

Registration number: 07356848

**ABBAY HOUSE (CUMBRIA) LIMITED  
ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
30 SEPTEMBER 2016**



# **ABBAY HOUSE (CUMBRIA) LIMITED**

## **CONTENTS**

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Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 19

# ABBAY HOUSE (CUMBRIA) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr T A Kilroe Mr B G Conroy Mr N Hopkins-Coman
<b>Registered office</b>	C/o Abbey House Hotel Abbey Road Barrow In Furness Cumbria LA13 0PA
<b>Auditors</b>	Horsfield & Smith Chartered Accountants and Statutory Auditor Tower House 269 Walmersley Road Bury Lancashire BL9 6NX

# ABBEY HOUSE (CUMBRIA) LIMITED

## STRATEGIC REPORT YEAR ENDED 30 SEPTEMBER 2016

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The directors present their strategic report for the year ended 30 September 2016.

### Principal activity

The company holds the tangible property, plant & machinery of the Abbey House Hotel in Cumbria which is operated by its wholly owned subsidiary the Abbey House Hotel (Cumbria) Limited.

### Fair review of the business

The hotel has continued its programme of refurbishment during the year with a further 15 bedrooms in the Cavendish wing being improved. Disruption to the trading subsidiary was significantly less than the major refurbishments in previous years. Wedding bookings and general trade have continued to improve following the disruptions. There are 15 further bedrooms planned to be refurbished in the 2016/17 year.

At the year end the directors are satisfied with the performance of the company and its subsidiary within the group and expect an improvement in the results for the next financial year.

The company's key financial and other performance indicators during the year were as follows:

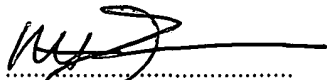
	Unit	2016	2015
EBITDA	£	362,423	199,930

### Principal risks and uncertainties

The company is subject to the same general risks and uncertainties as any other business, for example, the changes in general economic conditions and interest rate fluctuations. The trading subsidiary must consider the risks relating to the hotel industry.

The directors are responsible for reviewing the principal areas of risk and uncertainty so that major risks can be identified and mitigating action taken. The directors meet on a monthly basis to review the management accounts and performance of the hotel and the overall group. They monitor other key financial information on a weekly basis.

Approved by the Board on <sup>11/04/2017</sup> ..... and signed on its behalf by:



Mr N Hopkins-Coman  
Director

# **ABBEY HOUSE (CUMBRIA) LIMITED**

## **DIRECTORS' REPORT YEAR ENDED 30 SEPTEMBER 2016**

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The directors present their report and the financial statements for the year ended 30 September 2016.

### **Directors of the company**

The directors who held office during the year were as follows:

Mr T A Kilroe

Mr B G Conroy

Mr N Hopkins-Coman

Mrs A M Kilroe (resigned 7 December 2016)

### **Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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.

# ABBAY HOUSE (CUMBRIA) LIMITED

## DIRECTORS' REPORT YEAR ENDED 30 SEPTEMBER 2016

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### Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

### Reappointment of auditors

The auditors Horsfield & Smith are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on *11/04/2017* and signed on its behalf by:

  
.....  
Mr N Hopkins-Coman  
Director

# ABBAY HOUSE (CUMBRIA) LIMITED

## INDEPENDENT AUDITOR'S REPORT

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We have audited the financial statements of Abbey House (Cumbria) Limited for the year ended 30 September 2016, set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditor's report 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its loss 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.



## ABBEY HOUSE (CUMBRIA) LIMITED

### INDEPENDENT AUDITOR'S REPORT

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#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

*In the light of our 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 and the Directors' Report.*

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

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
- 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.

.....  
Jonathan Staples BSc FCA DChA (Senior Statutory Auditor)  
For and on behalf of Horsfield & Smith, Statutory Auditor

Tower House  
269 Walmersley Road  
Bury  
Lancashire  
BL9 6NX

Date: 19/4/17



## ABBAY HOUSE (CUMBRIA) LIMITED

### PROFIT AND LOSS ACCOUNT YEAR ENDED 30 SEPTEMBER 2016

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	Note	Total 30 September 2016 £	Total 30 September 2015 £
Turnover	3	362,500	200,000
Administrative expenses		<u>(199,232)</u>	<u>(193,909)</u>
Operating profit	4	<u>163,268</u>	<u>6,091</u>
Interest payable and similar expenses	5	<u>(187,473)</u>	<u>(222,025)</u>
		<u>(187,473)</u>	<u>(222,025)</u>
Loss before tax		(24,205)	(215,934)
Taxation	6	<u>-</u>	<u>4,682</u>
Loss for the financial year		<u><u>(24,205)</u></u>	<u><u>(211,252)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

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The notes on pages 11 to 19 form an integral part of these financial statements.

## ABBAY HOUSE (CUMBRIA) LIMITED

### STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 30 SEPTEMBER 2016

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	Note	2016 £	2015 £
Loss for the year		<u>(24,205)</u>	<u>(211,252)</u>
Total comprehensive income for the year		<u><u>(24,205)</u></u>	<u><u>(211,252)</u></u>

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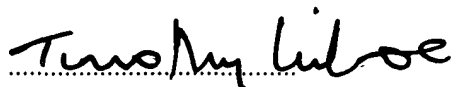
The notes on pages 11 to 19 form an integral part of these financial statements.

# ABBEY HOUSE (CUMBRIA) LIMITED

## BALANCE SHEET 30 SEPTEMBER 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	7	4,975,548	4,967,136
Investments	8	<u>100</u>	<u>100</u>
		4,975,648	4,967,236
<b>Creditors: Amounts falling due within one year</b>	9	<u>(4,901,173)</u>	<u>(4,808,556)</u>
<b>Total assets less current liabilities</b>		74,475	158,680
<b>Provisions for liabilities</b>	10	<u>(207,367)</u>	<u>(267,367)</u>
<b>Net liabilities</b>		<u>(132,892)</u>	<u>(108,687)</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account		<u>(132,992)</u>	<u>(108,787)</u>
<b>Total equity</b>		<u>(132,892)</u>	<u>(108,687)</u>

Approved and authorised by the Board on <sup>11/04/2017</sup> ..... and signed on its behalf by:



Mr T A Kilroe

Director

Company Registration Number: 07356848

The notes on pages 11 to 19 form an integral part of these financial statements.

## ABBEY HOUSE (CUMBRIA) LIMITED

### STATEMENT OF CHANGES IN EQUITY YEAR ENDED 30 SEPTEMBER 2016

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	Share capital £	Profit and loss account £	Total £
At 1 October 2015	100	(108,787)	(108,687)
Loss for the year	-	(24,205)	(24,205)
Total comprehensive income	-	(24,205)	(24,205)
At 30 September 2016	100	(132,992)	(132,892)

	Share capital £	Profit and loss account £	Total £
At 1 October 2014	100	102,465	102,565
Loss for the year	-	(211,252)	(211,252)
Total comprehensive income	-	(211,252)	(211,252)
At 30 September 2015	100	(108,787)	(108,687)

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The notes on pages 11 to 19 form an integral part of these financial statements.

# **ABBEY HOUSE (CUMBRIA) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016**

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### **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:

C/o Abbey House Hotel

Abbey Road

Barrow In Furness

Cumbria

LA13 0PA

### **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.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£).

#### **Group accounts not prepared**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts..

#### **Going concern**

The financial statements have been prepared on a going concern basis as the company has the support of its profitable subsidiary and other group companies.

## **ABBEY HOUSE (CUMBRIA) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016**

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#### **Exemption from preparing group accounts**

The financial statements contain information about Abbey House (Cumbria) Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Catford & Longford Limited, a company incorporated in England and Wales.

#### **Judgements**

There are no judgements that would cause a significant effect on the amounts recognised in the financial statements.

#### **Key sources of estimation uncertainty**

The directors make estimates concerning the future. At the reporting date there are no estimates that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

#### **Government grants**

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

#### **Tax**

Current tax is recognised for the amount of tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

The tax expense for the period comprises deferred tax.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

## **ABBEY HOUSE (CUMBRIA) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016**

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

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property	2% straight line
Plant and machinery	20% straight line
Fixtures and fittings	15% straight line

#### **Investments**

Investments comprise of equity shares in wholly owned subsidiary companies. These shares are not publicly traded and fair value cannot be measured reliably. They are measured at cost less impairment.

#### **Trade creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## ABBAY HOUSE (CUMBRIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016

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#### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016	2015
	£	£
Rental income from investment property	<u>362,500</u>	<u>200,000</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	2016	2015
	£	£
Depreciation expense	259,155	253,839
Amortisation expense	<u>(60,000)</u>	<u>(60,000)</u>

#### 5 Interest payable and similar charges

	2016	2015
	£	£
Interest expense on other finance liabilities	<u>187,473</u>	<u>222,025</u>



## ABBNEY HOUSE (CUMBRIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016

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#### 6 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>-</u>	<u>(4,682)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	2016 £	2015 £
Loss before tax	<u>(24,205)</u>	<u>(215,934)</u>
Corporation tax at standard rate	(4,841)	(43,187)
Tax increase/(decrease) from effect of capital allowances and depreciation	14,000	(12,512)
Tax (decrease)/increase from effect of unrelieved tax losses carried forward	(9,159)	30,311
Tax increase arising from group relief	<u>-</u>	<u>20,706</u>
Total tax credit	<u>-</u>	<u>(4,682)</u>

## ABBEY HOUSE (CUMBRIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016

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#### 7 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 October 2015	4,997,764	327,418	810,160	6,135,342
Additions	<u>82,212</u>	<u>47,821</u>	<u>137,534</u>	<u>267,567</u>
At 30 September 2016	<u>5,079,976</u>	<u>375,239</u>	<u>947,694</u>	<u>6,402,909</u>
<b>Depreciation</b>				
At 1 October 2015	682,262	63,799	422,145	1,168,206
Charge for the year	<u>94,556</u>	<u>50,313</u>	<u>114,286</u>	<u>259,155</u>
At 30 September 2016	<u>776,818</u>	<u>114,112</u>	<u>536,431</u>	<u>1,427,361</u>
<b>Carrying amount</b>				
At 30 September 2016	<u>4,303,158</u>	<u>261,127</u>	<u>411,263</u>	<u>4,975,548</u>
At 30 September 2015	<u>4,315,502</u>	<u>263,619</u>	<u>388,015</u>	<u>4,967,136</u>

Included within the net book value of land and buildings above is £4,303,158 (2015 - £4,315,502) in respect of long leasehold land and buildings.

## ABBEY HOUSE (CUMBRIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016

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#### 8 Investments in subsidiaries, joint ventures and associates

	2016 £	2015 £
Investments in subsidiaries	<u>100</u>	<u>100</u>
<b>Subsidiaries</b>		<b>£</b>
<b>Cost or valuation</b>		
At 1 October 2015		<u>100</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 30 September 2016		<u>100</u>
At 30 September 2015		<u>100</u>

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015
<b>Subsidiary undertakings</b>				
Abbey House Hotel (Cumbria) Limited	England and Wales	Ordinary	100%	100%

The principal activity of Abbey House Hotel (Cumbria) Limited is Hotel holding company

## ABBEY HOUSE (CUMBRIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016

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#### 9 Creditors

	Note	2016 £	2015 £
<b>Due within one year</b>			
Loans and borrowings	12	726,765	801,741
Trade creditors		1,942	6,509
Amounts due to related parties	13	4,100,313	3,955,227
Accrued expenses		72,153	45,079
		<u>4,901,173</u>	<u>4,808,556</u>

#### 10 Provisions for liabilities

	2016 £	2015 £
<b>Deferred Grants:</b>		
As at 1st October	<u>849,862</u>	<u>849,862</u>
As at 30th September	<u>849,862</u>	<u>849,862</u>
	£	£
<b>Amortisation:</b>		
At 1st October	582,495	522,495
Credit to profit and loss account	<u>60,000</u>	<u>60,000</u>
As at 30th September	<u>642,495</u>	<u>582,495</u>
	£	£
Net balance at 30th September	<u>207,367</u>	<u>267,367</u>

#### 11 Share capital

##### Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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## ABBEY HOUSE (CUMBRIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2016

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#### 12 Loans and borrowings

	2016	2015
	£	£
Current loans and borrowings		
Other borrowings	<u>726,765</u>	<u>801,741</u>

#### 13 Related party transactions

During the year the company received a further loan advances of £375,000 from Bethell Group plc and repaid a total of £449,976. At the year end the loan balance owing to Bethell Group plc was £126,765 (2015 : £201,741).

At the year end the loan balance owing to Bethell Construction Limited was £600,000 (2015 : £600,000).

Interest on outstanding amounts is applied at 7.5%.

#### 14 Parent and ultimate parent undertaking

The company's immediate parent is Catford & Longford Limited, incorporated in England.

The ultimate parent is Thornsett Vale Limited, incorporated in England.

The ultimate controlling party is the T Kilroe Life Interest Settlement which is a trust whose principal beneficiary is Mr T Kilroe.

#### 15 Transition to FRS 102

There have been no transition adjustments necessary.

## ABBAY HOUSE (CUMBRIA) LIMITED

### DETAILED PROFIT AND LOSS ACCOUNT YEAR ENDED 30 SEPTEMBER 2016

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	2016	2015
	£	£
Turnover (analysed below)	<u>362,500</u>	<u>200,000</u>
Gross profit (%)	100%	100%
<b>Administrative expenses</b>		
Establishment costs (analysed below)	(77)	(70)
Depreciation costs (analysed below)	<u>(199,155)</u>	<u>(193,839)</u>
	<u>(199,232)</u>	<u>(193,909)</u>
Operating profit	163,268	6,091
Interest payable and similar charges (analysed below)	<u>(187,473)</u>	<u>(222,025)</u>
Loss before tax	<u>(24,205)</u>	<u>(215,934)</u>

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This page does not form part of the statutory financial statements.

## ABBEY HOUSE (CUMBRIA) LIMITED

### DETAILED PROFIT AND LOSS ACCOUNT YEAR ENDED 30 SEPTEMBER 2016

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	2016 £	2015 £
<b>Turnover</b>		
Rent receivable	<u>362,500</u>	<u>200,000</u>
<b>Establishment costs</b>		
Insurance	<u>(77)</u>	<u>(70)</u>
<b>Depreciation costs</b>		
Amortisation of government grants	60,000	60,000
Depreciation	<u>(259,155)</u>	<u>(253,839)</u>
	<u>(199,155)</u>	<u>(193,839)</u>
<b>Interest payable and similar expenses</b>		
Other loan interest	<u>187,473</u>	<u>222,025</u>

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This page does not form part of the statutory financial statements.