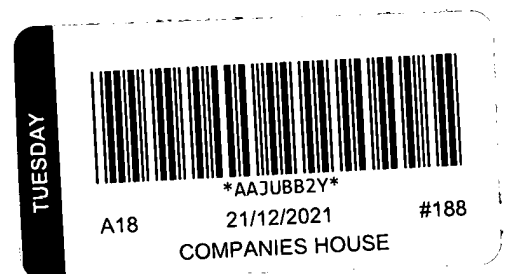


COMPANY REGISTRATION NUMBER: 06993733

Dolphin Hotel (Hampshire) Limited
Filleted Financial Statements
31 March 2021



HEBBLETHWAITES

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

Dolphin Hotel (Hampshire) Limited

Financial Statements

Year ended 31 March 2021

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Dolphin Hotel (Hampshire) Limited

Officers and Professional Advisers

The board of directors

Mr N Burgin
Mr G Dyke
Mrs S Howes
Mr G Davies

Registered office

C/O Director of Finance
Kenwood Hall Hotel
Kenwood Road
Sheffield
S7 1NQ

Auditor

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

Dolphin Hotel (Hampshire) Limited

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	122,564	176,597
Current assets			
Stocks		42,388	48,225
Debtors	7	251,362	184,855
Cash at bank and in hand		250	452
		<u>294,000</u>	<u>233,532</u>
Creditors: amounts falling due within one year	8	<u>1,391,094</u>	<u>1,057,838</u>
Net current liabilities		<u>1,097,094</u>	<u>824,306</u>
Total assets less current liabilities		<u>(974,530)</u>	<u>(647,709)</u>
Creditors: amounts falling due after more than one year	9	<u>191,889</u>	<u>-</u>
Net liabilities		<u>(1,166,419)</u>	<u>(647,709)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>(1,166,519)</u>	<u>(647,809)</u>
Shareholders deficit		<u>(1,166,419)</u>	<u>(647,709)</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 Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 13 December 2021, and are signed on behalf of the board by:



Mr N Burgin
Director



Mr G Davies
Director

Company registration number: 06993733

The notes on pages 3 to 11 form part of these financial statements.

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements

Year ended 31 March 2021

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 Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

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

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

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Going concern

At the year end date, financial statement reflects net current and net total, liabilities.

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.

As at the date of approving these financial statements the impact of Covid-19 on the Company's trading continues to be assessed. Government response to the pandemic continues to evolve and customer sentiment to hotel stays and hotel based functions remains uncertain although there are indications of strong demand for weddings in 2021.

Due to the measures taken by the UK government, the Company's venue has been severely restricted with regards to the number of guests it can accommodate, for various periods, between 20 March 2020 and the date of signing these financial statements. This resulted in all affected guests being offered either a full refund or the option to move their bookings to a later date. During the closure period, the company reported vastly reduced revenue and whilst there has been a corresponding reduction in variable costs, the company had to fund fixed costs. Where possible, mitigating actions have been taken by management to minimise such costs.

Whilst it is extremely difficult to predict the future with any certainty, the management do not anticipate a return to pre-covid trading levels until the second quarter of the 2021 calendar year at the earliest.

In order to preserve liquidity during the closure periods, the Company took the following measures:

- * Secured additional funding from the company's bank, with a significant increase in overdraft facility.
- * A significant element of the Company's cost base relates to wages and salaries. The majority of the Company's staff were furloughed during the period affected by Covid 19 restrictions, with the Company benefitting from the Governments job retention scheme.
- * Reviewed all remaining areas of operating cost to eliminate all non-essential expenditure.
- * Benefitted from the Government's Business rates relief.
- * Reviewed capital expenditure and delayed non-essential projects.

The Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis; there is a very positive diary of bookings for the company and its venues, with increased demand for functions, in particular, concentrating deferred events with new enquiries and forward reservations. There is also an increasing expectation of residential demand and occupation rates in the foreseeable future allied to the anticipated growth in the so called staycation market. This, together with the ongoing support of its shareholders, gives the directors confidence that the going concern of the business is not in doubt at this time.

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

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

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

Revenue recognition

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

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

Tangible assets

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

Depreciation

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

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.

Stocks

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

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

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

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

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.

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Government grants

Income from Government grants are in respect of the Small Business Grant Fund, the Coronavirus Job Retention Scheme and the Bounce Back Loan Scheme.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 27 (2020: 40).

6. Tangible assets

	Land and buildings £	Plant and machinery £	Equipment £	Total £
Cost				
At 1 April 2020 and 31 March 2021	14,454	934,373	130,551	1,079,378
Depreciation				
At 1 April 2020	14,454	782,699	105,628	902,781
Charge for the year	–	46,973	7,060	54,033
At 31 March 2021	14,454	829,672	112,688	956,814
Carrying amount				
At 31 March 2021	–	104,701	17,863	122,564
At 31 March 2020	–	151,674	24,923	176,597

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

6. Tangible assets *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Freehold property £
At 31 March 2021	5,715
At 31 March 2020	—

7. Debtors

	2021 £	2020 £
Trade debtors	13,630	46,058
Other debtors	237,732	138,797
	<u>251,362</u>	<u>184,855</u>

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank overdraft and bank loan	455,642	—
Trade creditors	44,463	202,163
Amounts owed to group undertakings and undertakings in which the company has a participating interest	644,069	492,995
Social security and other taxes	6,818	36,382
Other creditors	240,102	326,298
	<u>1,391,094</u>	<u>1,057,838</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

8. Creditors: amounts falling due within one year *(continued)*

The bank loan and overdraft are secured upon all assets of the company and also by a debenture from each of (i) Vine Hotels Limited and (ii) Vine Kenwood Limited over all of their assets and undertakings.

There is also a cross guarantee from the following companies in respect of the obligations of Dolphin Hotel Hampshire Limited:

Vine Hotels Limited

Sheffield Park Hotel Property Limited

Sheffield Park Hotel Limited

Dolphin Hotel Property Limited

Vine Kenwood Limited

Kenwood Hotel Property Limited

Venice Regal Sheffield Limited

Cresta Court Hotel Holdings Limited

Cresta Court Hotel Property Limited

Harrop Hotels Limited

In addition, there is an intercreditor deed between Santander Bank, each Obligor above, Greg Dyke, Susan Howes and Garin Davies.

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

	2021 £	2020 £
Bank overdraft and bank loan	189,208	—
Other creditors	2,681	—
	<u>191,889</u>	<u>—</u>

Included within creditors: amounts falling due after more than one year is an amount of £151,208 (2020: £Nil) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The company has borrowed £190,000 under the Government's Coronavirus Business Interruption Loan Scheme.

This loan is repayable within 6 years from March 2021, with no repayments due for the first 12 months.

Interest of 3.5% over base is payable monthly, in arrears, on this loan; the Government covers the first 12 months interest charge.

The borrower remains responsible for repaying the whole of the loan at all times.

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Creditors: amounts falling due after more than one year *(continued)*

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

10. Financial risk management objectives and policies

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

11. Operating leases

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

	2021	2020
	£	£
Not later than 1 year	296,577	296,577
Later than 1 year and not later than 5 years	296,577	593,154
	<u>593,154</u>	<u>889,731</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.

12. Summary audit opinion

The auditor's report for the year dated 15 December 2021 was unqualified.

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

13. Directors' advances, credits and guarantees

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

Vine Hotels Limited
Dolphin Hotel Property Limited
Sheffield Park Hotel Property Limited
Sheffield Park Hotel Limited

The guarantee covers loans totalling £1.56 million (2020 £1.65 million), advanced to the holding company, Vine Hotels Limited, by Mr G Dyke and Mrs S Howes.

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

14. Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102, not to disclose related party transactions with fellow 100% group companies.

Dolphin Hotel (Hampshire) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

15. 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.