

Company Registration No. 02965452 (England and Wales)

The Bath Priory Limited

**Annual report and financial statements
for the period ended 3 January 2021**

The Bath Priory Limited

Company information

Directors	Andrew Brownsword Jeremy Hancock Christina Brownsword Stephanie Hocking Peter Tyrrell Alessandra Brownsword-Matthews David Matthews
Secretary	Peter Tyrrell
Company number	02965452
Registered office	8 Gay Street Bath BA1 2PH
Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ

The Bath Priory Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 6
Independent auditor's report	7 - 10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 - 30

The Bath Priory Limited

Strategic report

For the period ended 3 January 2021

The directors present the strategic report for the period ended 3 January 2021.

Fair review of the business

The loss for the period ended 3 January 2021, after taxation, amounted to £1,571,113 (period ended December 2019: loss of £338,038).

Net assets at the end of the period were £56,640,682 (period ended 29 December 2019: £58,211,795).

In March 2020 the Coronavirus worldwide pandemic resulted in the hotels closing from 23 March to 4 July 2020. This temporary closure resulted in no revenue, whilst at the same time the hotels continued to have certain fixed costs (Insurance, Utilities, IT Contracts etc). The hotel utilised the Governments Coronavirus Job Retention Scheme to minimise the cost of payroll whilst it was closed. Once re-opened the hotels performed well throughout the summer months, however towards the end of the year the government mandated further closures which resulted in further disruption throughout the months of October to December and once again impacted revenues.

The board are satisfied with the overall trading performance throughout an extremely challenging period.

Principal risks and uncertainties

The company manages competitive trading risk by providing high quality services and maintaining strong relationships with its customers.

In line with the hotel and restaurant industry generally, the business is exposed to normal economic and market factors which ultimately reflect the strength of the economy and the strength of local conditions. This is affected by business usage and tourism as well as normal seasonal factors and weather conditions.

In 2021 the Coronavirus worldwide pandemic continued to disrupt business with national lockdowns ordered from January 2021 to June 2021 impacting heavily on the hospitality industry. The directors believe the company is well placed to compete in the market despite challenging market conditions.

Development and performance

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

In April 2021, the company received planning consent to change the use at Kelston Park, as an addition to the hotel group. Kelston Park is a grade two listed building in parkland 3 miles from Bath City Centre. Given the current pandemic this project is on hold for the time being.

Key performance indicators

To enable review of performance and benchmarking within the company, many KPI's are regularly used and an example of these would be: average room rate, occupancy %, yield, food and beverage COS %, cost per occupied room for certain room costs/payroll, wage cost %, utility cost per occupied room and EBITDA %.

The Bath Priory Limited

Strategic report (continued)

For the period ended 3 January 2021

Promoting the success of the company

The company is a family owned and managed business with the shareholding directors acting in the way to promote the success of the group and benefit its stake holders.

The company is managed to build the business for the future, always considering ways to enhance and improve operations and their guests experience.

Employees

Family First is our people brand and is here to represent the people who make up our family across all of our hotels and restaurants. Communication is encouraged, through numerous channels such as the company website, regular company updates and management briefings. Risks are kept to a minimum through health and safety and regular training.

Relationships with suppliers

Suppliers are continually communicated with to ensure the best product offering for the customer.

Relationships with customers

Our hotels are built on Originality (all the hotels have their own stories and heritage), Personality (being different is a badge of honour) and Quality (Quality is at the heart of everything we do, take pride in every little detail)

Community and environment

The company is invested in minimising its carbon footprint by ensuring all employees have an increased energy awareness across all its sites / behavioural change initiatives.

Wherever possible the continued re-investment in smarter, more energy efficient lighting, machinery and technology whenever possible.

Maintain high standards

The company's reputation for outstanding service, knowledge and experience is the result of an energy and ambition that is shared across every hotel.

On behalf of the board

Peter Tyrrell

Director

15 September 2021

The Bath Priory Limited

Directors' report

For the period ended 3 January 2021

The directors present their annual report and financial statements for the period ended 3 January 2021.

Principal activities

The principal activity of the company continued to be that of the provision of accommodation and restaurant services.

Results and dividends

The results for the period are set out on page 11.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Andrew Brownsword
Jeremy Hancock
Christina Brownsword
Stephanie Hocking
Peter Tyrrell
Alessandra Brownsword-Matthews
David Matthews

Financial instruments

Liquidity risk

The company has significant cash resources to meet its financial obligations and has the ongoing support of its sole shareholder.

Interest rate risk

The company has outstanding loan balances at the period end and so is exposed to interest rate risk on the variable element, being the Bank of England base rate. Interest rates are currently at all time lows and so this is not considered to be a significant risk. This is coupled with the fact that the loan is due from a related party, rather than an external lender.

Foreign currency risk

The company makes its sales and purchases in sterling and so is not exposed to foreign currency risk.

Credit risk

Credit risk is considered low for the company as credit terms are not provided to the majority of customers.

Disabled persons

The Bath Priory Limited is an equal opportunities employer and gives disabled people full and fair consideration for vacancies for which they apply, having regard for their particular aptitudes and abilities. It is the company's policy to offer training and career development to disabled employees that is, as far as possible, the same as that offered to other employees.

The Bath Priory Limited

Directors' report (continued)

For the period ended 3 January 2021

Employee involvement

The company's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Energy and carbon report

As a company, The Bath Priory Limited is attempting to increase its efficiency every year.

Energy consumption	kWh	
Aggregate of energy consumption in the year	7,350,560	
<hr/>		
Emissions of CO2 equivalent	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion and fuel consumed for owned transport	847.00	847.00
	<hr/>	
Scope 2 - indirect emissions		
- Electricity purchased		678.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		82.00
	<hr/>	
Total gross emissions		1,607.00
<hr/>		
Intensity ratio		
Tonnes CO2e per £1m of revenue		99.7
		<hr/>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £1m of revenue, the recommended ratio for the sector.

The Bath Priory Limited

Directors' report (continued)

For the period ended 3 January 2021

Measures taken to improve energy efficiency

- Increased energy awareness across all sites / behavioural change initiatives
- Monitoring usage on a regular basis and reducing wastage
- Greater video conferencing to reduce business travel
- Efficient LED lighting wherever possible
- Energy efficient boilers / pumps etc installed when replacements are required

Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Strategic Report s414C

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the fair review of the business, principal risks and uncertainties and development and performance.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

The Bath Priory Limited

Directors' report (continued)
For the period ended 3 January 2021

On behalf of the board

Peter Tyrrell
Director

15 September 2021

The Bath Priory Limited

Independent auditor's report

To the members of The Bath Priory Limited

Opinion

We have audited the financial statements of The Bath Priory Limited (the 'company') for the period ended 3 January 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 3 January 2021 and of its loss for the period 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 Auditor's 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.

The Bath Priory Limited

Independent auditor's report (continued) To the members of The Bath Priory Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 course of 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 and the directors' report.

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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.

The Bath Priory Limited

Independent auditor's report (continued) **To the members of The Bath Priory Limited**

Auditor's 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 an auditor's report 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

The Bath Priory Limited

Independent auditor's report (continued)
To the members of The Bath Priory Limited

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.

Michael Strong (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

16 September 2021

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

The Bath Priory Limited

**Statement of comprehensive income
For the period ended 3 January 2021**

		Period ended 3 January 2021	Period ended 29 December 2019
	Notes	£	£
Turnover	3	16,124,733	27,375,071
Cost of sales		(10,409,088)	(15,335,384)
Gross profit		5,715,645	12,039,687
Administrative expenses		(9,257,611)	(11,950,997)
Other operating income	3	2,296,450	20,619
Operating (loss)/profit	4	(1,245,516)	109,309
Interest receivable and similar income	6	3,283	11,253
Interest payable and similar expenses	7	(437,166)	(516,082)
Loss before taxation		(1,679,399)	(395,520)
Tax on loss	8	108,286	57,482
Loss for the financial period		(1,571,113)	(338,038)

The income statement has been prepared on the basis that all operations are continuing operations.

The Bath Priory Limited

Statement of financial position

As at 3 January 2021

		Period ended 3 January 2021		Period ended 29 December 2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		80,393,473		81,812,146
Current assets					
Stocks	10	409,773		470,490	
Debtors	11	2,388,344		1,501,180	
Cash at bank and in hand		4,910,435		2,745,576	
		<u>7,708,552</u>		<u>4,717,246</u>	
Creditors: amounts falling due within one year	12	<u>(29,860,436)</u>		<u>(26,918,207)</u>	
Net current liabilities			<u>(22,151,884)</u>		<u>(22,200,961)</u>
Total assets less current liabilities			58,241,589		59,611,185
Provisions for liabilities			<u>(1,600,907)</u>		<u>(1,399,390)</u>
Net assets			<u><u>56,640,682</u></u>		<u><u>58,211,795</u></u>
Capital and reserves					
Called up share capital	16		44,850,280		44,850,280
Profit and loss reserves			<u>11,790,402</u>		<u>13,361,515</u>
Total equity			<u><u>56,640,682</u></u>		<u><u>58,211,795</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15 September 2021 and are signed on its behalf by:

Peter Tyrrell
Director

Company Registration No. 02965452

The Bath Priory Limited

**Statement of changes in equity
For the period ended 3 January 2021**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 31 December 2018	44,850,280	13,699,553	58,549,833
Period ended 29 December 2019:			
Loss and total comprehensive income for the period	-	(338,038)	(338,038)
Balance at 29 December 2019	44,850,280	13,361,515	58,211,795
Period ended 3 January 2021:			
Loss and total comprehensive income for the period	-	(1,571,113)	(1,571,113)
Balance at 3 January 2021	44,850,280	11,790,402	56,640,682

The Bath Priory Limited

Statement of cash flows
For the period ended 3 January 2021

		Period ended 3 January 2021		Period ended 29 December 2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21	(132,971)		2,877,236	
Interest paid		(437,166)		(516,082)	
Income taxes paid		-		(418,373)	
Net cash (outflow)/inflow from operating activities		(570,137)		1,942,781	
Investing activities					
Purchase of tangible fixed assets		(268,287)	(6,150,810)		
Proceeds on disposal of tangible fixed assets		-	1,053		
Interest received		3,283	11,253		
Net cash used in investing activities		(265,004)		(6,138,504)	
Financing activities					
Proceeds from borrowings		3,000,000	-		
Net cash generated from/(used in) financing activities		3,000,000		-	
Net increase/(decrease) in cash and cash equivalents		2,164,859		(4,195,723)	
Cash and cash equivalents at beginning of period		2,745,576		6,941,299	
Cash and cash equivalents at end of period		4,910,435		2,745,576	

The Bath Priory Limited

Notes to the financial statements For the period ended 3 January 2021

1 Accounting policies

Company information

The Bath Priory Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 Gay Street, Bath, BA1 2PH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements of the company are drawn up to either a 52 or 53 week period each year which is in accordance with the company management accounts. This is in line with the Companies Act 2006 as the period end is never more than seven days before or after the year end date of 31 December each year.

1.2 Going concern

The directors have prepared the financial statements on a going concern basis, as in their opinion the company is able to meet its obligations as they fall due. This opinion is based on detailed forecasting for the following 12 months based on current and expected market conditions together with current performance levels.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Accommodation is recognised when a room is occupied; food and beverage revenue is recognised when food and beverages are sold; spa and beauty revenue is recognised when treatments are provided or products sold; sundry and other revenues, consisting of items such as room hire and car parking, are recognised at the point of sale.

The Bath Priory Limited

Notes to the financial statements (continued) For the period ended 3 January 2021

1 Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Nil - 10% straight line
Plant & machinery	5 - 20% straight line
Fixtures & fittings	10 - 25% straight line
Computer equipment	25 - 33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

It is the company's practice to maintain its property in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly, the directors consider that the life of the asset and residual value, based on the price prevailing at the time of acquisition, is such that its depreciation would be insignificant. Although this accounting policy is a departure from the requirements of the Companies Act 2006 for all tangible assets to be depreciated, the directors are of the opinion that providing for depreciation on freehold properties would prevent the accounts from showing a true and fair view.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks comprise raw materials and finished goods which are food and beverages respectively. Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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 debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of 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 deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as payable within one year are not amortised.

The Bath Priory Limited

Notes to the financial statements (continued)

For the period ended 3 January 2021

1 Accounting policies (continued)

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the period in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the period are shown either as accruals or prepayments at the period end.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

During the year the company received money through the Coronavirus job retention scheme (CJRS). This has been recognised in other income and can be identified in the turnover note. Wages continue to be recognised at their gross value. The recognition point for this income is the month in which the wage cost is recognised.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Bath Priory Limited

Notes to the financial statements (continued)
For the period ended 3 January 2021

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Turnover analysed by class of business		
Bedrooms	8,568,018	13,668,050
Food	4,756,922	8,367,964
Beverage	2,145,811	3,807,722
Spas and beauty	410,324	977,643
Sundry and other revenue	243,658	553,692
	<u>16,124,733</u>	<u>27,375,071</u>

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Other significant revenue		
Furlough income received	2,256,590	-
Other government grants	21,000	-
	<u>2,277,590</u>	<u>-</u>

4 Operating (loss)/profit

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Operating (loss)/profit for the period is stated after charging/(crediting):		
Exchange losses/(gains)	17	(53)
Furlough income received	(2,256,590)	-
Other government grants	(21,000)	-
Fees payable to the company's auditor for the audit of the company's financial statements	32,600	31,000
Depreciation of owned tangible fixed assets	1,686,960	1,597,418
(Profit)/loss on disposal of tangible fixed assets	-	934
	<u>1,441,587</u>	<u>1,678,399</u>

The Bath Priory Limited

Notes to the financial statements (continued)
For the period ended 3 January 2021

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	Period ended 3 January 2021	Period ended 29 December 2019
	Number	Number
Employees	462	590

Their aggregate remuneration comprised:

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Wages and salaries	8,329,392	10,233,163
Social security costs	602,089	757,437
Pension costs	134,473	149,665
	<u>9,065,954</u>	<u>11,140,265</u>

6 Interest receivable and similar income

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Interest income		
Interest on bank deposits	3,283	11,253

7 Interest payable and similar expenses

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Other finance costs:		
Other interest	437,166	516,082

The Bath Priory Limited

Notes to the financial statements (continued)
For the period ended 3 January 2021

8 Taxation

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Current tax		
Adjustments in respect of prior periods	(309,803)	(284,708)
Deferred tax		
Origination and reversal of timing differences	201,517	227,226
Total tax credit	(108,286)	(57,482)

The actual credit for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Loss before taxation	(1,679,399)	(395,520)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (Period ended 29 December 2019: 19.00%)	(319,086)	(75,149)
Tax effect of expenses that are not deductible in determining taxable profit	46,182	45,979
Adjustments in respect of prior years	2,788	(284,708)
Other temporary differences	164,962	(26,733)
Effects of other reliefs	(3,132)	283,129
Taxation for the period	(108,286)	(57,482)

The Bath Priory Limited

Notes to the financial statements (continued)

For the period ended 3 January 2021

9 Tangible fixed assets

	Freehold property and property improvements	Plant & machinery	Computer equipment	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 30 December 2019	78,225,568	5,636,603	913,303	6,179,315	17,953	90,972,742
Additions	143,508	56,867	2,445	65,467	-	268,287
At 3 January 2021	78,369,076	5,693,470	915,748	6,244,782	17,953	91,241,029
Depreciation						
At 30 December 2019	1,026,316	3,095,711	810,826	4,209,790	17,953	9,160,596
Charge for the period	672,093	512,328	57,696	444,843	-	1,686,960
At 3 January 2021	1,698,409	3,608,039	868,522	4,654,633	17,953	10,847,556
Carrying amount						
At 3 January 2021	76,670,667	2,085,431	47,226	1,590,149	-	80,393,473
At 29 December 2019	77,199,252	2,540,892	102,477	1,969,525	-	81,812,146

10 Stocks

Period ended 3 January 2021 **Period ended 29 December 2019**

	£	£
Raw materials and consumables	70,166	95,288
Finished goods and goods for resale	339,607	375,202
	409,773	470,490

The Bath Priory Limited

Notes to the financial statements (continued)
For the period ended 3 January 2021

11 Debtors

	Period ended 3 January 2021	Period ended 29 December 2019
Amounts falling due within one year:	£	£
Trade debtors	9,120	184,169
Corporation tax recoverable	628,965	319,162
Other debtors	1,332,935	201,597
Prepayments and accrued income	417,324	796,252
	<u>2,388,344</u>	<u>1,501,180</u>

12 Creditors: amounts falling due within one year

		Period ended 3 January 2021	Period ended 29 December 2019
	Notes	£	£
Other borrowings	13	26,000,000	23,000,000
Trade creditors		1,013,489	675,378
Taxation and social security		109,640	331,408
Other creditors		2,084,558	1,922,159
Accruals and deferred income		652,749	989,262
		<u>29,860,436</u>	<u>26,918,207</u>

13 Loans and overdrafts

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Other loans	<u>26,000,000</u>	<u>23,000,000</u>
Payable within one year	<u>26,000,000</u>	<u>23,000,000</u>

The balance due is to Alessandra Brownsword-Matthews, director of The Bath Priory Limited, and is repayable on demand. Interest will accrue on the Loan at the rate of 1.5% per annum above the base rate from time to time of National Westminster Bank PLC.

The Bath Priory Limited

Notes to the financial statements (continued)

For the period ended 3 January 2021

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities Period ended 3 January 2021	Liabilities Period ended 29 December 2019
Balances:	£	£
Accelerated capital allowances	1,602,475	1,404,351
Other	(1,568)	(4,961)
	<u>1,600,907</u>	<u>1,399,390</u>
		Period ended 3 January 2021
Movements in the period:		£
Liability at 30 December 2019		1,399,390
Charge to profit or loss		201,517
		<u>1,600,907</u>
Liability at 3 January 2021		<u>1,600,907</u>

The deferred tax liability set out above is expected to reverse after 12 months and relates to accelerated capital allowances that are expected to mature after that time.

Following the period end, the Budget in March 2021 announced that the corporation tax rate would increase to 25% on 1 April 2023 which will be reflected in the financial statements for the period ended 2 January 2022.

The Bath Priory Limited

Notes to the financial statements (continued)
For the period ended 3 January 2021

15 Retirement benefit schemes

	Period ended 3 January 2021	Period ended 29 December 2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	134,473	149,655

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	44,850,280	44,850,280	44,850,280	44,850,280

Shares rank equally for voting purposes. On a show of hands, each member shall have one vote and on a poll each member shall have one vote per share held.

17 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Acquisition of tangible fixed assets	103,963	121,851

18 Ultimate controlling party

The company is owned and controlled by Alessandra Brownsword-Matthews, by virtue of her 100% shareholding in the company.

The Bath Priory Limited

Notes to the financial statements (continued) For the period ended 3 January 2021

19 Related party transactions

No guarantees have been given or received.

The company is controlled by Alessandra Brownsword-Matthews, a director of the company. The company undertakes its transactions on an "arm's length basis" and the following transactions are disclosed in accordance with FRS 102 section 33 "Related Party Transactions".

Andrew Brownsword was invoiced £351 (period ended 29 December 2019: £1,018) by The Bath Priory Limited for sales in the period. A balance of £236 (period ended 29 December 2019: £nil) was outstanding at period end.

During the period, a total amount of £6,035 (period ended 29 December 2019: £10,961) was payable to Andrew Brownsword for the provision of administrative services. £nil (period ended 29 December 2019: £2,972) was outstanding at period end.

A loan to the company of £26,000,000 (period ended 29 December 2019: £23,000,000) from Alessandra Brownsword-Matthews was outstanding at the period end. Interest on this loan accrued at a rate of 1.5% above the base rate of the company's bankers, Natwest Bank. During the period, interest of £437,167 (period ended 29 December 2019: £516,082) accrued on the loan of which £3,410 (period ended 29 December 2019: £nil) was outstanding at the period end. The loan is repayable on demand.

Paxton & Whitfield Limited is owned and controlled by Andrew Brownsword. During the period, The Bath Priory Limited made purchases from Paxton & Whitfield Limited totalling £17,075 (period ended 29 December 2019: £35,408). A balance of £2,215 (period 29 December 2019: £3,924) was outstanding at the period end.

Andrew Brownsword Hotels Limited is owned and controlled by Alessandra Brownsword-Matthews. During the period, a total amount of £1,476,224 (period ended 29 December 2019: £1,471,296) was payable to Andrew Brownsword Hotels Limited for the provision of management and other services. A creditor of £424,551 (period ended 29 December 2019: £10,969) was outstanding at the period end. Sales of £8,801 (period ended 29 December 2019: £23,802) were also made to Andrew Brownsword Hotels Limited during the period. A debtor of £400 (period ended 29 December 2019: £nil) was outstanding at the period end.

Walton Street LLP is owned and controlled by Andrew Brownsword. During the period, The Bath Priory Limited made sales to Walton Street of £150 (period ended 29 December 2019: £nil). £nil was outstanding at the period end (period ended 29 December 2019: £nil).

David Matthews is a director of PinPoint Projects Limited. During the period, Pinpoint Projects Limited made sales to The Bath Priory Limited totalling £nil (period ended 29 December 2019: £26,829). A balance of £nil was outstanding at the period end (period ended 29 December 2019: £nil).

The Bath Priory Limited

Notes to the financial statements (continued)

For the period ended 3 January 2021

19 Related party transactions (continued)

The Manchester Abode Limited is a 100% subsidiary of Andrew Brownsword Hotels Limited, owned and controlled by Alessandra Brownsword-Matthews. During the period, The Bath Priory Limited made purchases of £3,223 (period ended 29 December 2019: £7,074) from The Manchester Abode Limited. A balance of £nil (period ended 29 December 2019: £nil) was outstanding at the period end. Sales of £3,263 (period ended 29 December 2019: £6,234) were made during the period to The Manchester Abode Limited. A balance of £848 (period ended 29 December 2019: £634) was outstanding at the period end.

The Chester Abode Limited is a 100% subsidiary of Andrew Brownsword Hotels Limited, owned and controlled by Alessandra Brownsword-Matthews. During the period, The Bath Priory Limited made purchases of £400 (period ended 29 December 2019: £1,914). A balance of £nil (period ended 29 December 2019: £nil) was outstanding at the period end. Sales of £4,587 (period ended 29 December 2019: £8,198) were made during the period to The Chester Abode Limited. A balance of £788 (period ended 29 December 2019: £967) was outstanding at the period end.

The County Hotel Canterbury Limited is a 100% subsidiary of Andrew Brownsword Hotels Limited, owned and controlled by Alessandra Brownsword-Matthews. During the period, The Bath Priory Limited made purchases of £530 (period ended 29 December 2019: £228) from The County Hotel Canterbury Limited. A balance of £nil (period ended 29 December 2019: £33) was outstanding at the period end. Sales of £3,762 (period ended 29 December 2019: £5,367) were made during the period to The County Hotel Canterbury Limited. A balance of £nil (period ended 29 December 2019: £839) was outstanding at the period end.

The Arthouse Glasgow Limited is a 100% subsidiary of Andrew Brownsword Hotels Limited, owned and controlled by Alessandra Brownsword-Matthews. During the period, The Bath Priory Limited made purchases of £1,862 (period ended 29 December 2019: £2,365) from The Arthouse Glasgow Limited. A balance of £21 (period ended 29 December 2019: £743) was outstanding at the period end. Sales of £3,400 (period ended 29 December 2019: £4,245) were made during the period to The Arthouse Glasgow Limited. A balance of £821 (period ended 29 December 2019: £547) was outstanding at the period end.

20 Contingent assets

As at the date of signing the financial statements, the company is undergoing a claim against various financial institutions in relation to finance charges. Although settlement is considered probable, the expected settlement cannot be reliably estimated at this stage.

The Bath Priory Limited

Notes to the financial statements (continued)

For the period ended 3 January 2021

21 Cash (absorbed by)/generated from operations

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Loss for the period after tax	(1,571,113)	(338,038)
Adjustments for:		
Taxation credited	(108,286)	(57,482)
Finance costs	437,166	516,082
Investment income	(3,283)	(11,253)
(Gain)/loss on disposal of tangible fixed assets	-	934
Depreciation and impairment of tangible fixed assets	1,686,960	1,597,418
Movements in working capital:		
Decrease/(increase) in stocks	60,717	(73,442)
(Increase)/decrease in debtors	(577,361)	863,964
(Decrease)/increase in creditors	(57,771)	379,053
Cash (absorbed by)/generated from operations	(132,971)	2,877,236

22 Analysis of changes in net debt

	30 December 2019	Cash flows 3 January 2021	
	£	£	£
Cash at bank and in hand	2,745,576	2,164,859	4,910,435
Borrowings excluding overdrafts	(23,000,000)	(3,000,000)	(26,000,000)
	(20,254,424)	(835,141)	(21,089,565)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.