

Company Registration No. 08766501 (England and Wales)

PROVINCIAL HOTELS & INNS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

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PROVINCIAL HOTELS & INNS LIMITED

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PROVINCIAL HOTELS & INNS LIMITED

BALANCE SHEET

AS AT 31 MAY 2019

		2019	2018
	Notes	£	£
Fixed assets			
Intangible assets	4	1	1
Tangible assets	5	2,893,565	3,326,617
		<u>2,893,566</u>	<u>3,326,618</u>
Current assets			
Stocks		31,529	37,450
Debtors	6	129,462	273,937
Cash at bank and in hand		13,657	28,236
		<u>174,648</u>	<u>339,623</u>
Creditors: amounts falling due within one year	7	(2,318,900)	(2,549,585)
Net current liabilities		<u>(2,144,252)</u>	<u>(2,209,962)</u>
Total assets less current liabilities		749,314	1,116,656
Creditors: amounts falling due after more than one year	8	(1,367,542)	(1,835,454)
Net liabilities		<u>(618,228)</u>	<u>(718,798)</u>
Capital and reserves			
Called up share capital	9	100	100
Revaluation reserve		713,885	-
Profit and loss reserves		(1,332,213)	(718,898)
Total equity		<u>(618,228)</u>	<u>(718,798)</u>

PROVINCIAL HOTELS & INNS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2019

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 May 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 13 May 2020 and are signed on its behalf by:

Mr M Chambers
Director

Company Registration No. 08766501

PROVINCIAL HOTELS & INNS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2019

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 June 2017	100	-	(436,531)	(436,431)
Period ended 31 May 2018:				
Loss and total comprehensive income for the period	-	-	(282,367)	(282,367)
Balance at 31 May 2018	100	-	(718,898)	(718,798)
Period ended 31 May 2019:				
Loss for the period	-	-	(613,315)	(613,315)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	713,885	-	713,885
Total comprehensive income for the period	-	713,885	(613,315)	100,570
Balance at 31 May 2019	100	713,885	(1,332,213)	(618,228)

PROVINCIAL HOTELS & INNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

Company information

Provincial Hotels & Inns Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ground Floor Office Quarry Warehouse, Quarry Lane Sandside, Milnthorpe, Cumbria, LA7 7HG.

1.1 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 £.

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

1.2 Going concern

At the time of approving the financial statements having due regard to the impact of COVID-19 as referred to in note 10 and the ongoing support of the company's bankers, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal instalments over its estimated useful economic life.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation 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:

Land and buildings	2-10% straight line
Plant and machinery	10% straight line
Fixtures, fittings & equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

PROVINCIAL HOTELS & INNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.6 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PROVINCIAL HOTELS & INNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

1.9 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.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PROVINCIAL HOTELS & INNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

2 Exceptional item

	2019 £	2018 £
Loss / (Profit) on disposal of assets	128,791	(118,323)

As indicated, the exceptional items relate to the loss / (profit) on sale of trading properties. The comparative figure has been reallocated from administrative expenses where it was reported last year, in order to ensure comparability of reporting.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 57 (2018 - 101).

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2018 and 31 May 2019	1
Amortisation and impairment	
At 1 June 2018 and 31 May 2019	-
Carrying amount	
At 31 May 2019	1
At 31 May 2018	1

PROVINCIAL HOTELS & INNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

5 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 June 2018	3,202,543	5,428	274,554	3,482,525
Additions	59,483	325	9,852	69,660
Disposals	(1,274,092)	-	(17,067)	(1,291,159)
Revaluation	713,885	-	-	713,885
At 31 May 2019	2,701,819	5,753	267,339	2,974,911
Depreciation and impairment				
At 1 June 2018	112,314	1,967	41,627	155,908
Depreciation charged in the year	51,587	1,086	18,899	71,572
Eliminated in respect of disposals	(140,519)	-	(5,615)	(146,134)
At 31 May 2019	23,382	3,053	54,911	81,346
Carrying amount				
At 31 May 2019	2,678,437	2,700	212,428	2,893,565
At 31 May 2018	3,090,229	3,461	232,927	3,326,617

The land and buildings have been revalued based upon open market valuations prepared by Sanderson Weatherall Chartered Surveyors.

6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	17,909	118,155
Other debtors	111,553	155,782
	129,462	273,937

PROVINCIAL HOTELS & INNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	219,077	269,961
Trade creditors	(50,711)	174,765
Taxation and social security	43,806	39,619
Other creditors	2,106,728	2,065,240
	<u>2,318,900</u>	<u>2,549,585</u>

8 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	<u>1,367,542</u>	<u>1,835,454</u>

The bank loan is secured by a charge dated 23 June 2016 over the assets of the company.

9 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10 Events after the reporting date

Since the beginning of 2020, the COVID-19 pandemic has severely impacted many local economies around the world. Measures taken by governments to control the spread of the virus have included travel bans, quarantines, social distancing and closing of non-essential services and this has resulted in many businesses having to cease or limit their activities for long or indefinite periods of time resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions in an attempt to stabilise economic conditions.

Given the requirement for all our sites to close during the pandemic, at the time of approving these financial statements the company is not generating any income. Instead the directors have put measures in place to minimise costs and benefit from both the Coronavirus Job Retention Scheme and the cash grants and rates relief available in the leisure sector.

The company has determined that these are non-adjusting post balance sheet events. Accordingly, the financial position and results for the period ended 31 May 2019 have not been adjusted to reflect their impact. It is not possible to estimate the duration and impact of the COVID-19 pandemic on the financial position and results of the company for future periods.

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.