

COMPANY REGISTRATION NUMBER: 07547063

Sheffield Park Hotel Limited
Filleted Financial Statements
31 March 2023

Sheffield Park Hotel Limited

Financial Statements

Year ended 31 March 2023

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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
	Mosborough Hall Hotel
	High Street
	Mosborough
	Sheffield
	S20 5EA
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 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	13,323	14,981
Tangible assets	6	129,496	132,429
		-----	-----
		142,819	147,410
Current assets			
Stocks		65,021	61,466
Debtors	7	1,312,741	732,745
Cash at bank and in hand		23,772	17,551
		-----	-----
		1,401,534	811,762
Creditors: amounts falling due within one year	8	2,120,806	1,561,422
		-----	-----
Net current liabilities		719,272	749,660
		-----	-----
Total assets less current liabilities		(576,453)	(602,250)
Creditors: amounts falling due after more than one year	9	304,583	321,844
		-----	-----
Net liabilities		(881,036)	(924,094)
		-----	-----
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(881,037)	(924,095)
		-----	-----
Shareholders deficit		(881,036)	(924,094)
		-----	-----

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 27 March 2024 , and are signed on behalf of the board by:

Mr G J Davies

Director

Company registration number: 07547063

Sheffield Park Hotel Limited

Notes to the Financial Statements

Year ended 31 March 2023

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, Mosborough Hall Hotel, High Street, Mosborough, Sheffield, S20 5EA.

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.

Going concern

Management have determined that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Given the then market conditions, a valuation of the property held in the parent company was undertaken in March 2022, which resulted in a reduction in the value of the long leasehold property asset in the prior year accounts. The nature of the group is such that the valuation is very much structured around the earning capacity of the property assets which itself has been significantly impacted by the effect of world events and macro-economic factors which have significantly affected the financial results recorded during this difficult period. As a result of this reduction in value, there has been a technical breach of a 'loan to value' financial covenant applicable to the long term debt secured against the property. Management are currently in the process of negotiating variations to the terms of the loan, but as at the date of approval of these financial statements, a definitive conclusion has not yet been determined, albeit the loan funder remains very supportive. As a result of the technical breach in loan covenant, management have determined that the long term portion of the debt be presented as a current liability in the financial statements of the parent company and, although the entity is still considered to be a going concern, a material uncertainty inevitably exists in both the parent company and this company. Management consider that a material uncertainty was also appropriate in the trading company, as the trade is intrinsically linked with that of the parent company.

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.

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. 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. Employee numbers

The average number of persons employed by the company during the year amounted to 89 (2022: 75).

5. Intangible assets

	Goodwill
	£
Cost	
At 1 April 2022 and 31 March 2023	83,250

Amortisation	
At 1 April 2022	68,269
Charge for the year	1,658

At 31 March 2023	69,927

Carrying amount	
At 31 March 2023	13,323

At 31 March 2022	14,981

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

6. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2022	1,368,422	9,200	142,664	1,520,286
Additions	59,973	—	2,337	62,310
Disposals	(1,072,386)	(9,200)	(118,462)	(1,200,048)
At 31 March 2023	356,009	—	26,539	382,548
Depreciation				
At 1 April 2022	1,254,517	9,200	124,140	1,387,857
Charge for the year	53,183	—	12,059	65,242
Disposals	(1,072,386)	(9,200)	(118,461)	(1,200,047)
At 31 March 2023	235,314	—	17,738	253,052
Carrying amount				
At 31 March 2023	120,695	—	8,801	129,496
At 31 March 2022	113,905	—	18,524	132,429

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 2023	7,550
At 31 March 2022	7,550

7. Debtors

	2023 £	2022 £
Trade debtors	200,913	205,752
Amounts owed by group undertakings and undertakings in which the company has a participating interest	566,874	302,523
Other debtors	544,954	224,470
	1,312,741	732,745

8. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	1,031,882	873,499
Trade creditors	406,868	254,309
Amounts owed to group undertakings and undertakings in which the company has a participating interest	54,892	150,900
Social security and other taxes	82,173	36,393
Other creditors	544,991	246,321
	2,120,806	1,561,422

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.

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

	2023	2022
	£	£
Bank loans and overdrafts	304,583	321,583
Other creditors	—	261
	304,583	321,844

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.

10. 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.

11. Operating leases

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

	2023	2022
	£	£
Not later than 1 year	—	300,000

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

12. Summary audit opinion

The auditor's report dated 27 March 2024 was unqualified .

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

13. 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 £1.495 million (2022: £1.495 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.

14. 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.

15. 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.

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.