

That Bournemouth Little Hotel Limited

Audited Financial Statements

for the Year Ended 31 July 2023

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for the year ended 31 July 2023**

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That Bournemouth Little Hotel Limited

**Company Information
for the year ended 31 July 2023**

Directors:

R S Kelvin CBE
L D Page
S A Brown
P S Tisdale

Registered office:

F4 Beehive Yard
Bath
Somerset
BA1 5BT

Registered number:

08565837 (England and Wales)

Auditors:

Cooper Parry Group Limited
Statutory Auditor
250 Fowler Avenue
Farnborough
Hampshire
GU14 7JP

That Bournemouth Little Hotel Limited (Registered number: 08565837)

**Balance Sheet
31 July 2023**

			2023		2022
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		29,392		36,176
Tangible assets	5		<u>9,596,371</u>		<u>9,938,246</u>
			9,625,763		9,974,422
Current assets					
Stocks		9,273		3,469	
Debtors	6	2,924,820		1,646,822	
Cash at bank		<u>626,016</u>		<u>878,499</u>	
		3,560,109		2,528,790	
Creditors					
Amounts falling due within one year	7	<u>11,304,549</u>		<u>8,373,930</u>	
Net current liabilities			<u>(7,744,440)</u>		<u>(5,845,140)</u>
Total assets less current liabilities			1,881,323		4,129,282
Creditors					
Amounts falling due after more than one year	8		-		(2,208,592)
Provisions for liabilities			<u>(88,847)</u>		<u>(105,399)</u>
Net assets			<u>1,792,476</u>		<u>1,815,291</u>
Capital and reserves					
Called up share capital	9		1		1
Retained earnings			<u>1,792,475</u>		<u>1,815,290</u>
Shareholders' funds			<u>1,792,476</u>		<u>1,815,291</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2024 and were signed on its behalf by:

S A Brown - Director

**Notes to the Financial Statements
for the year ended 31 July 2023**

1. Statutory information

That Bournemouth Little Hotel Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The group enjoys the continued support provided by the bank lender. Further, support has been confirmed by the majority shareholder and director of the Company. This confirmation of support has been made to the ultimate parent company and all subsidiaries and has been given for a period of at least twelve months from approval of these financial statements.

The directors are also of the opinion that carrying value of the group's hotel, car park and residential properties (which are included at depreciated cost) is materially lower than their market value.

Based on the above, the directors have concluded that they can continue to adopt a going concern basis in preparing the company's annual report and accounts. This assessment has been made for a period of twelve months from the date of approving these financial statements.

Notes to the Financial Statements - continued
for the year ended 31 July 2023

2. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

Critical judgements

The items in the financial statements where these judgments and estimates have been made include:

Depreciation

Due to the significance of the depreciation charged in the financial statements, the directors consider this to be a crucial accounting judgement. An assessment is made of the useful economic lives, taking into account residual values, of the tangible assets, based on the directors' knowledge and industry. There are periodic reviews to determine if depreciation rates are still appropriate and whether any impairment is needed.

Management charge

Management recharges are levied by That Topco Limited, a company connected by way of common directorships. The recharge which includes salary and overhead costs is based on management's estimate of the amount of time spend on the affairs of That Bournemouth Little Hotel Limited.

Recoverability of intercompany balances

The company has balances due from related companies connected by common ownership. Management are of the opinion that these balances are fully recoverable and therefore no provision has been made against these balances.

Deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Turnover

Turnover is recognised at the fair value of the consideration receivable for services provided in the normal course of business, to the date when the service is provided and is shown net of VAT and trade discounts.

Other income is recognised on receipt.

Intangible assets

Intangible assets are in respect of long term insurance cover, in connection with the tangible fixed assets of the company. The asset is accounted for separately as this is considered to be a material component.

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Intangible assets

12 years straight line basis

Notes to the Financial Statements - continued
for the year ended 31 July 2023

2. Accounting policies - continued

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Cost includes directly attributable finance costs incurred during the construction of new buildings.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life.

Land and buildings	125 years
Plant and machinery	15 & 25 years
Fixtures, fittings & equipment	12 years
Computer	5 years

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks, which consist of food and beverages, are stated at the lower of cost and estimated selling price. Liquor stock is valued by an independent third party.

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include debtors, balances due from connected companies and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from connected companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Other financial liabilities

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Interest rate swap fair values at respective year ends are based on independent, qualified valuers information.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Notes to the Financial Statements - continued
for the year ended 31 July 2023

2. **Accounting policies - continued**

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

3. **Employees and directors**

The average number of employees during the year was 33 (2022 - 25) .

4. **Intangible fixed assets**

	Other Intangible assets £
Cost	
At 1 August 2022 and 31 July 2023	81,395
Amortisation	
At 1 August 2022	45,219
Amortisation for year	6,784
At 31 July 2023	52,003
Net book value	
At 31 July 2023	29,392
At 31 July 2022	36,176

Intangible assets are in respect of long term insurance cover, in connection with the tangible fixed assets of the company. The asset is accounted for separately as this is considered to be material component.

Notes to the Financial Statements - continued
for the year ended 31 July 2023

5. **Tangible fixed assets**

	Land and buildings £	Plant and machinery etc £	Totals £
Cost			
At 1 August 2022	8,211,059	3,937,706	12,148,765
Additions	-	4,882	4,882
At 31 July 2023	8,211,059	3,942,588	12,153,647
Depreciation			
At 1 August 2022	421,226	1,789,293	2,210,519
Charge for year	65,688	281,069	346,757
At 31 July 2023	486,914	2,070,362	2,557,276
Net book value			
At 31 July 2023	7,724,145	1,872,226	9,596,371
At 31 July 2022	7,789,833	2,148,413	9,938,246

Included within land and buildings are capitalised finance costs of £445,388 (2022 - £445,388).

6. **Debtors: amounts falling due within one year**

	2023 £	2022 £
Trade debtors	83,917	59,666
Amounts owed by group undertakings	2,676,116	1,533,473
Other debtors	164,787	53,683
	<u>2,924,820</u>	<u>1,646,822</u>

The group undertakings have subordinated their intra-group debt to the bank lender and have assigned their intra-group debt as security to the lender. Except for some operational surpluses in excess of periodic debt service payments, it is only once the bank lender has been repaid that any payment can be received in respect of these intra-group debtors.

7. **Creditors: amounts falling due within one year**

	2023 £	2022 £
Bank loans and overdrafts	6,834,679	7,185,508
Trade creditors	234,853	91,402
Amounts owed to group undertakings	3,018,941	19,770
Taxation and social security	102,186	91,266
Other creditors	1,113,890	985,984
	<u>11,304,549</u>	<u>8,373,930</u>

The bank loan is secured as detailed in note 11.

The bank loan interest rate derivative included above has been recorded at fair value, based on information from an independent suitably qualified valuer. The total fair value being £6,834,679 (2022: £7,185,507) with £6,834,679 of this falling due within one year. The book value of the related loan is £6,949,605 (2022: £7,261,605).

On 15 December 2023, post year end, the bank loan was amended and the term extended for a further 5 years.

Notes to the Financial Statements - continued
for the year ended 31 July 2023

8. **Creditors: amounts falling due after more than one year**

	2023	2022
	£	£
Amounts owed to group undertakings	-	2,208,592

9. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
100	Ordinary shares	1p	1	1

10. **Disclosure under Section 444(5B) of the Companies Act 2006**

The Auditors' Report was unqualified.

James Maxwell (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited

11. **Financial commitments, guarantees and contingent liabilities**

The bank loans are secured by a debenture dated 4 January 2019 over all leasehold and freehold property and by a fixed and floating charge over the assets of the company.

There is a composite company unlimited multilateral guarantee dated 4 January 2019 given by That Bournemouth Big Hotel Limited, That Bournemouth Little Hotel Limited, That Bournemouth Car Park Limited, That Bournemouth Street Bar Limited and That Bournemouth H2 Limited. The maximum group exposure is £32,000,000.

12. **Related party transactions**

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with the parent company or any wholly owned subsidiary undertaking of the group.

A personal guarantee of £3 million has been given, by a director, in respect of the group bank loans.

13. **Post balance sheet events**

On 15 December 2023, post year end, the bank loan was amended and the term extended for a further 5 years.

14. **Parent company**

The immediate parent company is That Bournemouth H2 Limited, a company registered in England and Wales.

At the year end, the ultimate parent company, which is also the parent for the largest and smallest group of undertakings for which the group financial statements are drawn up for and of which the company is a member is That Bournemouth Company Limited, a company whose registered office is F4 Beehive Yard, Bath, BA1 5BT.

The ultimate controlling party is R S Kelvin CBE, director and majority shareholder of the ultimate parent company.

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.