

COMPANY REGISTRATION NUMBER: 07547063

Sheffield Park Hotel Limited
Filleted Financial Statements
31 March 2021



HEBBLETHWAITES
Chartered Accountants & Statutory Auditors
2 Westbrook Court
Sharrow Vale Road
Sheffield
S11 8YZ

Sheffield Park Hotel Limited

Financial Statements

Year ended 31 March 2021

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Sheffield Park Hotel Limited

Officers and Professional Advisers

The board of directors

Mr G J Davies
Mr G Dyke
Mr N Burgin

Registered office

C/O Director Of Finance
Kenwood Hall Hotel
Kenwood Road
Sheffield
S7 1NQ

Auditor

Hebblethwaites
Chartered Accountants & Statutory Auditors
2 Westbrook Court
Sharrow Vale Road
Sheffield
S11 8YZ

Sheffield Park Hotel Limited

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	6	16,648	18,315
Tangible assets	7	<u>139,547</u>	<u>221,373</u>
		156,195	239,688
Current assets			
Stocks		53,920	83,943
Debtors	8	936,930	478,184
Cash at bank and in hand		<u>100</u>	<u>100</u>
		990,950	562,227
Creditors: amounts falling due within one year	9	<u>1,943,261</u>	<u>1,193,550</u>
Net current liabilities		<u>952,311</u>	<u>631,323</u>
Total assets less current liabilities		(796,116)	(391,635)
Creditors: amounts falling due after more than one year	10	<u>341,976</u>	<u>—</u>
Net liabilities		<u>(1,138,092)</u>	<u>(391,635)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(1,138,093)</u>	<u>(391,636)</u>
Shareholders deficit		<u>(1,138,092)</u>	<u>(391,635)</u>

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.

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.

These financial statements were approved by the board of directors and authorised for issue on 13 December 2021, and are signed on behalf of the board by:



Mr G J Davies
Director



Mr N Burgin
Director

Company registration number: 07547063

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

Sheffield Park Hotel Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is C/O Director Of Finance, Kenwood Hall Hotel, Kenwood Road, Sheffield, S7 1NQ.

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

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Sheffield Park Hotel Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Going concern

The financial statements have been prepared on a going concern basis.

The company has recorded a loss for the year and the statement of financial position reflects net liabilities and net current liabilities.

The directors are confident of a continuation in growth in the future revenue earnings capacity of the business, to therefore enable the company to generate sustainable long term profits. The company continues to enjoy the support of the holding company, in particular, as a result of which the directors consider the going concern basis remains appropriate.

There is no indication whatsoever that the holding company loan support will not continue for the foreseeable future.

As at the date of approving these financial statements the impact of Covid-19 on the Company's trading continues to be assessed. Government response to the pandemic continues to evolve and customer sentiment to hotel stays and hotel based functions remains uncertain although there are indications of strong demand for weddings in 2021.

Due to the measures taken by the UK government, the Company's venue has been severely restricted with regards to the number of guests it can accommodate, for various periods, between 20 March 2020 and the date of signing these financial statements. This resulted in all affected guests being offered either a full refund or the option to move their bookings to a later date. During the closure period, the company reported vastly reduced revenue and whilst there has been a corresponding reduction in variable costs, the company had to fund fixed costs. Where possible, mitigating actions have been taken by management to minimise such costs.

Whilst it is extremely difficult to predict the future with any certainty, the management do not anticipate a return to pre-covid trading levels until the second quarter of the 2021 calendar year at the earliest.

In order to preserve liquidity during the closure periods, the Company took the following measures:

- * Secured additional funding from the company's bank, with a significant increase in overdraft facility.
- * A significant element of the Company's cost base relates to wages and salaries. The majority of the Company's staff were furloughed during the period affected by Covid 19 restrictions, with the Company benefitting from the Government's job retention scheme.

* Reviewed all remaining areas of operating cost to eliminate all non-essential expenditure.

* Benefitted from the Government's Business rates relief.

* Reviewed capital expenditure and delayed non-essential projects.

The Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis; there is a very positive diary of bookings for the company and its venues, with increased demand for functions, in particular, concentrating deferred events with new enquiries and forward reservations. There is also an increasing expectation of residential demand and occupation rates in the foreseeable future allied to the anticipated growth in the so called staycation market. This, together with the ongoing support of its shareholders, gives the directors confidence that the going concern of the business is not in doubt at this time.

Sheffield Park Hotel Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of management, there are no areas of judgement or key sources of estimation uncertainty that have a significant effect on the financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for the supply of accommodation, food, drinks and related goods at the company's hotel site, stated net of discounts and of Value Added Tax.

Revenue from the sale of the above items is recognised when the significant risks and rewards of ownership of the goods 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.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

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:

Goodwill - 5 years on business goodwill and 20 years on the franchise

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.

Sheffield Park Hotel Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

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:

Fixtures & Fittings	-	4 or 5 years straight line
Motor Vehicles	-	4 years straight line
IT Equipment	-	3 years straight line

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.

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.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

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.

Sheffield Park Hotel Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Government grants *(continued)*

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.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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.

4. Government grants

Income from Government grants are in respect of the Small Business Grant Fund, the Coronavirus Job Retention Scheme and the Bounce Back Loan Scheme.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 80 (2020: 98).

6. Intangible assets

	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	83,250
Amortisation	
At 1 April 2020	64,935
Charge for the year	1,667
At 31 March 2021	66,602
Carrying amount	
At 31 March 2021	16,648
At 31 March 2020	18,315

Sheffield Park Hotel Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

6. Intangible assets *(continued)*

Goodwill relates to the acquisition of the business and the franchise thereon.

7. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2020	1,329,653	9,200	131,066	1,469,919
Additions	578	–	9,478	10,056
At 31 March 2021	1,330,231	9,200	140,544	1,479,975
Depreciation				
At 1 April 2020	1,120,675	9,200	118,671	1,248,546
Charge for the year	76,220	–	15,662	91,882
At 31 March 2021	1,196,895	9,200	134,333	1,340,428
Carrying amount				
At 31 March 2021	133,336	–	6,211	139,547
At 31 March 2020	208,978	–	12,395	221,373

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Equipment £
At 31 March 2021	7,710
At 31 March 2020	–

8. Debtors

	2021 £	2020 £
Trade debtors	41,046	95,667
Amounts owed by group undertakings and undertakings in which the company has a participating interest	385,502	221,995
Other debtors	510,382	160,522
	936,930	478,184

Sheffield Park Hotel Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	1,199,810	56,587
Trade creditors	244,392	380,236
Amounts owed to group undertakings and undertakings in which the company has a participating interest	325,570	413,735
Social security and other taxes	47,936	98,022
Other creditors	125,553	244,970
	<u>1,943,261</u>	<u>1,193,550</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

The bank loan and overdrafts are secured upon all assets of the company and also by a debenture from each of (i) Vine Hotels Limited and (ii) Vine Kenwood Limited over all of their assets and undertakings.

There is also a cross guarantee from the following companies in respect of the obligations of Sheffield Park Hotel Limited:

Vine Hotels Limited

Sheffield Park Hotel Property Limited

Dolphin Hotel Property Limited

Dolphin Hotel (Hampshire) Limited

Vine Kenwood Limited

Kenwood Hotel Property Limited

Venice Regal Sheffield Limited

Cresta Court Hotel Holdings Limited

Cresta Court Hotel Property Limited

Harrop Hotels Limited

In addition, there is an intercreditor deed between Santander Bank, each Obligor above, Greg Dyke, Susan Howes and Garin Davies.

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

	2021 £	2020 £
Bank loans and overdrafts	338,583	—
Other creditors	3,393	—
	<u>341,976</u>	<u>—</u>

Sheffield Park Hotel Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

10. Creditors: amounts falling due after more than one year *(continued)*

Included within creditors: amounts falling due after more than one year is an amount of £270,583 (2020: £Nil) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The company has borrowed £340,000 under the Government's Coronavirus Business Interruption Loan Scheme.

This loan is repayable within 6 years from March 2021, with no repayments due for the first 12 months.

Interest of 3.5% over base is payable monthly, in arrears, on this loan; the Government covers the first 12 months interest charge.

The borrower remains responsible for repaying the whole of the loan at all times.

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

11. Financial risk management objectives and policies

The exposure of the company to price risk, credit risk, liquidity risk and cash flow risk is not considered material for the assessment of the assets, liabilities, financial position and income or expenditure of the company.

12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	300,000	300,000
Later than 1 year and not later than 5 years	300,000	600,000
	<u>600,000</u>	<u>900,000</u>

The operating lease relates to a property rented from Sheffield Park Hotel Property Limited, the immediate parent company of Sheffield Park Hotel Limited.

13. Summary audit opinion

The auditor's report for the year dated 15 December 2021 was unqualified.

The senior statutory auditor was Andrew Throssell FCA, for and on behalf of Hebblethwaites.

Sheffield Park Hotel Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

14. Directors' advances, credits and guarantees

The company has entered into a deed of guarantee and indemnity made between two of its directors and the following members of the Vine Hotels Group:

Vine Hotels Limited
Sheffield Park Hotel Property Limited
Dolphin Hotel Property Limited
Dolphin Hotel (Hampshire) Limited

The guarantee covers loans totalling £1.56 million (2020 £1.65 million), advanced to the holding company, Vine Hotels Limited, by Mr G Dyke and Mrs S Howes.

The loans attract interest of 10% per annum and are secured by a fixed and floating charge over all assets of the group companies.

15. Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102, not to disclose related party transactions with fellow 100% group companies.

16. Controlling party

Sheffield Park Hotel Limited is a private limited company incorporated in England and Wales. The immediate parent company of Sheffield Park Hotel Limited, Sheffield Park Hotel Property Limited, is owned by Vine Hotels Limited, which is ultimately controlled by Mrs S Howes.

The registered office of all three companies is shown on page 1 of these accounts.

Vine Hotels Limited will be preparing consolidated group accounts, which include the accounts of Sheffield Park Hotel Limited and its parent company Sheffield Park Hotel Property Limited.