

Registered number: 07707203

REGISTRAR

**BLISS HOTELS LIMITED**

**CONSOLIDATED DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**BLISS HOTELS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	R P Agsteribbe D Broch K R Potter
<b>Registered number</b>	07707203
<b>Registered office</b>	Bliss Blakeney Morston Road Blakeney Norfolk NR25 7BG
<b>Independent auditors</b>	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 7-10 Chandos Street London W1G 9DQ

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**BLISS HOTELS LIMITED**

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## BLISS HOTELS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Introduction

The directors present their strategic report, which is followed by the directors' report, together with the audited financial statements for the year ended 31 December 2018.

#### Business review

The principal activity of the group continued to be that of hotel operation, located at its property at The Waterfront, Southport

The group's operating performance for the year saw revenue decrease slightly by 3.8% to £4,530,942 (2017: £4,709,308).

The group obtained an independent valuation of the property at the end of 2018 which resulted in a cumulative gain of £7,858,867 which has been credited to reserves.

Overall net assets of the group have therefore increased to £6,488,426 (2017: £242,447)

The performance of the hotel is in line with the directors' expectations, with a significant investment programme planned for 2019 supported by a bank refinance in early 2019.

The directors continue to review the performance of the hotel to develop strategies with a view to further improving revenue and profit generation.

The company's exposure to risk is monitored on an on-going basis by the directors.

The key categories of risk are competitive, legislative, property and financial risks.

- ♦ The competitive risk is addressed by the management who are looking to create a differentiated guest experience, by developing systems and processes to deliver an innovative customer journey under the new Bliss Hotel brand.
- ♦ As an entity dealing with the public, there are a number of legislative requirements the group must ensure are adhere to. The group engages with suitable professionals with relevant industry experience and knowledge to ensure correct procedures are in place.
- ♦ Property risk is managed through a programme of both interior and exterior refurbishment to ensure that the high standards of the hotel are maintained.

2019 will be a year of investment for the group and the directors, despite the continued economic and political uncertainty, are confident that the group is well positioned for future growth

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**BLISS HOTELS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Principal risks and uncertainties**

The Group's financial instruments principally comprise of cash at bank and bank loan facilities, the main purpose of which is to finance the Group's operations. In addition, the Group has various other financial assets and liabilities such as trade debtors and creditors arising directly from operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the period.

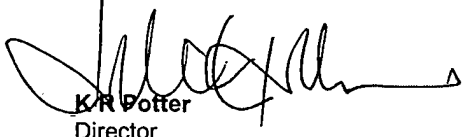
**Interest rate risk**

The Group is exposed to cash flow interest rate risk on its floating rate borrowings. All significant borrowings are in sterling.

**Liquidity risk**

The Group manages its borrowings requirements to ensure the company has sufficient liquid resources to meet the operating needs of the business.

This report was approved by the board on 14<sup>th</sup> July 2019 and signed on its behalf.

  
K.R. Potter  
Director

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## BLISS HOTELS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### Directors

The directors who served during the year were:

R P Agsteribbe  
D Broch  
K R Potter

#### Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £1,214,059 (2017 - loss £112,521).

The directors did not pay any dividends in the current and prior year.

The directors have highlighted in the strategic report on pages 1 - 2, a review of the current year results, future outlook expectations, risks and key performance indicators for the company.

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**BLISS HOTELS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Disclosure of information to auditors**

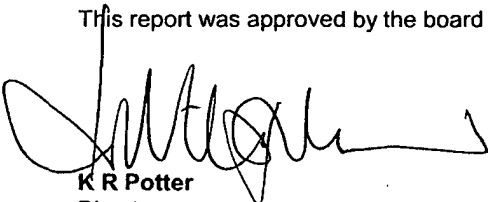
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Auditors**

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14<sup>th</sup> July 2019 and signed on its behalf.



**K R Potter**  
Director

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## BLISS HOTELS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLISS HOTELS LIMITED

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#### Opinion

We have audited the financial statements of Bliss Hotels Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



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## BLISS HOTELS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLISS HOTELS LIMITED (CONTINUED)

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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## BLISS HOTELS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLISS HOTELS LIMITED (CONTINUED)

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#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

#### Other matters

The restated comparative information for the parent company, in the financial statements is derived from the company's prior period financial statements, which were not audited. In addition, the comparative figures for the Group were not audited.

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Daryush Farshchi-Heidari (FCA) (Senior statutory auditor)

for and on behalf of

**Simmons Gainsford LLP**

Chartered Accountants

Statutory Auditors

7-10 Chandos Street

London

W1G 9DQ

Date: 14 July 2019

**BLISS HOTELS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	Unaudited 2017 £
Turnover	4	4,530,942	4,709,308
Cost of sales		(1,979,091)	(1,976,570)
<b>Gross profit</b>		<u>2,551,851</u>	<u>2,732,738</u>
Distribution costs		(120,530)	(159,267)
Administrative expenses		(2,394,016)	(2,167,561)
Other operating income	5	300,000	-
Fair value movements		1,646,620	-
<b>Operating profit</b>	6	<u>1,983,925</u>	<u>405,910</u>
Interest receivable and similar income	9	61	63
Interest payable and expenses	10	(406,303)	(369,956)
<b>Profit before taxation</b>		<u>1,577,683</u>	<u>36,017</u>
Tax on profit	11	(363,624)	(93,734)
<b>Profit/(loss) for the financial year</b>		<u>1,214,059</u>	<u>(57,717)</u>
Unrealised surplus on revaluation of tangible fixed assets net of deferred tax		5,031,920	-
<b>Other comprehensive income for the year</b>		<u>5,031,920</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>6,245,979</u></u>	<u><u>(57,717)</u></u>
<b>Profit/(loss) for the year attributable to:</b>			
Non-controlling interests		-	54,804
Owners of the parent Company		1,214,059	(112,521)
		<u>1,214,059</u>	<u>(57,717)</u>
<b>Total comprehensive income for the year attributable to:</b>			
Non-controlling interest		-	54,804
Owners of the parent Company		6,245,979	(112,521)
		<u><u>6,245,979</u></u>	<u><u>(57,717)</u></u>

The notes on pages 20 to 43 form part of these financial statements.

**BLISS HOTELS LIMITED**  
**REGISTERED NUMBER: 07707203**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	Unaudited 2017 £
<b>Fixed assets</b>			
Intangible assets	12	482,280	598,666
Tangible assets	13	17,362,002	11,213,182
Investment property	15	4,400,000	2,753,380
		<u>22,244,282</u>	<u>14,565,228</u>
<b>Current assets</b>			
Stocks	16	23,143	21,834
Debtors: amounts falling due within one year	17	674,612	246,807
Cash at bank and in hand		26,867	172,602
		<u>724,622</u>	<u>441,243</u>
Creditors: amounts falling due within one year	18	(3,842,039)	(3,207,799)
<b>Net current liabilities</b>		<u>(3,117,417)</u>	<u>(2,766,556)</u>
<b>Total assets less current liabilities</b>		<u>19,126,865</u>	<u>11,798,672</u>
Creditors: amounts falling due after more than one year	19	(10,982,643)	(11,444,380)
<b>Provisions for liabilities</b>			
Deferred tax	23	(1,655,796)	(111,845)
		<u>(1,655,796)</u>	<u>(111,845)</u>
<b>Net assets</b>		<u><u>6,488,426</u></u>	<u><u>242,447</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	17,482	17,482
Share premium account	25	494,056	494,056
Revaluation reserve	25	4,982,222	-
Other reserves	25	1,333,762	-
Profit and loss account	25	(339,096)	(269,091)
<b>Shareholders' funds</b>		<u><u>6,488,426</u></u>	<u><u>242,447</u></u>

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**BLISS HOTELS LIMITED**  
**REGISTERED NUMBER: 07707203**

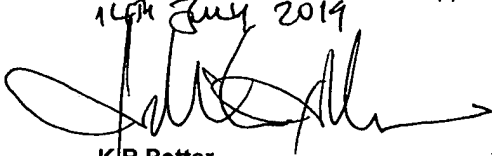
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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

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

16th July 2019



**K/R Potter**  
Director

The notes on pages 20 to 43 form part of these financial statements.

**BLISS HOTELS LIMITED**  
**REGISTERED NUMBER: 07707203**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	Unaudited 2017 £
<b>Fixed assets</b>			
Tangible assets	13	16,384,098	10,304,651
Investments	14	1,260,000	1,260,000
Investment property	15	4,400,000	2,753,380
		<u>22,044,098</u>	<u>14,318,031</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	104,337	85,107
Cash at bank and in hand		23,967	76,076
		<u>128,304</u>	<u>161,183</u>
Creditors: amounts falling due within one year	18	(4,169,510)	(3,170,147)
<b>Net current liabilities</b>		<u>(4,041,206)</u>	<u>(3,008,964)</u>
<b>Total assets less current liabilities</b>		<u>18,002,892</u>	<u>11,309,067</u>
Creditors: amounts falling due after more than one year	19	(10,871,179)	(11,389,385)
<b>Provisions for liabilities</b>			
Deferred taxation	23	(1,608,601)	(79,148)
		<u>(1,608,601)</u>	<u>(79,148)</u>
<b>Net assets/(liabilities)</b>		<u>5,523,112</u>	<u>(159,466)</u>
<b>Capital and reserves</b>			
Called up share capital	24	17,482	17,482
Share premium account	25	494,056	494,056
Revaluation reserve	25	4,982,222	-
Other reserves	25	1,333,762	-
Profit and loss account	25	(1,304,410)	(671,004)
<b>Shareholders' funds/(deficit)</b>		<u>5,523,112</u>	<u>(159,466)</u>

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**BLISS HOTELS LIMITED**  
**REGISTERED NUMBER: 07707203**

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**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

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The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £650,658 (2017 -loss of £640,048).

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

14th July 2019

  
**K R Potter**  
Director

The notes on pages 20 to 43 form part of these financial statements.

BLISS HOTELS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Revaluation reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£	£
At 1 January 2018 (as previously stated)	17,482	494,056	-	-	(185,989)	325,549	325,549
Prior year adjustment	-	-	-	-	(83,102)	(83,102)	(83,102)
At 1 January 2018 (as restated)	17,482	494,056	-	-	(269,091)	242,447	242,447
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	1,214,059	1,214,059	1,214,059
Surplus on revaluation of leasehold property	-	-	6,212,247	-	-	6,212,247	6,212,247
Deficit on revaluation of other fixed assets	-	-	(1,180,327)	-	-	(1,180,327)	(1,180,327)
Transfer to profit and loss account	-	-	(49,698)	-	49,698	-	-
Fair value movements	-	-	-	1,646,620	(1,646,620)	-	-
Deferred tax on fair value movements	-	-	-	(312,858)	312,858	-	-
<b>At 31 December 2018</b>	<b>17,482</b>	<b>494,056</b>	<b>4,982,222</b>	<b>1,333,762</b>	<b>(339,096)</b>	<b>6,488,426</b>	<b>6,488,426</b>

The notes on pages 20 to 43 form part of these financial statements.



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**BLISS HOTELS LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 January 2017	10,000	-	(30,956)	(20,956)	49,582	28,626
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	(112,521)	(112,521)	54,804	(57,717)
Shares issued during the year	7,482	494,056	-	501,538	-	501,538
Acquisition of non-controlling interests	-	-	(125,614)	(125,614)	(104,386)	(230,000)
<b>At 31 December 2017</b>	<u>17,482</u>	<u>494,056</u>	<u>(269,091)</u>	<u>242,447</u>	<u>-</u>	<u>242,447</u>

The notes on pages 20 to 43 form part of these financial statements.

BLISS HOTELS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2018 (as previously stated)	17,482	494,056	-	-	(587,902)	(76,364)
Prior year adjustment	-	-	-	-	(83,102)	(83,102)
At 1 January 2018 (as restated)	17,482	494,056	-	-	(671,004)	(159,466)
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	650,658	650,658
Surplus on revaluation of leasehold property	-	-	6,212,247	-	-	6,212,247
Deferred tax on revaluation of leasehold property	-	-	(1,180,327)	-	-	(1,180,327)
Transfer to/from profit and loss account	-	-	(49,698)	-	49,698	-
Fair value movements	-	-	-	1,646,620	(1,646,620)	-
Deferred tax on fair value movements	-	-	-	(312,858)	312,858	-
<b>At 31 December 2018</b>	<b>17,482</b>	<b>494,056</b>	<b>4,982,222</b>	<b>1,333,762</b>	<b>(1,304,410)</b>	<b>5,523,112</b>

The notes on pages 20 to 43 form part of these financial statements.

BLISS HOTELS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	10,000	-	(30,956)	(20,956)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(640,048)	(640,048)
Shares issued during the year	7,482	494,056	-	501,538
<b>Total transactions with owners</b>	<u>7,482</u>	<u>494,056</u>	<u>-</u>	<u>501,538</u>
<b>At 31 December 2017</b>	<u>17,482</u>	<u>494,056</u>	<u>(671,004)</u>	<u>(159,466)</u>

The notes on pages 20 to 43 form part of these financial statements.

BLISS HOTELS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	Unaudited 2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,214,059	(57,717)
<b>Adjustments for:</b>		
Amortisation of intangible assets	156,627	151,695
Depreciation of tangible assets	246,355	209,667
Loss on disposal of tangible assets	-	431
Interest paid	406,303	369,956
Interest received	(61)	(63)
Taxation charge	363,624	93,734
(Increase)/decrease in stocks	(1,309)	1,233
(Increase)/decrease in debtors	(427,805)	49,638
Increase in creditors	532,571	1,234,332
Net fair value (gains)/losses recognised in profit/(loss)	(1,646,620)	-
Corporation tax paid	-	(130,378)
<b>Net cash generated from operating activities</b>	<b>843,744</b>	<b>1,922,528</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(40,241)	-
Purchase of tangible fixed assets	(182,928)	(10,527,306)
Purchase of investment properties	-	(2,753,380)
Interest received	61	63
Purchase of non-controlling interest	-	(230,000)
<b>Net cash used in investing activities</b>	<b>(223,108)</b>	<b>(13,510,623)</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	12,907,000
Repayment of loans	(546,672)	(273,336)
Repayment of/new finance leases	94,884	67,554
Interest paid	(371,379)	(343,172)
HP interest paid	(8,010)	(1,305)
<b>Net cash (used in)/generated from financing activities</b>	<b>(831,177)</b>	<b>12,356,741</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(210,541)</b>	<b>768,646</b>
Cash and cash equivalents at beginning of year	172,602	(596,044)
<b>Cash and cash equivalents at the end of year</b>	<b>(37,939)</b>	<b>172,602</b>

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BLISS HOTELS LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

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	2018 £	2017 £
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	26,867	172,602
Bank overdrafts	(64,806)	-
	<u>(37,939)</u>	<u>172,602</u>

The notes on pages 20 to 43 form part of these financial statements.

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**BLISS HOTELS LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	At 1 January 2018 £	Cash flows £	New finance leases £	At 31 December 2018 £
Cash at bank and in hand	172,602	(145,735)	-	26,867
Bank overdrafts	-	(64,806)	-	(64,806)
Debt due after 1 year	(9,416,150)	526,095	-	(8,890,055)
Debt due within 1 year	(526,768)	673	-	(526,095)
Finance leases	(67,554)	27,548	(122,432)	(162,438)
	<u>(9,837,870)</u>	<u>343,775</u>	<u>(122,432)</u>	<u>(9,616,527)</u>

The notes on pages 20 to 43 form part of these financial statements.

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## BLISS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General information

The company is a private company limited by shares, incorporated in England and Wales. The address of the registered office is Bliss Blakeney, Morston Road, Blakeney, Norfolk, 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

##### Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Company and the parent *Company* would be identical;
- No Statement of cash flows has been presented for the parent *Company*;
- Disclosures in respect of the parent *Company's* financial instruments have not been presented as equivalent disclosures have been provided in respect of the Company as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent *Company* as their remuneration is included in the totals for the Company as a whole.

The following principal accounting policies have been applied:

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## BLISS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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## 2. Accounting policies (continued)

### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

*The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.*

### 2.3 Going concern

The group 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 by 2023.

Furthermore, the shareholders have confirmed they will not seek repayment of the loans until the company has sufficient funds to do so. Accordingly the directors continue to adopt the going concern basis in preparing these accounts.

### 2.4 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is GBP.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.



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## BLISS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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## 2. Accounting policies (continued)

### 2.5 Turnover

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.

Rents and service charges receivable are recognised in the period in which the services are provided in accordance with the rental agreement. Rent receivable is invoiced monthly at the beginning of the month for which the rental income relates.

### 2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### 2.7 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

### 2.8 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income 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.

### 2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

### 2.10 Pensions

#### Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of comprehensive income 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 Group in independently administered funds.

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## BLISS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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## 2. Accounting policies (continued)

### 2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

### 2.12 Intangible assets

#### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

#### Other 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.

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## BLISS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.13 Tangible fixed assets

Tangible fixed assets (except for long leasehold property) 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance method..

Depreciation is provided on the following basis:

Long-term leasehold property	- 50 years straight line
Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

##### 2.14 Revaluation of tangible fixed assets

Individual leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

##### 2.15 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

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## BLISS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.17 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.

##### 2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.19 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

##### 2.22 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, finance leases, and loans from related parties.

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## BLISS HOTELS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.22 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are creditors or debtors within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities and equity instruments are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, are initially measured at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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BLISS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. Actual results may differ from these estimates. 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.

The following judgements (including key areas of estimation uncertainty) have had the most significant effect on amounts recognised in the financial statements:

*Revaluation of tangible fixed assets*

The Group engaged independent valuation specialists to determine the fair value of its long leasehold property at the end of the reporting period. Details of the key assumptions and techniques utilised by the valuer have been detailed in note 13.

*Fair value of investment property*

The Group engaged independent valuation specialists to determine the fair value of its investment property at the end of the reporting period. Details of the key assumptions and techniques utilised by the valuer have been detailed in note 15.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	Unaudited 2017 £
Operating lease rental income	420,476	192,385
Operation of hotels	4,110,466	4,516,923
	<u>4,530,942</u>	<u>4,709,308</u>

	2018 £	Unaudited 2017 £
United Kingdom	<u>4,530,942</u>	<u>4,709,308</u>

All turnover arose within the United Kingdom.

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**BLISS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**5. Other operating income**

	<b>2018</b>	<b>Unaudited</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
Fees receivable	300,000	-

**6. Operating profit**

The operating profit is stated after charging:

	<b>2018</b>	<b>Unaudited</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
Depreciation of tangible fixed assets	113,555	126,565
Amortisation of intangible assets, including goodwill	156,627	151,695
Exchange differences	3,645	4,372
Other operating lease rentals	26,764	417,710

**7. Auditors' remuneration**

**Fees payable to the Group's auditor and its associates in respect of:**

Audit-related assurance services	20,000	-
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**BLISS HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**8. Employees**

Staff costs were as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>Unaudited</b>	<b>2018</b>	<b>Unaudited</b>
	<b>£</b>	<b>2017</b>	<b>£</b>	<b>2017</b>
		<b>£</b>		<b>£</b>
Wages and salaries	1,369,310	1,265,616	-	-
Social security costs	71,138	71,528	-	-
Cost of defined contribution scheme	10,528	6,467	-	-
	<u>1,450,976</u>	<u>1,343,611</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Sales staff	5	5	-	-
Administrative staff	20	17	3	3
Hotel staff	81	81	-	-
	<u>106</u>	<u>103</u>	<u>3</u>	<u>3</u>

There was no directors' remuneration during the year (2017: £nil). The only key management personnel in both the current and prior year were the directors.

**9. Interest receivable**

	<b>2018</b>	<b>Unaudited</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
Other interest receivable	<u>61</u>	<u>63</u>



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BLISS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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10. Interest payable and similar expenses

	2018 £	Unaudited 2017 £
Bank interest payable	26,914	193,723
Other loan interest payable	371,379	173,504
Finance leases and hire purchase contracts	8,010	1,305
Other interest payable	-	1,424
	<u>406,303</u>	<u>369,956</u>

11. Taxation

	2018 £	Unaudited 2017 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	88
	<u>-</u>	<u>88</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	363,624	93,646
	<u>363,624</u>	<u>93,734</u>
<b>Taxation on profit on ordinary activities</b>	<u>363,624</u>	<u>93,734</u>

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BLISS HOTELS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	Unaudited 2017 £
Profit on ordinary activities before tax	1,577,683	36,017
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	299,760	6,933
<b>Effects of:</b>		
Expenses not deductible for tax purposes	180	36,318
Capital allowances for year in excess of depreciation	(20,691)	(68,553)
Adjustments to tax charge in respect of prior periods	-	88
Fair value increase not taxable	(316,974)	-
Unrelieved tax losses carried forward	30,033	25,302
Deferred tax	363,624	93,646
Others	7,692	-
<b>Total tax charge for the year</b>	<b>363,624</b>	<b>93,734</b>

**Factors that may affect future tax charges**

The Finance Act 2016 announced that the proposed reduction in the main corporation tax rate from 2020 would be 17%.

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**BLISS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12. Intangible assets**

**Group and Company**

	<b>Website development £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2018	63,930	741,951	805,881
Additions	40,241	-	40,241
	<hr/>	<hr/>	<hr/>
At 31 December 2018	104,171	741,951	846,122
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 1 January 2018	58,825	148,390	207,215
Charge for the year	8,237	148,390	156,627
	<hr/>	<hr/>	<hr/>
At 31 December 2018	67,062	296,780	363,842
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2018	37,109	445,171	482,280
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2017	5,105	593,561	598,666
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BLISS HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	11,357,041	112,428	395,562	11,865,031
Additions	-	90,985	91,943	182,928
Revaluations	6,212,247	-	-	6,212,247
At 31 December 2018	17,569,288	203,413	487,505	18,260,206
<b>Depreciation</b>				
At 1 January 2018	354,434	70,949	226,466	651,849
Charge for the year on owned assets	121,873	13,090	61,694	196,657
On revalued assets	49,698	-	-	49,698
At 31 December 2018	526,005	84,039	288,160	898,204
<b>Net book value</b>				
At 31 December 2018	17,043,283	119,374	199,345	17,362,002
At 31 December 2017	11,002,607	41,479	169,096	11,213,182

Included in long leasehold property is land at valuation of £9,960,000 (2017: £6,232,652), which is not depreciated.

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

	2018 £	Unaudited 2017 £
Plant and machinery	84,936	-
Furniture and fittings	57,079	62,985
	142,015	62,985

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**BLISS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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Cost or valuation at 31 December 2018 is as follows:

	<b>Land and buildings £</b>
<b>At cost</b>	11,357,041
<b>At valuation:</b>	
Revalued on 20 December 2018 by Lambert Smith Hampton, Chartered Surveyors; on an open market value for existing use basis.	6,212,247
	<u>17,569,288</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	<b>2018 £</b>	<b>Unaudited 2017 £</b>
<b>Group</b>		
Cost	11,357,041	11,357,041
Accumulated depreciation	(437,536)	(293,067)
<b>Net book value</b>	<u>10,919,505</u>	<u>11,063,974</u>

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**BLISS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**13. Tangible fixed assets (continued)**

**Company**

	<b>Long-term leasehold property £</b>
<b>Valuation</b>	
At 1 January 2018	10,387,753
Revaluations	6,212,247
At 31 December 2018	<u>16,600,000</u>
<b>Depreciation</b>	
At 1 January 2018	83,102
Charge for the year on owned assets	83,102
On revalued assets	49,698
At 31 December 2018	<u>215,902</u>
<b>Net book value</b>	
At 31 December 2018	<u><u>16,384,098</u></u>
At 31 December 2017	<u><u>10,304,651</u></u>

Valuation at 31 December 2018 is as follows:

	<b>Land and buildings £</b>
<b>At cost</b>	10,387,753
<b>At valuation:</b>	
Revalued on 20 December 2018 by Lambert Smith Hampton, Chartered Surveyors; on an open market value for existing use basis.	6,212,247
	<u><u>16,600,000</u></u>

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**BLISS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**14. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2018	1,260,000
At 31 December 2018	<u>1,260,000</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Bliss Hotels (Southport) Limited	Bliss Blakeney Morston Road, Blakeney, Norfolk, England, England, NR25 7BG	Hotel management	Ordinary	100%

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**BLISS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Investment property**

**Group**

**Long term  
leasehold  
investment  
property  
£**

**Valuation**

At 1 January 2018	2,753,380
Surplus on revaluation	1,646,620

<b>At 31 December 2018</b>	<b>4,400,000</b>
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The 2018 valuations were made by Lambert Smith Hampton, on an open market value for existing use basis.

**Company**

**Long term  
leasehold  
investment  
property  
£**

**Valuation**

At 1 January 2018	2,753,380
Surplus on revaluation	1,646,620

<b>At 31 December 2018</b>	<b>4,400,000</b>
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The 2018 valuations were made by Lambert Smith Hampton, on an open market value for existing use basis.

**16. Stocks**

	<b>Group 2018 £</b>	<b>Group Unaudited 2017 £</b>
Finished goods and goods for resale	23,143	21,834



**BLISS HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Debtors**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>Unaudited</b>	<b>2018</b>	<b>Unaudited</b>
	<b>£</b>	<b>2017</b>	<b>£</b>	<b>2017</b>
		<b>£</b>		<b>£</b>
Trade debtors	74,282	94,787	5,837	74,556
Other debtors	499,341	41,895	98,500	-
Prepayments and accrued income	100,989	110,125	-	10,551
	<u>674,612</u>	<u>246,807</u>	<u>104,337</u>	<u>85,107</u>

**18. Creditors: Amounts falling due within one year**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>Unaudited</b>	<b>2018</b>	<b>Unaudited</b>
	<b>£</b>	<b>2017</b>	<b>£</b>	<b>2017</b>
		<b>£</b>		<b>£</b>
Bank overdrafts	64,806	-	-	-
Bank loans	526,095	526,768	526,095	526,768
Trade creditors	283,121	270,794	51,692	23,702
Amounts owed to group undertakings	-	-	1,141,547	642,168
Corporation tax	762	762	-	-
Other taxation and social security	179,604	165,257	11,514	11,292
Obligations under finance lease and hire purchase contracts	50,974	12,559	-	-
Other creditors	2,320,960	1,983,266	2,022,945	1,717,825
Accruals and deferred income	415,717	248,393	415,717	248,392
	<u>3,842,039</u>	<u>3,207,799</u>	<u>4,169,510</u>	<u>3,170,147</u>

For detail of bank loan and other creditor security, see notes 19 and 20.

**BLISS HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**19. Creditors: Amounts falling due after more than one year**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>Unaudited</b>	<b>2018</b>	<b>Unaudited</b>
	<b>£</b>	<b>2017</b>	<b>£</b>	<b>2017</b>
		<b>£</b>		<b>£</b>
Bank loans	8,890,055	9,416,150	8,890,055	9,416,150
Net obligations under finance leases and hire purchase contracts	111,464	54,995	-	-
Other creditors	1,981,124	1,973,235	1,981,124	1,973,235
	<u>10,982,643</u>	<u>11,444,380</u>	<u>10,871,179</u>	<u>11,389,385</u>

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.

The bank loan has been renewed with another bank loan facility since the year end and is due for full repayment by 2023.

**20. Loans**

The bank loans are secured against a debenture over the assets of the Group and by way of a mortgage over specific assets of the Group.

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>Unaudited</b>	<b>2018</b>	<b>Unaudited</b>
	<b>£</b>	<b>2017</b>	<b>£</b>	<b>2017</b>
		<b>£</b>		<b>£</b>
<b>Amounts falling due within one year</b>				
Bank loans	526,095	526,768	526,095	526,768
<b>Amounts falling due 1-2 years</b>				
Bank loans	525,399	526,095	525,399	526,095
<b>Amounts falling due 2-5 years</b>				
Bank loans	8,364,656	1,618,743	8,364,656	1,618,743
<b>Amounts falling due after more than 5 years</b>				
Bank loans	-	7,271,312	-	7,271,312
	<u>9,416,150</u>	<u>9,942,918</u>	<u>9,416,150</u>	<u>9,942,918</u>

**BLISS HOTELS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

**21. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2018 £	Unaudited 2017 £
Within one year	63,546	17,204
Between 1-5 years	129,407	63,082
	<u>192,953</u>	<u>80,286</u>

**22. Financial instruments**

	Group 2018 £	Group Unaudited 2017 £	Company 2018 £	Company Unaudited 2017 £
<b>Financial assets</b>				
Financial assets that are measured at amortised cost	<u>573,623</u>	<u>136,682</u>	<u>104,337</u>	<u>74,556</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(14,228,599)</u>	<u>(14,237,767)</u>	<u>(14,613,458)</u>	<u>(14,229,848)</u>

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of bank loans, bank overdraft, trade creditors, hire purchase liabilities and other creditors (including intercompany).

**23. Deferred taxation**

**Group**

	2018 £
At beginning of year	111,845
Charged to profit or loss	1,543,951
<b>At end of year</b>	<u>1,655,796</u>

**BLISS HOTELS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**23. Deferred taxation (continued)**

**Company**

	<b>2018 £</b>
At beginning of year	79,148
Charged to profit or loss	1,529,453
<b>At end of year</b>	<b>1,608,601</b>

	<b>Group 2018 £</b>	<b>Group Unaudited 2017 £</b>	<b>Company 2018 £</b>	<b>Company Unaudited 2017 £</b>
Accelerated capital allowances	162,611	111,845	115,416	79,148
Fair value on investment property	312,858	-	312,858	-
Revaluation on leasehold property	1,180,327	-	1,180,327	-

**24. Share capital**

	<b>2018 £</b>	<b>Unaudited 2017 £</b>
<b>Allotted, called up and fully paid</b>		
11,088 (2017 - 11,088) Ordinary A shares of £1.00 each	11,088	11,088
450 (2017 - 450) Ordinary B shares of £1.00 each	450	450
5,944 (2017 - 5,944) Ordinary C shares of £1.00 each	5,944	5,944
	<b>17,482</b>	<b>17,482</b>

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**BLISS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**25. Reserves****Share premium account**

This comprises amounts paid in excess of the nominal value of issued share capital and are not available for distribution.

**Revaluation reserve**

This comprises the accumulated movements in the revaluation of the long leasehold property and the associated deferred tax provision.

**Other reserves**

This comprises the accumulated movements in the fair value of fixed asset investments and the associated deferred tax provision.

**Profit and loss account**

This comprises accumulated profits available for distribution.

**26. Prior year adjustment**

Property held for use by the Group has been reclassified from Investment property to long leasehold. The impact to the Reserves is depreciation of £83,102 charged on the long leasehold property.

**27. Pension commitments**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independent administered fund. Contributions totalling £3,318 (2017 - £2,383) were payable to the fund at the balance sheet date and are included in creditors.

**28. Commitments under operating leases**

At 31 December 2018 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	Unaudited 2017 £
<b>Group</b>		
Not later than 1 year	27,465	25,000
Later than 1 year and not later than 5 years	109,859	100,000
Later than 5 years	5,852,054	5,875,000
	<u>5,989,378</u>	<u>6,000,000</u>

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**BLISS HOTELS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**29. Related party transactions**

**Group**

During the year the Group charged fees of £300,000 (2017: £nil) to a company under common control. At the balance sheet date, included in debtors is a balance of £53,000 (2017: £nil) due from the company.

**Company**

At the balance sheet date, included in creditors is a balance of £306,000 (2017: £nil) due to a company under common control.