTEL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 31 March 2013

---

### 5 CROSS GUARANTEE

A charge has been created to secure the loan from Coutts & Company to Hoole Hall Country Club Limited. During the year a 1st legal mortgage over the 99 year leasehold from Hoole Hall Country Club Limited was in force.

A debenture was created on 13th June 2011 in favour of Coutts & company as follows

- i) a legal mortgage on all freehold & leasehold property,
- ii) a fixed charge on all estates or interest in property now and in the future,
- iii) a fixed charge on all plant & machinery,
- iv) a fixed charge on all fixture & fittings,
- v) a fixed charge on all goodwill

A debenture was created on 26th April 2012 in favour of Downing Corporate Finance Limited as follows

- vi) a fixed charge over the rights and interests in any contracts,
- vii) a fixed charge over uncalled share capital,
- viii) a fixed charge over all shares, stock and other securities

A previous debenture created 16 October 2009 over a walled garden to the rear of the hotel and over the spa and leisure club also stand in favour of Coutts & Company

The charge was created to partly secure the loan from Coutts to Hoole Hall Country Club Limited