

**Dolphin Hotel (Hampshire) Limited**  
**Filleted Financial Statements**  
**31 March 2017**



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

# **Dolphin Hotel (Hampshire) Limited**

## **Financial Statements**

**Year ended 31 March 2017**

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| <b>Contents</b>                       | <b>Pages</b>  |
|---------------------------------------|---------------|
| Directors' responsibilities statement | <b>1</b>      |
| Statement of financial position       | <b>2</b>      |
| Notes to the financial statements     | <b>3 to 8</b> |

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# **Dolphin Hotel (Hampshire) Limited**

## **Directors' Responsibilities Statement**

**Year ended 31 March 2017**

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The directors are responsible for preparing the directors' report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss of the company for that period.

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

- select suitable accounting policies 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Dolphin Hotel (Hampshire) Limited

## Statement of Financial Position

31 March 2017

|   | Note | 2017<br>£        | 2016<br>£          |
|---|------|------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                  |                    |
| Tangible assets                                       | 5    | 34,237           | 45,763             |
| <b>Current assets</b>                                 |      |                  |                    |
| Stocks  |      | 51,153           | 51,089             |
| Debtors   | 6    | 139,917          | 221,543            |
| Cash at bank and in hand                              |      | 29,123           | 292,394            |
|   |      | <u>220,193</u>   | <u>565,026</u>     |
| <b>Creditors: amounts falling due within one year</b> | 7    | <u>(933,028)</u> | <u>(1,470,303)</u> |
| <b>Net current liabilities</b>                        |      | <u>(712,835)</u> | <u>(905,277)</u>   |
| <b>Total assets less current liabilities</b>          |      | <u>(678,598)</u> | <u>(859,514)</u>   |
| <b>Net liabilities</b>                                |      | <u>(678,598)</u> | <u>(859,514)</u>   |
| <b>Capital and reserves</b>                           |      |                  |                    |
| Called up share capital                               |      | 100              | 100                |
| Profit and loss account                               |      | (678,698)        | (859,614)          |
| <b>Members deficit</b>                                |      | <u>(678,598)</u> | <u>(859,514)</u>   |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 19 October 2017, and are signed on behalf of the board by:



Mr G Davies  
Director

Company registration number: 06993733

# **Dolphin Hotel (Hampshire) Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2017**

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### **1. General information**

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

### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

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

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

#### **Going concern**

The accounts have been prepared on the going concern basis, on the understanding that the immediate shareholder of the company, Dolphin Hotel Property Limited, and ultimate parent company Vine Hotels Limited, will continue to financially support the company, where needed, to enable it to meet its liabilities as they fall due.

#### **Judgements and key sources of estimation uncertainty**

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

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

#### **Revenue recognition**

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

Revenue from the sale of the above items is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

# Dolphin Hotel (Hampshire) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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### 3. Accounting policies *(continued)*

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                         |   |                       |
|-------------------------|---|-----------------------|
| Long leasehold property | - | over the lease term   |
| Plant and machinery     | - | 5 years straight line |
| Equipment               | - | 5 years straight line |

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Stocks

Stocks are valued at the lower of cost and net relisable value, after making due allowance for obsolete and slow moving items.

#### Financial instruments

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

# Dolphin Hotel (Hampshire) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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### 3. Accounting policies *(continued)*

#### Financial instruments *(continued)*

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

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 51 (2016: 49).

# Dolphin Hotel (Hampshire) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 5. Tangible assets

|  | Land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Equipment<br>£ | Total<br>£     |
|--|----------------------------|-----------------------------|----------------|----------------|
| <b>Cost</b>                              |                            |                             |                |                |
| <b>At 1 April 2016 and 31 March 2017</b> | <u>14,454</u>              | <u>694,897</u>              | <u>98,730</u>  | <u>808,081</u> |
| <b>Depreciation</b>                      |                            |                             |                |                |
| At 1 April 2016                          | 13,935                     | 656,838                     | 91,545         | 762,318        |
| Charge for the year                      | 519                        | 18,340                      | (7,333)        | 11,526         |
| <b>At 31 March 2017</b>                  | <u>14,454</u>              | <u>675,178</u>              | <u>84,212</u>  | <u>773,844</u> |
| <b>Carrying amount</b>                   |                            |                             |                |                |
| <b>At 31 March 2017</b>                  | <u>—</u>                   | <u>19,719</u>               | <u>14,518</u>  | <u>34,237</u>  |
| At 31 March 2016                         | <u>519</u>                 | <u>38,059</u>               | <u>7,185</u>   | <u>45,763</u>  |

Some assets classified as equipment had been over depreciated in previous years. The issue has been corrected in the current year resulting in a negative depreciation charge.

### 6. Debtors

|               | 2017<br>£      | 2016<br>£      |
|---------------|----------------|----------------|
| Trade debtors | 88,928         | 96,245         |
| Other debtors | 50,989         | 125,298        |
|               | <u>139,917</u> | <u>221,543</u> |

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

|   | 2017<br>£      | 2016<br>£        |
|---|----------------|------------------|
| Trade creditors   | 134,329        | 206,660          |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 619,412        | 976,502          |
| Social security and other taxes   | 30,344         | 34,412           |
| Other creditors   | 148,943        | 252,729          |
|   | <u>933,028</u> | <u>1,470,303</u> |

### 8. Financial risk management objectives and policies

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



# Dolphin Hotel (Hampshire) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

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### 9. Operating leases

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

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | £                | £                |
| Not later than 1 year                        | 296,577          | 296,577          |
| Later than 1 year and not later than 5 years | 1,186,308        | 1,186,308        |
| Later than 5 years                           | 296,577          | 593,154          |
|  | <u>1,779,462</u> | <u>2,076,039</u> |

The operating lease relates to a property rented from Dolphin Hotel Property Limited, the immediate parent company of Dolphin Hotel (Hampshire) Limited. A formal lease for a period of seven years, in respect of the property, was entered into in March 2016.

### 10. Summary audit opinion

The auditor's report for the year dated 19 October 2017 was unqualified, however, the auditor drew attention to the following by way of emphasis.

We draw attention to Note 3 to the financial statements which relates to the use of the going concern basis. Our opinion is not qualified in respect of this matter.

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

### 11. Directors' advances, credits and guarantees

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

Dolphin Hotel Property Limited  
Sheffield Park Hotel Property Limited  
Sheffield Park Hotel Limited

The guarantee covers loans of £1 million each, advanced to the holding company, Vine Hotels Limited, by two of the directors of this company.

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

### 12. Related party transactions

The company is a wholly owned subsidiary of Dolphin Hotel Property Limited.

During the year the company was charged rent of £296,587 (2016 part year £24,716) by Dolphin Hotel Property Limited.

A loan account also exists as between this company and Dolphin Hotel Property Limited. At the year end date, a total of £619,412 was outstanding (2016 £976,502), in this regard, being owed by Dolphin Hotel (Hampshire) Limited to Dolphin Hotel Property Limited. The loan is interest free and has no fixed repayment terms.

Vine Hotels Limited, the ultimate parent company of this company, has levied management charges of £120,000 to this company during the year.

# **Dolphin Hotel (Hampshire) Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2017**

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### **13. Controlling party**

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

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

Vine Hotels Limited will be preparing consolidated group accounts, which include the accounts of Dolphin Hotel Property Limited and its subsidiary, Dolphin Hotel (Hampshire) Limited.