

REGISTERED NUMBER: 04554566 (England and Wales)

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2020  
for  
Hope Street Hotel Limited**

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Hope Street Hotel Limited (Registered number: 04554566)

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for the Year Ended 31 December 2020**

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**Hope Street Hotel Limited**  
**Company Information**  
**for the Year Ended 31 December 2020**

<b>DIRECTORS:</b>	D C Brewitt Ms M Colston Dr A R Harvey Ms A L de Joia
<b>SECRETARY:</b>	Dr A R Harvey
<b>REGISTERED OFFICE:</b>	Seymour Chambers 92 London Road Liverpool Merseyside L3 5NW
<b>BUSINESS ADDRESS:</b>	40 Hope Street Liverpool Merseyside L1 9DA
<b>REGISTERED NUMBER:</b>	04554566 (England and Wales)
<b>AUDITORS:</b>	Douglas Fairless Partnership Chartered Certified Accountants and Statutory Auditors Seymour Chambers 92 London Road Liverpool Merseyside L3 5NW



**Hope Street Hotel Limited (Registered number: 04554566)**

**Strategic Report  
for the Year Ended 31 December 2020**

The directors present their strategic report for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

As with many businesses in the hospitality sector, 2020 has been our most challenging year since opening seventeen years ago, due to the ongoing COVID-19 pandemic. Government-imposed COVID-19 legislation has restricted our ability to trade. We have endured many periods that have meant we have had to close our doors completely for the first time ever. There have been other periods when trade has been restricted to essential stays while our food and beverage operation has been completely closed. These restrictions, among others, have resulted in a reduction of turnover from £5,482,296 in 2019 to £2,763,266 in 2020. However, we consider that this is a strong performance given the level of restrictions. And despite these difficult trading conditions Hope Street Hotel was awarded the prestigious accolade of "The Best City Hotel in the UK" by The Times and The Sunday Times, in October 2020.

Over the last few years the business has invested significant capital in an ambitious expansion to provide 62 additional rooms, an indoor swimming pool, an extensive spa, a private cinema and an additional rooftop event space with spectacular city views. The first phase of the expansion (the additional 62 bedrooms and event space) was completed in the summer of 2019. However, due to the COVID-19 pandemic, it was not possible to open the swimming pool and spa facilities in 2020.

Despite the impact of the pandemic on the revenue streams of the business, the gross profit margins have remained consistent at 86.93% in 2020 (2019 - 86.27%). This demonstrates the strength of the controls and the ability of the management team to cope during these challenging trading conditions.

Hotel occupancy fell from over 75% in 2019 to 40% in 2020. The business has maintained consistent net profit margins over a number of years. However, due to the pandemic, after removing the effects of depreciation, the net profit margin was reduced to 16.36% in 2020 from 26.5% in 2019. This reduction was inevitable as significant costs could not be reduced in line with the reduction in trade. It has been possible to maintain a net profit before tax due to the effectiveness of the controls instigated by the management team and the assistance provided by Government to help preserve jobs through the Job Retention scheme.

The business has taken advantage of the Government-backed Coronavirus Business Interruption Loan Scheme. However, these funds need to be paid back over a relatively short period of time. It is hoped that, by keeping a strong management team and maintaining a healthy cash reserve, it will be possible to maintain a steady recovery as the impact of the pandemic fades.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks facing the business continue to be the ongoing impact of the COVID-19 pandemic, and ensuring continued compliance with bank loan covenants. Due to lockdowns imposed in early 2021 and the gradual easing of restrictions, our results in the 2021 financial statements will be impacted by the Covid-19 pandemic. At the time of writing this report, the restrictions on our trade have been fully lifted and we are now showing strong recovery but we cannot predict whether there will be further Covid-19 restrictions enforced on us in the future. With the hotel extension and spa now being open, we have new revenue streams that will allow us to continue to recover from the pandemic through 2021 and in to 2022.

**ON BEHALF OF THE BOARD:**

D C Brewitt - Director

22 September 2021





**Hope Street Hotel Limited (Registered number: 04554566)**

**Report of the Directors  
for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of Hoteliers, restaurant and spa.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

D C Brewitt  
Ms M Colston  
Dr A R Harvey

Other changes in directors holding office are as follows:

Ms A L de Joia - appointed 10 July 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of 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 judgements 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

D C Brewitt - Director

22 September 2021



**Report of the Independent Auditors to the Members of  
Hope Street Hotel Limited**

**Opinion**

We have audited the financial statements of Hope Street Hotel Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

Apache certain disclosures of directors' remuneration specified by law are not made; or  
- we have not received all the information and explanations we require for our audit.

## Report of the Independent Auditors to the Members of Hope Street Hotel Limited

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in the financial statements in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, the control environment and the impact of business performance on Directors earnings.
- results of our enquiries of management and key finance persons about their own identification and assessment of the risks and irregularities.
- any matters we identified after obtaining and reviewing company policies and procedures relating to; identifying, evaluating and complying with laws and regulations. Detecting and responding to risks of fraud. The internal controls in place to mitigate the risks of fraud or non-compliance with laws and regulations.

From this assessment, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis of our opinion. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls; we have tested the operational effectiveness of internal controls relevant to the financial statements, tested the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



**Report of the Independent Auditors to the Members of  
Hope Street Hotel Limited**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Gregory Newton FCCA (Senior Statutory Auditor)  
for and on behalf of Douglas Fairless Partnership  
Chartered Certified Accountants  
and Statutory Auditors  
Seymour Chambers  
92 London Road  
Liverpool  
Merseyside  
L3 5NW

30 September 2021





## Hope Street Hotel Limited (Registered number: 04554566)

Statement of Comprehensive  
Income  
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
<b>TURNOVER</b>	3	2,763,266	5,482,296
Cost of sales		<u>361,053</u>	<u>752,843</u>
<b>GROSS PROFIT</b>		2,402,213	4,729,453
Administrative expenses		<u>2,821,243</u> (419,030)	<u>3,388,954</u> 1,340,499
Other operating income		<u>751,753</u>	<u>5,250</u>
<b>OPERATING PROFIT</b>	6	332,723	1,345,749
Interest receivable and similar income		<u>2,896</u> 335,619	<u>2,724</u> 1,348,473
Interest payable and similar expenses	7	<u>143,689</u>	<u>144,290</u>
<b>PROFIT BEFORE TAXATION</b>		191,930	1,204,183
Tax on profit	8	<u>4,237</u>	<u>245,629</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		187,693	958,554
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>			
<b>FOR</b>		187,693	958,554
<b>THE YEAR</b>		<u><u>187,693</u></u>	<u><u>958,554</u></u>



## Hope Street Hotel Limited (Registered number: 04554566)

Balance Sheet  
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		10,977		16,166
Tangible assets	10		18,689,686		16,959,746
Investments	11		<u>1,083</u>		<u>1,083</u>
			18,701,746		16,976,995
<b>CURRENT ASSETS</b>					
Stocks	12	44,005		44,168	
Debtors	13	647,507		531,297	
Cash at bank and in hand		<u>1,748,742</u>		<u>465,759</u>	
		2,440,254		1,041,224	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>3,446,183</u>		<u>4,846,016</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,005,929)</u>		<u>(3,804,792)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			17,695,817		13,172,203
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(8,733,334)		(4,605,205)
<b>PROVISIONS FOR LIABILITIES</b>			<u>(495,891)</u>		<u>(288,099)</u>
<b>NET ASSETS</b>			<u>8,466,592</u>		<u>8,278,899</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		88		88
Share premium	21		73,237		73,237
Capital redemption reserve	21		12		12
Retained earnings	21		<u>8,393,255</u>		<u>8,205,562</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>8,466,592</u>		<u>8,278,899</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2021 and were signed on its behalf by:

D C Brewitt - Director



Hope Street Hotel Limited (Registered number: 04554566)

Statement of Changes in Equity  
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2019</b>	88	7,247,008	73,237	12	7,320,345
<b>Changes in equity</b>					
Total comprehensive income	-	958,554	-	-	958,554
<b>Balance at 31 December 2019</b>	88	8,205,562	73,237	12	8,278,899
<b>Changes in equity</b>					
Total comprehensive income	-	187,693	-	-	187,693
<b>Balance at 31 December 2020</b>	88	8,393,255	73,237	12	8,466,592



## Hope Street Hotel Limited (Registered number: 04554566)

**Cash Flow Statement  
for the Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(653,196)	4,686,271
Interest paid		(143,689)	(144,290)
Tax paid		<u>(157,309)</u>	<u>199,202</u>
Net cash from operating activities		<u>(954,194)</u>	<u>4,741,183</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(2,995)
Purchase of tangible fixed assets		(1,995,887)	(4,843,790)
Sale of tangible fixed assets		10,569	-
Interest received		<u>2,896</u>	<u>2,724</u>
Net cash from investing activities		<u>(1,982,422)</u>	<u>(4,844,061)</u>
<b>Cash flows from financing activities</b>			
New loans in year		9,250,000	-
Loan repayments in year		(5,055,205)	(449,999)
Amount introduced by directors		<u>25,000</u>	<u>-</u>
Net cash from financing activities		<u>4,219,795</u>	<u>(449,999)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>1,283,179</u>	<u>(552,877)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	465,563	1,018,440
<b>Cash and cash equivalents at end of year</b>	2	<u><u>1,748,742</u></u>	<u><u>465,563</u></u>





## Hope Street Hotel Limited (Registered number: 04554566)

Notes to the Cash Flow Statement  
for the Year Ended 31 December 2020

## 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.20	31.12.19
	£	£
Profit before taxation	191,930	1,204,183
Depreciation charges	260,100	248,500
Loss on disposal of fixed assets	467	1,548
Finance costs	143,689	144,290
Finance income	(2,896)	(2,724)
	<u>593,290</u>	<u>1,595,797</u>
Decrease/(increase) in stocks	163	(4,227)
Decrease/(increase) in trade and other debtors	39,574	(95,022)
(Decrease)/increase in trade and other creditors	<u>(1,286,223)</u>	<u>3,189,723</u>
<b>Cash generated from operations</b>	<b><u>(653,196)</u></b>	<b><u>4,686,271</u></b>

## 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

## Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	1,748,742	465,759
Bank overdrafts	-	(196)
	<u>1,748,742</u>	<u>465,563</u>

## Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	465,759	1,018,440
Bank overdrafts	(196)	-
	<u>465,563</u>	<u>1,018,440</u>

## 3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	465,759	1,282,983	1,748,742
Bank overdrafts	(196)	196	-
	<u>465,563</u>	<u>1,283,179</u>	<u>1,748,742</u>
<b>Debt</b>			
Debts falling due within 1 year	(450,000)	(66,667)	(516,667)
Debts falling due after 1 year	<u>(4,605,205)</u>	<u>(4,128,129)</u>	<u>(8,733,334)</u>
	<u>(5,055,205)</u>	<u>(4,194,796)</u>	<u>(9,250,001)</u>
<b>Total</b>	<b><u>(4,589,642)</u></b>	<b><u>(2,911,617)</u></b>	<b><u>(7,501,259)</u></b>



**Hope Street Hotel Limited (Registered number: 04554566)**

**Notes to the Financial Statements  
for the Year Ended 31 December 2020**

**1. STATUTORY INFORMATION**

Hope Street Hotel Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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. The financial statements have been prepared under the historical cost convention.

**Turnover**

The turnover in the profit & loss account represents net invoice value of goods or services provided on cash or credit basis, excluding value added tax.

Revenue is recognised upon delivery of a service and/or check in of the customer.

**Intangible assets**

Development costs shown as Intangible assets are initially measured at cost. After initial recognition, Development costs are measured at cost less accumulated amortisation charges and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Short leasehold	- in accordance with the property
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 25% on cost

Tangible fixed assets are initially measured at cost. After initial recognition, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is not provided on freehold property in accordance with FRS 102 section 17 para 17.19. The balances held in freehold property represent the freehold land and buildings which are part of the hotel from which the company is trading. The market value of the hotel has increased year on year for a number of years and is expected to continue on this trend. Depreciating the asset would result in the carrying value of the hotel being understated and the accounts not giving a true and fair view. Therefore, as per FRS 102 section 17 para 17.9 previous estimates have been reviewed and the residual value has been amended and the depreciation policy amended to ensure that the financial statements give a true and fair view moving forward.

**Investments in subsidiaries and associates**

Investments in Associates and Unlisted Investments have been classified as fixed assets and are carried at cost.

**Stocks**

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

**Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from third parties and loans to and from related parties.



**Hope Street Hotel Limited (Registered number: 04554566)****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****2. ACCOUNTING POLICIES - continued****Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	31.12.20	31.12.19
	£	£
Rendering of services	<u>2,763,266</u>	<u>5,482,296</u>
	<u>2,763,266</u>	<u>5,482,296</u>

**4. EMPLOYEES AND DIRECTORS**

	31.12.20	31.12.19
	£	£
Wages and salaries	1,496,564	1,627,679
Social security costs	102,494	114,968
Other pension costs	28,035	42,879
	<u>1,627,093</u>	<u>1,785,526</u>

The average number of employees during the year was as follows:

	31.12.20	31.12.19
Management	5	5
Administration	12	12
Marketing	6	6
Other	73	85
	<u>96</u>	<u>108</u>



## Hope Street Hotel Limited (Registered number: 04554566)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

5.	<b>DIRECTORS' EMOLUMENTS</b>		
		31.12.20	31.12.19
		£	£
	Directors' remuneration	<u>63,237</u>	<u>72,779</u>
6.	<b>OPERATING PROFIT</b>		
	The operating profit is stated after charging:		
		31.12.20	31.12.19
		£	£
	Hire of plant and machinery	419	2,926
	Depreciation - owned assets	254,911	242,451
	Loss on disposal of fixed assets	467	1,548
	Development costs amortisation	5,189	5,189
	Auditors' remuneration	<u>9,000</u>	<u>9,000</u>
7.	<b>INTEREST PAYABLE AND SIMILAR EXPENSES</b>		
		31.12.20	31.12.19
		£	£
	Bank loan interest	<u>143,689</u>	<u>144,290</u>
8.	<b>TAXATION</b>		
	<b>Analysis of the tax charge</b>		
	The tax charge on the profit for the year was as follows:		
		31.12.20	31.12.19
		£	£
	Current tax:		
	UK corporation tax	(133,515)	48,764
	Corporation tax adjustment	<u>(70,040)</u>	-
	Total current tax	<u>(203,555)</u>	<u>48,764</u>
	Deferred tax	<u>207,792</u>	<u>196,865</u>
	Tax on profit	<u>4,237</u>	<u>245,629</u>
	<b>Reconciliation of total tax charge included in profit and loss</b>		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:		
		31.12.20	31.12.19
		£	£
	Profit before tax	<u>191,930</u>	<u>1,204,183</u>
	Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	36,467	228,795
	Effects of:		
	Expenses not deductible for tax purposes	578	1,301
	Capital allowances in excess of depreciation	(176,350)	(181,626)
	Movement in deferred tax	207,792	196,865
	Loss on disposal of assets	-	294
	Previous year R&D claim	(70,039)	-
	Losses carried forward	<u>5,789</u>	-
	Total tax charge	<u>4,237</u>	<u>245,629</u>

The corporation tax adjustment of £70,040 represents a research & development claim submitted during the year in respect of the 31/12/18 accounts resulting in a tax adjustment of £70,040.





Hope Street Hotel Limited (Registered number: 04554566)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

9.	<b>INTANGIBLE FIXED ASSETS</b>			Development costs £
	<b>COST</b>			
	At 1 January 2020 and 31 December 2020			<u>25,945</u>
	<b>AMORTISATION</b>			
	At 1 January 2020			9,779
	Amortisation for year			<u>5,189</u>
	At 31 December 2020			<u>14,968</u>
	<b>NET BOOK VALUE</b>			
	At 31 December 2020			<u>10,977</u>
	At 31 December 2019			<u>16,166</u>
10.	<b>TANGIBLE FIXED ASSETS</b>			
	<b>COST</b>	Freehold property £	Short leasehold £	Plant and machinery £
	At 1 January 2020	6,438,104	10,572,439	154,203
	Additions	773	1,789,141	46,574
	Disposals	-	-	(2,016)
	At 31 December 2020	<u>6,438,877</u>	<u>12,361,580</u>	<u>198,761</u>
	<b>DEPRECIATION</b>			
	At 1 January 2020	-	797,447	67,632
	Charge for year	-	81,757	19,902
	Eliminated on disposal	-	-	(1,549)
	At 31 December 2020	<u>-</u>	<u>879,204</u>	<u>85,985</u>
	<b>NET BOOK VALUE</b>			
	At 31 December 2020	<u>6,438,877</u>	<u>11,482,376</u>	<u>112,776</u>
	At 31 December 2019	<u>6,438,104</u>	<u>9,774,992</u>	<u>86,571</u>
	<b>COST</b>	Fixtures and fittings £	Computer equipment £	Totals £
	At 1 January 2020	1,417,773	282,168	18,864,687
	Additions	114,780	44,619	1,995,887
	Disposals	-	(10,569)	(12,585)
	At 31 December 2020	<u>1,532,553</u>	<u>316,218</u>	<u>20,847,989</u>
	<b>DEPRECIATION</b>			
	At 1 January 2020	882,396	157,466	1,904,941
	Charge for year	97,524	55,728	254,911
	Eliminated on disposal	-	-	(1,549)
	At 31 December 2020	<u>979,920</u>	<u>213,194</u>	<u>2,158,303</u>
	<b>NET BOOK VALUE</b>			
	At 31 December 2020	<u>552,633</u>	<u>103,024</u>	<u>18,689,686</u>
	At 31 December 2019	<u>535,377</u>	<u>124,702</u>	<u>16,959,746</u>



Hope Street Hotel Limited (Registered number: 04554566)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Interest in associate £	Unlisted investments £	Totals £
<b>COST</b>				
At 1 January 2020 and 31 December 2020	<u>100</u>	<u>483</u>	<u>500</u>	<u>1,083</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>100</u>	<u>483</u>	<u>500</u>	<u>1,083</u>
At 31 December 2019	<u>100</u>	<u>483</u>	<u>500</u>	<u>1,083</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary**

**Hope Street Works Ltd**

Registered office: Seymour Chambers, 92 London Road, Liverpool, L3 5NW  
Nature of business: Currently dormant

	% holding	31.12.20 £	31.12.19 £
Class of shares: Ordinary	100.00		
Aggregate capital and reserves		(74)	(31)
Loss for the year		<u>(43)</u>	<u>(43)</u>

The Subsidiary has been excluded from consolidation as it's inclusion is not material for the purpose of giving a true and fair view (CA06 s405(2)).

**Associated companies**

**The Liverpool Art School Ltd**

Registered office: Seymour Chambers, 92 London Road, Liverpool, Merseyside, L3 5NW  
Nature of business: Restaurant

	% holding	30.6.20 £	30.6.19 £
Class of shares: Ordinary A	33.00		
Aggregate capital and reserves		91,343	124,288
Loss for the year		<u>(6,772)</u>	<u>(9,107)</u>

**L1 Hotels Ltd**

Registered office: 14 Columbus Quay, Riverside Drive, Liverpool, England, L3 4DB  
Nature of business: Hotelier

	% holding	31.1.21 £	31.1.20 £
Class of shares: Ordinary A	45.00		
Aggregate capital and reserves		266	981
Loss for the year		<u>(715)</u>	<u>(9)</u>

12. STOCKS

	31.12.20 £	31.12.19 £
Stocks	<u>44,005</u>	<u>44,168</u>



## Hope Street Hotel Limited (Registered number: 04554566)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

<b>13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	31.12.20	31.12.19
	£	£
Trade debtors	197,331	219,338
Other debtors	199,705	209,799
Inter-company	1,363	1,320
Corporation tax	155,784	-
VAT	38,431	-
Prepayments	54,893	100,840
	<u>647,507</u>	<u>531,297</u>
<b>14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	31.12.20	31.12.19
	£	£
Bank loans and overdrafts (see note 16)	516,667	450,196
Trade creditors	661,146	1,532,170
Corporation taxation	-	205,080
Social security and other taxes	41,657	34,501
VAT	-	78,910
Other creditors	1,520,814	1,233,884
Credit card	1,032	3,065
Directors' current accounts	32,756	7,756
Accrued expenses	672,111	1,300,454
	<u>3,446,183</u>	<u>4,846,016</u>
<b>15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
	31.12.20	31.12.19
	£	£
Bank loans (see note 16)	<u>8,733,334</u>	<u>4,605,205</u>
<b>16. LOANS</b>		
An analysis of the maturity of loans is given below:		
	31.12.20	31.12.19
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	196
Bank loans	516,667	450,000
	<u>516,667</u>	<u>450,196</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>900,000</u>	<u>450,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>7,700,000</u>	<u>1,350,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>133,334</u>	<u>2,805,205</u>



**Hope Street Hotel Limited (Registered number: 04554566)****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.20	31.12.19
	£	£
Within one year	-	240,000
Between one and five years	720,000	960,000
In more than five years	<u>2,880,000</u>	<u>3,120,000</u>
	<u>3,600,000</u>	<u>4,320,000</u>

A lease was granted on 1 December 2002 for 35 years to Hope Street Hotel Ltd by David Brewitt Ltd for the use of the property known as 40 Hope Street.

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.20	31.12.19
	£	£
Bank overdraft	-	196
Bank loans	<u>9,250,001</u>	<u>5,055,205</u>
	<u>9,250,001</u>	<u>5,055,401</u>

Barclays have a charge over Land known as 40 hope street, liverpool, L1 9DA, registered at the land registry with title numbers MS674569 and MS468023, Land known as 38 hope street, liverpool, L1 9DA, registered at the land registry with title number MS508513, the leasehold property demised out of title numbers MS271738 and MS526849 known as part basement, part ground floor, part first floor, part second floor and the third, fourth, fifth and sixth floors of 24 hardman street, liverpool L1 9AX. The charge contains fixed charge, floating charge and negative pledge.

**19. PROVISIONS FOR LIABILITIES**

	31.12.20	31.12.19
	£	£
Deferred tax	<u>495,891</u>	<u>288,099</u>
		Deferred tax
		£
Balance at 1 January 2020		288,099
Accelerated capital allowances		<u>207,792</u>
Balance at 31 December 2020		<u>495,891</u>

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
61	A	£1	61	61
27	B	£1	<u>27</u>	<u>27</u>
			<u>88</u>	<u>88</u>





## Hope Street Hotel Limited (Registered number: 04554566)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

## 21. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2020	8,205,562	73,237	12	8,278,811
Profit for the year	187,693			187,693
At 31 December 2020	<u>8,393,255</u>	<u>73,237</u>	<u>12</u>	<u>8,466,504</u>

## 22. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £88,297 (2019 - £86,766). Contributions totalling £12,652 (2019 - £27,240) were payable to the fund at the balance sheet date and are included in creditors.

## 23. CAPITAL COMMITMENTS

	31.12.20 £	31.12.19 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>1,288,619</u>

## 24. RELATED PARTY DISCLOSURES

**Entities over which the entity has control, joint control or significant influence**

	31.12.20 £	31.12.19 £
Amount due from related party	<u>1,363</u>	<u>1,320</u>

The loans to the related party are unsecured, interest free and repayable on demand.

**Key management personnel of the entity or its parent (in the aggregate)**

	31.12.20 £	31.12.19 £
Sales	11,514	23,760
Rent	240,000	240,000
Legal Fees	8,333	20,000
Capital Expenditure	3,000,000	3,650,000
Insurance	8,428	-
Electricity	34,500	-
Amount due from related party	241,070	243,361
Amount due to related party	<u>1,381,933</u>	<u>2,318,823</u>

The loans outstanding from related parties are unsecured, interest free and repayable on demand, apart from one loan totalling £24,000 where interest is charged at a rate of 10% per annum.

There are amounts due to and from related parties which represent trade credit which is provided on normal commercial terms.

## 25. ULTIMATE CONTROLLING PARTY

The controlling party is D C Brewitt.



