

The Rosevine Limited
Annual Report and Financial Statements
Year Ended 31 March 2020
Registration number: 06247796



The Rosevine Limited

Company Information

Directors	J J Bester A Malan J A Nel
Registered office	Lowin House Tregolls Road Truro Cornwall TR1 2NA
Bankers	National Westminster Bank PLC 2 - 4 St Nicholas Street Truro Cornwall TR1 2RN
Auditors	PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro Cornwal TR1 2NA

The Rosevine Limited

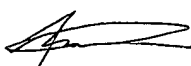
Balance Sheet

31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	210,000	245,000
Tangible assets	5	<u>2,525,134</u>	<u>2,524,152</u>
		<u>2,735,134</u>	<u>2,769,152</u>
Current assets			
Stocks	6	5,785	5,400
Debtors	7	234,453	259,881
Cash at bank and in hand		<u>25,640</u>	<u>17,653</u>
		265,878	282,934
Creditors: Amounts falling due within one year	8	<u>(3,079,560)</u>	<u>(3,176,597)</u>
Net current liabilities		<u>(2,813,682)</u>	<u>(2,893,663)</u>
Net liabilities		<u>(78,548)</u>	<u>(124,511)</u>
Capital and reserves			
Called up share capital	9	200,000	200,000
Profit and loss account		<u>(278,548)</u>	<u>(324,511)</u>
Total equity		<u>(78,548)</u>	<u>(124,511)</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 17/12/20 and signed on its behalf by:


.....
J J Bester
Director

Company Registration Number: 06247796

The Rosevine Limited

Notes to the Financial Statements

Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA
England

The principal place of business is:

The Rosevine Hotel
Near Portscatho
Truro
Cornwall
TR2 5EW
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in pounds sterling which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest pound.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The Rosevine Limited

Notes to the Financial Statements

Year Ended 31 March 2020

Going concern

At the balance sheet date the company had net current liabilities of £2,813,682 (2019 - £2,893,663). £2,809,673 was connected with the other companies under common ownership having lent funds to Rosevine Limited. They have confirmed their continued support for the company for a period of no less than 12 months from the approval of the financial statements.

Management have assessed a number of factors in respect of the appropriateness of the going concern assertion, and in particular the impact of the Covid 19 pandemic as outlined in the following note.

After due consideration of the factors outlined, the Directors continue to apply the going concern basis to the preparation of the financial statements.

Covid 19 pandemic

In accordance with government guidelines the Rosevine Hotel was forced to close from March 2020 through to July 2020, and has again been forced to close from the start of November to the start of December. Management have adapted the procedures at the hotel under government COVID-19 guidelines, encompassing all the social distancing regulations and the very best safe working practices. The hotel has seen an exceptional summer period as the industry as a whole saw an increase in demand post closure. From November 2020 the hotel has been forced to close again with the hope of being able to open again early December 2020. The period of opening from July through to October provided evidence that the hotel could operate safely to minimise risks to guests and staff and the management intend to continue adopting best practice and follow government guidelines when lockdown 2 is lifted as expected in early December.

Whilst recognising that there can be no certainty the directors are satisfied that the going concern basis of preparation remains appropriate. In reaching this conclusion the directors, having made all necessary enquires, have considered the following matters:

- i) Forecasts have been prepared which demonstrates the ability of the company to continue to manage its cash flow and meets its obligations as and when they fall due.
- ii) The bank loan facility has been renegotiated, with the bank indicating support through halting repayments until June 2021 which will further support the cash flow position. The covenant now requires that the group of companies under common control of Fairtree Hospitality Real Estate Private Equity LP retain cash of £350k.
- iii) The government reducing the VAT rate for hospitality businesses to 5% until March 2021 benefits the company. In addition to the Government Job Retention Scheme, VAT deferral and rates relief has been utilised during closure periods.
- iv) Support has been given from its immediate shareholder Fairtree Hospitality Real Estate Private Equity LP inc, a limited partnership registered in Guernsey, and its related group.
- v) The bank have provided further assistance through an additional loan of £2.5m under the Coronavirus Business Interruption Loan Scheme. Repayments are scheduled to start in June 2021.

The Rosevine Limited

Notes to the Financial Statements

Year Ended 31 March 2020

Covid 19 pandemic (continued)

vi) Wider group performance to September 2020 compared to the prior year indicates that EBITDA is approximately £650k behind the prior year. The estimated ongoing cash reduction from further lockdowns based on this is approximately £150k per month.

vii) Due to the strong trading period the overall group of companies owned by Fairtree Hospitality Real Estate Private Equity LP currently have cash reserves of £3.6m available. The directors have confirmed the requisite support between companies within the group.

In summary the group of companies that are under the common control of Fairtree Hospitality Real Estate Private Equity LP, as at the point of signing have approximately £3.25m of cash available to cover future funding after taking account of current banking covenants. After taking account of furlough rules that have now been extended to March 2021, the estimated burn rate of cash, during periods of closure due to lockdown is approximately £150k per month. Expectation currently based on legislation is that the hotels will be able to reopen at the start of December, but should this not occur the directors believe that there are sufficient funds to remain closed until March and beyond subject to negotiation with the bank on current covenant requirements.

Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Accommodation revenue is recognised at the point of the customer staying in the room. Deposits received in advance of customer stays are treated as payments on account and recognised within creditors due within one year.

Food, beverage other income is recognised at the point of sale.

Government grants

During the year the company recognised Coronavirus Job Retention Scheme ("CJRS") grant income from the Government designed to mitigate the impact of Covid 19. The company has elected to account for such grants under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure.

The company has not directly benefited from any other forms of government assistance in the current or prior year.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

The Rosevine Limited

Notes to the Financial Statements

Year Ended 31 March 2020

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	2% straight line
Fixtures and fittings	20% on reducing balance

No depreciation has been provided for on freehold property as it is the company's policy to maintain its property in good condition to prolong its useful life. Maintenance is regularly undertaken and systematically charged to the profit and loss account. In the opinion of the directors, any depreciation would not be material.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10 years

Impairment of fixed assets

At each balance sheet date the company reviews the carrying amount of its tangible fixed assets to determine whether there is an 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 are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

The Rosevine Limited

Notes to the Financial Statements

Year Ended 31 March 2020

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Intra-group loans from parent; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

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Notes to the Financial Statements

Year Ended 31 March 2020

Critical judgements and estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

Carrying value of property (note 5)

Tangible fixed assets, which are stated at historical cost, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives and residual values are assessed annual and may vary depending on a number of factors such as future economic viability, utilisation, maintenance programmes and continued relevance of the assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Management have carefully considered the carrying value of fixed assets at the balance sheet date.

Based on their expectations of future performance of the hotel, coupled with their wider knowledge and experience of the hotel market in their opinion the recoverable amount of the hotel asset is in excess of its carrying value in the accounts.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 15 (2019 - 17).

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Notes to the Financial Statements

Year Ended 31 March 2020

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2019	<u>350,000</u>	<u>350,000</u>
At 31 March 2020	<u>350,000</u>	<u>350,000</u>
Amortisation		
At 1 April 2019	105,000	105,000
Amortisation charge	<u>35,000</u>	<u>35,000</u>
At 31 March 2020	<u>140,000</u>	<u>140,000</u>
Carrying amount		
At 31 March 2020	<u>210,000</u>	<u>210,000</u>
At 31 March 2019	<u>245,000</u>	<u>245,000</u>

The Rosevine Limited

Notes to the Financial Statements

Year Ended 31 March 2020

5 Tangible assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2019	2,475,857	277,164	2,753,021
Additions	-	11,447	11,447
At 31 March 2020	<u>2,475,857</u>	<u>288,611</u>	<u>2,764,468</u>
Depreciation			
At 1 April 2019	-	228,869	228,869
Charge for the year	-	10,465	10,465
At 31 March 2020	<u>-</u>	<u>239,334</u>	<u>239,334</u>
Carrying amount			
At 31 March 2020	<u>2,475,857</u>	<u>49,277</u>	<u>2,525,134</u>
At 31 March 2019	<u>2,475,857</u>	<u>48,295</u>	<u>2,524,152</u>

6 Stocks

	2020 £	2019 £
Other inventories	<u>5,785</u>	<u>5,400</u>

7 Debtors

	2020 £	2019 £
Trade debtors	4,272	4,272
Amounts due from group undertakings	81,956	9,761
Other debtors	143,439	231,268
Prepayments	<u>4,786</u>	<u>14,580</u>
	<u>234,453</u>	<u>259,881</u>

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Notes to the Financial Statements

Year Ended 31 March 2020

8 Creditors

Creditors: amounts falling due within one year

	2020 £	2019 £
Due within one year		
Trade creditors	39,790	22,950
Amounts due to group undertakings	2,809,673	2,948,943
Social security and other taxes	49,703	29,322
Outstanding defined contribution pension costs	518	1,134
Other creditors	18,042	19,568
Accrued expenses	14,584	32,349
Payments on account	147,250	122,331
	<u>3,079,560</u>	<u>3,176,597</u>

9 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

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Notes to the Financial Statements

Year Ended 31 March 2020

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The Rosevine Ltd has provided a guarantee in respect of bank borrowings in the name of its immediate parent undertaking, the Old Quay House Hotel Limited.

The total amount of guarantees not included in the balance sheet is £6,472,666 (2019 - £6,754,666).

11 Non adjusting events after the financial period

Since the balance sheet date the group companies under common ownership of Fairtree Hospitality Real Estate Private Equity LP successfully concluded negotiations on the refinancing of their loan facilities into a new arrangement for £17,250,466. This arrangement comprises of composite guarantees being provided by all of the entities in question.

12 Audit report

The financial statements for the year ended 31 March 2020 were audited by:

PKF Francis Clark, statutory auditor
Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

The senior statutory auditor was Thomas Roach BSc FCA

An unqualified and unmodified auditors' report on the financial statements for the year ended 31 March 2020 has been issued.