COMPANY REGISTRATION NUMBER: 02952206

Grovekey Limited

Filleted Unaudited Financial Statements

31 August 2019

Grovekey Limited

Statement of Financial Position

31 August 2019

	Note	2019 £	2019 £	2018 £
Fixed assets				
Tangible assets	5		**1,623,951**	1,521,305
Investments	6		**–**	172,899
			1,623,951	1,694,204
Current assets				
Stocks		**8,691**		9,807
Debtors	7	**124,416**		136,059
Cash at bank and in hand		**274,069**		18,971
		407,176		164,837
Creditors: amounts falling due within one year	8	**417,475**		533,607
Net current liabilities			**10,299**	368,770
Total assets less current liabilities			**1,613,652**	1,325,434
Creditors: amounts falling due after more than one year	9		**738,593**	525,420
Provisions				
Taxation including deferred tax			**38,677**	29,565
Net assets			**836,382**	770,449
Capital and reserves				
Called up share capital			**100**	100
Non-distributable reserves			**24,800**	24,800
Profit and loss account			**811,482**	745,549
Shareholders funds			**836,382**	770,449

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

For the year ending 31 August 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

Grovekey Limited

Statement of Financial Position *(continued)*

31 August 2019

These financial statements were approved by the board of directors and authorised for issue on 26 November 2019 , and are signed on behalf of the board by:

Mr J Brennan	Miss S Crane
Director	Director

Company registration number: 02952206

Grovekey Limited

Notes to the Financial Statements

Year ended 31 August 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Rushpool Hall, Saltburn Lane, Saltburn, TS12 1HD.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

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

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

Revenue recognition

Turnover comprises income from the ownership and operation of a hotel, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied and is recognised at the point of sale at which the accommodation and related services are provided.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are 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 measured 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

The company has a policy and practice of regular maintenance and repair on freehold and long leasehold property so as to maintain its previously assessed standard of performance. The property is considered unlikely to suffer from economic or technical obsolescence. The company therefore does not provide depreciation on freehold and long leasehold properties as its economic life is such that depreciation would not be material. The directors consider that the residual value is greater than the book value at the balance sheet date.

Depreciation

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

Fixtures & fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 19 (2018: 25).

5. Tangible assets

	Land and buildings	Fixtures and fittings	Motor vehicles	**Total**
	£	£	£	**£**
Cost				
At 1 September 2018	1,315,836	937,998	57,460	**2,311,294**
Additions	104,543	13,214	–	**117,757**
Disposals	–	–	(37,023)	**(37,023)**
At 31 August 2019	1,420,379	951,212	20,437	**2,392,028**
Depreciation				
At 1 September 2018	–	745,170	44,819	**789,989**
Charge for the year	–	5,415	–	**5,415**
Disposals	–	–	(27,327)	**(27,327)**
At 31 August 2019	–	750,585	17,492	**768,077**
Carrying amount				
At 31 August 2019	1,420,379	200,627	2,945	**1,623,951**
At 31 August 2018	1,315,836	192,828	12,641	1,521,305

The property was valued at £1,300,000 by Christie & Co, Chartered Surveyors, in October 2010.

6. Investments

	Investment Properties
	£
Cost	
At 1 September 2018	**172,899**
Disposals	**(172,899)**
At 31 August 2019	**–**
Impairment	
At 1 September 2018 and 31 August 2019	**–**
Carrying amount	
At 31 August 2019	**–**
At 31 August 2018	172,899

7. Debtors

	2019	2018
	£	£
Trade debtors	**22,779**	26,287
Amounts owed by related companies	**82,874**	47,437
Other debtors	**18,763**	62,335
	124,416	136,059

8. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	**71,374**	121,471
Trade creditors	**25,378**	25,818
Corporation tax	**18,257**	15,141
Social security and other taxes	**37,950**	39,927
Amounts owed to related parties	**–**	44,291
Other creditors	**264,516**	286,959
	417,475	533,607

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

	2019	2018
	£	£
Bank loans and overdrafts	**738,593**	525,420

The bank loans and overdraft are secured by the following:

A legal charge over land north and south east of Rushpool Hall, Saltburn Lane. A debenture on the assets of the company including the freehold property.

10. Directors' advances, credits and guarantees

Included in debtors is a directors loan of £nil (2018 £53,515).

11. Related party transactions

Included in debtors is £82,874 (2018 £47,437) due from related companies. Included in creditors is £nil (2017 £45,460) due to related company. During the year the company sold an investment property to a related company for £170,000. The directors believe this was market value for the property.