

Registered number: 07134579

CUMBERLAND HOUSE HOTEL
BIRMINGHAM LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024



LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

BALANCE SHEET

AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	5	184,911	232,296
		<u>184,911</u>	<u>232,296</u>
Current assets			
Stocks	6	14,228	12,452
Debtors: amounts falling due within one year	7	12,109,560	1,031,621
Cash at bank and in hand	8	287,659	501,674
		<u>12,411,447</u>	<u>1,545,747</u>
Creditors: amounts falling due within one year	9	(13,063,328)	(1,777,337)
Net current liabilities		<u>(651,881)</u>	<u>(231,590)</u>
Total assets less current liabilities		<u>(466,970)</u>	<u>706</u>
Net (liabilities)/assets		<u><u>(466,970)</u></u>	<u><u>706</u></u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		(466,971)	705
		<u><u>(466,970)</u></u>	<u><u>706</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Niall O'Reilly

Niall O'Reilly
Director

Date: 25 March 2025

The notes on pages 2 to 10 form part of these financial statements.

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. General information

Cumberland House Hotel Birmingham Limited is a private company limited by shares incorporated in England and Wales, registration number 07134579. The registered office is 10 Lower Thames Street, London, EC3R 6AF. The principal place of business is Hampton by Hilton, 200 Broad Street, Birmingham, B15 1SU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

Management monitors the Company's working capital requirements, and the directors consider it is appropriate to prepare the financial statements on a going concern basis. This assumes that the Company will continue in operational existence for the foreseeable future and for at least 12 months after the signing of the financial statements.

The Company performed well during the year. Increased levels of occupancy and room rate on the prior year led to strong gross profit and surplus cashflow, resulting in increased rental payments to the parent company.

The Company's ability to continue in operational existence for the foreseeable future is also reliant on the continued support of its lenders. The company's other loan of £0.5m is due for repayment in December 2024. This loan is secured by way of a second legal charge over the parent company's property. The first legal charge on the property is attributed to the bank loan of £11.47m held by the company. An intercreditor deed exists between the parent company and lender of the other loan, which prohibits the loan being called in for repayment before the bank loan is repaid. The bank loan is due for repayment in May 2025, whilst a long-term extension has not yet been obtained, the directors are confident that they will be able to extend the loan term or seek alternative financing options. A material uncertainty exists that casts a doubt over the Company's ability to continue as a going concern, due to the uncertainty of the term of the bank loan being extended or the loan refinanced. However, for the reasons stated above the directors expect the loans to be extended.

For this reason, the directors believe that the Company continues to be a going concern and that it is appropriate to prepare the accounts on a going concern basis.

If the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that may arise and reclassify fixed assets as current assets.

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax for goods and services supplied during the year.

2.4 Operating leases: the Company as lessee

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

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.8 Taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- straight line over the term of the lease
Plant and machinery	- 10% - 33% straight line
Fixtures and fittings	- 10% - 33% straight line
Computer equipment	- 10% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short-term 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.

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

3. Employees

The average monthly number of employees, including directors, during the year was 46 (2023 - 45).

4. Exceptional items

	2024 £	2023 £
Waiver of amounts due to group undertakings	-	931,358

During the year the parent entity waived an amount of £nil (2023 - £931,358) in respect of unpaid rent accrued to date.

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2023	511,923	479,274	564,605	130,573	1,686,375
Additions	-	12,493	9,381	5,397	27,271
At 31 March 2024	511,923	491,767	573,986	135,970	1,713,646
Depreciation					
At 1 April 2023	430,271	388,610	519,319	115,879	1,454,079
Charge for the year on owned assets	20,477	28,814	12,685	12,680	74,656
At 31 March 2024	450,748	417,424	532,004	128,559	1,528,735
Net book value					
At 31 March 2024	61,175	74,343	41,982	7,411	184,911
At 31 March 2023	81,652	90,664	45,286	14,694	232,296

6. Stocks

	2024 £	2023 £
Food and beverage stock	14,228	12,452

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

7. Debtors

	2024 £	2023 £
Trade debtors	104,528	168,124
Amounts owed by group undertakings	11,678,992	-
Other debtors	21,324	630,770
Prepayments and accrued income	304,716	232,727
	<u>12,109,560</u>	<u>1,031,621</u>

8. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	287,659	501,674
Less: bank overdrafts	(96,049)	(351)
	<u>191,610</u>	<u>501,323</u>

9. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank overdrafts	96,049	351
Bank loans	11,469,678	-
Other loans	563,345	563,345
Trade creditors	324,503	137,257
Amounts owed to group undertakings	-	220,428
Corporation tax	83,436	83,436
Other taxation and social security	133,947	106,759
Other creditors	244,068	168,408
Accruals and deferred income	148,302	497,353
	<u>13,063,328</u>	<u>1,777,337</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The bank loan relates to a loan taken out with The Royal Bank of Scotland during the current year, and is secured by a fixed charge and negative pledge over the parent undertaking's property. Interest of 2.45% over the base rate is being charged on this loan.

CUMBERLAND HOUSE HOTEL BIRMINGHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

10. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
1 (2023 - 1) Ordinary share of £1.00	1	1

11. Contingent liabilities

The Company has granted legal charges over its assets, lease agreement, hotel management agreement and franchise agreement to National Westminster Bank Plc for security on loans granted to the Company's parent entity, Cumberland House BPRA Property Fund LLP.

12. 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 £16,063 (2023 - £14,785). Contributions totaling £7,142 (2023 - £5,552) were payable to the fund at the Balance Sheet date and are included in creditors.

13. Controlling party

The Company is a wholly owned subsidiary of Cumberland House BPRA Property Fund LLP. The address of its registered office is 10 Lower Thames Street, London, England, EC3R 6AF.

The LLP is controlled by its members as delegated to the management team and as such there is no one controlling party.

The financial statements of Cumberland House Hotel Birmingham Limited have not been consolidated into the larger group at the year end 31 March 2024 under s399(2A) of the Companies Act 2006.

14. Auditors' information

These financial statements have prepared for the purpose of filing with Companies House and no Statement of Comprehensive Income and Members' Report is included within this set of financial statements. The full financial statements have been subject to audit. Attention was drawn to note 2.2 in the financial statements, which indicates that uncertainties exist regarding the company's ability to extend or refinance its existing loan facility which would impact its ability to continue as a going concern. As stated in note 2.2, these events, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. The audit was undertaken by Lubbock Fine Chartered Accountants & Statutory Auditors and the Senior Statutory Auditor was Stephen Banks.