Company Registration No. 00979483 (England and Wales)

PENVENTON HOTEL (1970) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

PENVENTON HOTEL (1970) LIMITED

COMPANY INFORMATION

Directors	Mr AD Pascoe Mr MI Pascoe Mr ADJ Pascoe Mrs PG Pascoe
Company number	00979483
Registered office	Penventon Park Hotel West End REDRUTH Cornwall TR15 1TE
Auditor	Robinson Reed Layton Peat House Newham Road TRURO Cornwall TR1 2DP

PENVENTON HOTEL (1970) LIMITED

CONTENTS

PENVENTON HOTEL (1970) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets			1,156		2,278
Tangible assets	4		1,998,480		1,908,771
Investments	5		150		150
			1,999,786		1,911,199
Current assets					
Stocks		46,109		35,519	
Debtors	6	709,620		806,449	
Cash at bank and in hand		40,573		52,535	
		796,302		894,503	
Creditors: amounts falling due within one year	7	(982,068)		(848,799)	
Net current (liabilities)/assets			(185,766)		45,704
Total assets less current liabilities			1,814,020		1,956,903
Creditors: amounts falling due after more than one year	8		(633,331)		(683,332)
Provisions for liabilities			(29,000)		(34,800)
Net assets			1,151,689		1,238,771
Capital and reserves					
Called up share capital	9		50		50
Revaluation reserve	10		357,593		357,593
Capital redemption reserve			50		50
Profit and loss reserves			793,996		881,078
Total equity			1,151,689		1,238,771

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

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

PENVENTON HOTEL (1970) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on 20 December 2017 and are signed on its behalf by:

Mr AD Pascoe
Director

Company Registration No. 00979483

1 Accounting policies

Company information

Penventon Hotel (1970) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Penventon Park Hotel, West End, REDRUTH, Cornwall, TR15 1TE.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Penventon Hotel (1970) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 14.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Intangible fixed assets other than goodwill

1 Accounting policies **(Continued)**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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:

Website costs	Straight line over useful economic life

1.4 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:

Freehold property	0.5% per annum on cost
Assets in the course of construction	Nil
Fixtures, fittings, plant & equipment	5% - 33.3% per annum on cost

Freehold land and assets in the course of construction are not depreciated.

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.

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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 Accounting policies **(Continued)**

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. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

1 Accounting policies **(Continued)**

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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 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.

1 Accounting policies **(Continued)**

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluating property to its market value, as the company does not intend to sell the revalued assets.

1.13 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The company operates on a defined contribution scheme for the benefit of employees. Contributions are charged to the profit and loss account in the year they are payable.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 109 (2016 - 106).

3 Intangible fixed assets

	Website costs
	£
Cost	
At 1 April 2016 and 31 March 2017	3,400
Amortisation and impairment	
At 1 April 2016	1,122
Amortisation charged for the year	1,122
At 31 March 2017	2,244
Carrying amount	
At 31 March 2017	1,156
At 31 March 2016	2,278

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2016	1,708,955	1,743,480	3,452,435
Additions	5,855	157,658	163,513
At 31 March 2017	1,714,810	1,901,138	3,615,948
Depreciation and impairment			
At 1 April 2016	-	1,543,664	1,543,664
Depreciation charged in the year	-	73,804	73,804
At 31 March 2017	-	1,617,468	1,617,468
Carrying amount			
At 31 March 2017	1,714,810	283,670	1,998,480
At 31 March 2016	1,708,955	199,816	1,908,771

The freehold properties of the company were recognised using a previous valuation as a deemed cost on transition to FRS 102.

5 Fixed asset investments

	2017	2016
	£	£
Investments	150	150

6 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	53,275	40,927
Corporation tax recoverable	10,632	-
Amounts owed by group undertakings	258,370	235,447
Other debtors	37,343	180,075
	359,620	456,449
Amounts falling due after more than one year:		
Amounts owed by group undertakings	350,000	350,000
Total debtors	709,620	806,449

7 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	331,483	249,820
Trade creditors	437,857	359,451
Corporation tax	-	9,558
Other taxation and social security	86,289	91,989
Other creditors	126,439	137,981
	982,068	848,799

The pension scheme loan is secured by a legal charge over a property owned by a director.

Hire purchase obligations are secured on the assets to which they relate.

Bank loans and overdrafts are secured fixed and floating charges over the company's freehold property.

8 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	633,331	683,332

Amounts included above which fall due after five years are as follows:

Payable by instalments	433,327	483,328

9 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
26 'A' Ordinary shares of 50p each	12	12
37 'B' Ordinary shares of 50p each	19	19
37 'C' Ordinary shares of 50p each	19	19
	50	50

10 Revaluation reserve

	2017 £	2016 £
At beginning and end of year	357,593	357,593

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Simon Reed.
The auditor was Robinson Reed Layton.

12 Financial commitments, guarantees and contingent liabilities

The company has entered into a cross guarantee with its bankers to guarantee the borrowings of its subsidiary company, Principal Leisure and Entertainments Limited. At 31 March 2017 Principal Leisure and Entertainments Limited had bank borrowings of £203,503 (2016: £210,000).

The company has also entered into an unlimited cross guarantee with a connected company, Daimla Limited. At the balance sheet date the amount guaranteed was £167,743 (2016: £175,000).

13 Related party transactions

13 Related party transactions **(Continued)**

The balance owed by Principal Leisure and Entertainments Limited included in debtors is £608,370 (2016: £585,447).

Included in creditors are the directors' current accounts. At the year end the company owed the directors £18,837 (2016: £11,269 owed to the company).

14 Reconciliations on adoption of FRS 102

Reconciliation of equity

		At 1 April 2015			At 31 March 2016		
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£	£	£	£
Fixed assets							
Other intangibles		-	-	-	2,278	-	2,278
Tangible assets		1,788,642	-	1,788,642	1,902,310	6,461	1,908,771
Investments		150	-	150	150	-	150
		1,788,792	-	1,788,792	1,904,738	6,461	1,911,199
Current assets							
Stocks		31,964	-	31,964	35,519	-	35,519
Debtors		731,490	-	731,490	806,449	-	806,449
Bank and cash		22,492	-	22,492	52,535	-	52,535
		785,946	-	785,946	894,503	-	894,503
Creditors due within one year							
Loans and overdrafts		(388,204)	-	(388,204)	(249,820)	-	(249,820)
Finance leases		(17,879)	-	(17,879)	(10,481)	-	(10,481)
Taxation		(114,424)	-	(114,424)	(101,547)	-	(101,547)
Other creditors		(371,827)	-	(371,827)	(486,951)	-	(486,951)
		(892,334)	-	(892,334)	(848,799)	-	(848,799)
Net current (liabilities)/ assets		(106,388)	-	(106,388)	45,704	-	45,704
Total assets less current liabilities		1,682,404	-	1,682,404	1,950,442	6,461	1,956,903
Creditors due after one year							
Loans and overdrafts		(540,000)	-	(540,000)	(683,332)	-	(683,332)

14 Reconciliations on adoption of FRS 102 **(Continued)**

		At 1 April 2015			At 31 March 2016		
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£	£	£	£
Provisions for liabilities							
Deferred tax		(21,400)	-	(21,400)	(34,800)	-	(34,800)
Net assets		1,121,004	-	1,121,004	1,232,310	6,461	1,238,771
Capital and reserves							
Share capital		50	-	50	50	-	50
Revaluation reserve		357,593	-	357,593	352,246	5,347	357,593
Capital redemption		50	-	50	50	-	50
Profit and loss		763,311	-	763,311	879,964	1,114	881,078
Total equity		1,121,004	-	1,121,004	1,232,310	6,461	1,238,771

Reconciliation of profit for the financial period

		Year ended 31 March 2016		
		Previous UK GAAP	Effect of transition	FRS 102
	Notes	£	£	£
Turnover		2,592,670	-	2,592,670
Cost of sales		(504,119)	-	(504,119)
Gross profit		2,088,551	-	2,088,551
Administrative expenses		(1,946,630)	6,461	(1,940,169)
Other operating income		2,400	-	2,400
Operating (loss)/profit		144,321	6,461	150,782
Interest receivable and similar income		14,644	-	14,644
Interest payable and similar expenses		(24,701)	-	(24,701)
Profit before taxation		134,264	6,461	140,725
Taxation		(22,958)	-	(22,958)
Profit for the financial period		111,306	6,461	117,767

14 Reconciliations on adoption of FRS 102 **(Continued)**

Notes to reconciliations on adoption of FRS 102

Freehold property
The company has applied the transitional arrangements of Section 35 of FRS 102 and used a previous valuation as the deemed cost for the freehold property.