

Company Registration No. 05319043 (England and Wales)

The County Hotel Canterbury Limited

**Annual report and financial statements
for the period ended 29 December 2019**

The County Hotel Canterbury Limited

Company information

Directors	Jeremy Hancock Andrew Brownsword Stephanie Hocking Peter Tyrrell Alessandra Brownsword-Matthews (Appointed 15 May 2019) David Matthews (Appointed 15 May 2019)
Secretary	Peter Tyrrell
Company number	05319043
Registered office	8 Gay Street Bath BA1 2PH
Independent auditors	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ
Business address	30-33 High Street Canterbury Kent CT1 2RX

The County Hotel Canterbury Limited

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The County Hotel Canterbury Limited

Strategic report

For the period ended 29 December 2019

The directors present the strategic report and financial statements for the period ended 29 December 2019.

Fair review of the business

Reduced corporate and conference demand in the market led to a slight decline year on year in terms of revenues. Management reacted well and were able to control expenditure thus mitigating the shortfall in top line revenues.

The profit for the period, after taxation, amounted to £191,413 (period ended 30 December 2018: £500,726) and will be transferred to reserves.

Net assets at the period end were £12,374,252 (period ended 30 December 2018: £12,182,839).

No dividends were paid or proposed in the period.

Principal risks and uncertainties

The company manages competitive trading risk by providing high quality services and maintaining consistent renewal of its properties and 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. The continual increase of hotel bedroom supply in all cities has a negative impact on the ability to maximise pricing.

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

The directors believe the company is well placed to compete in the market despite challenging market conditions.

Development and performance

In March 2020, the Coronavirus worldwide pandemic resulted in the hotel closing from 23 March to 4 July 2020. This temporary closure resulted in no revenue, whilst at the same time the hotel continued to have certain fixed costs (insurance, utilities, IT contracts etc).

The company utilised the government's Coronavirus Job Retention Scheme to minimise the cost of payroll whilst it was closed. As this measure is due to cease in October 2020, the company has made the difficult decision to restructure in order to sustain its long term future.

The County Hotel Canterbury Limited

Strategic report (continued)

For the period ended 29 December 2019

Key performance indicators

To enable review of performance and benchmarking within the company, many KPI's are regularly used and key examples of these would be:

- Average Room Rate
- Occupancy
- Yield
- Food and beverage gross profit margin
- Certain room costs and payroll per occupied room
- Wage cost as a percentage of revenue
- Utility cost per occupied room
- EBITDA as a percentage of revenue

On behalf of the board

Peter Tyrrell

Director

18 August 2020

The County Hotel Canterbury Limited

Directors' report

For the period ended 29 December 2019

The directors present their annual report and financial statements for the period ended 29 December 2019.

Principal activities

The principal activity of the company during the period was the provision of accommodation and restaurant services.

Directors

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

Jeremy Hancock

Andrew Brownsword

Stephanie Hocking

Peter Tyrrell

Alessandra Brownsword-Matthews

(Appointed 15 May 2019)

David Matthews

(Appointed 15 May 2019)

Results and dividends

The results for the period are set out on page 9.

The Directors' Report does not include a fair review of the business, details of the risks and uncertainties and future developments, as this information is documented within the Strategic Report as required under s414C(11) of The Companies Act 2006.

Financial instruments

Liquidity risk

The company, along with its wider group, have significant cash resources to meet its financial obligations and has the ongoing support of its ultimate sole shareholder.

Interest rate risk

The company does not have borrowings and is not therefore exposed to interest rate risk.

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.

The County Hotel Canterbury Limited

Directors' report (continued)

For the period ended 29 December 2019

Post reporting date events

Following the period end, the outbreak of coronavirus, which is a rapidly evolving situation, has adversely impacted global commercial activities. This led to the closure of the hotel within the company between 23 March and 4 July, after which the hotel successfully reopened following government advice. The company has utilised government measures to the best extent, which has eased immediate cash flow requirements. Due to the reduction in revenues during the lockdown period and the Coronavirus Job Retention Scheme due to end in October 2020, the company has made the difficult decision to restructure in order to sustain its long term future.

The directors do not believe that this leads to an uncertainty with regard to the going concern of the company due to the liquidity within the Andrew Brownsword Hotels Limited group and The Bath Priory Hotel Limited and also the ongoing support of the ultimate sole shareholder.

Auditor

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

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.

The County Hotel Canterbury Limited

Directors' report (continued)

For the period ended 29 December 2019

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.

On behalf of the board

Peter Tyrrell

Director

18 August 2020

The County Hotel Canterbury Limited

Independent auditor's report

To the members of The County Hotel Canterbury Limited

Opinion

We have audited the financial statements of The County Hotel Canterbury Limited (the 'company') for the period ended 29 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 29 December 2019 and of its profit 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The County Hotel Canterbury Limited

Independent auditor's report (continued)

To the members of The County Hotel Canterbury 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our 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 directors' 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 County Hotel Canterbury Limited

Independent auditor's report (continued)

To the members of The County Hotel Canterbury 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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

24 August 2020

Chartered Accountants
Statutory Auditors

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

The County Hotel Canterbury Limited

**Statement of comprehensive income
For the period ended 29 December 2019**

		Period ended 29 December 2019 £	Period ended 30 December 2018 £
	Notes		
Turnover	3	4,055,095	4,338,400
Cost of sales		(2,173,608)	(2,182,284)
Gross profit		<u>1,881,487</u>	<u>2,156,116</u>
Administrative expenses		(1,697,035)	(1,658,575)
Operating profit	4	<u>184,452</u>	<u>497,541</u>
Interest receivable and similar income	6	6,961	3,185
Profit before taxation		<u>191,413</u>	<u>500,726</u>
Tax on profit	7	-	-
Profit for the financial period		<u><u>191,413</u></u>	<u><u>500,726</u></u>

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

The County Hotel Canterbury Limited

**Statement of financial position
As at 29 December 2019**

			2019	2018
	Notes	£	£	£
Fixed assets				
Tangible assets	8	10,184,814		10,256,465
Current assets				
Stocks	9	33,342	39,190	
Debtors	10	172,180	169,896	
Cash at bank and in hand		2,603,141	2,239,696	
		<u>2,808,663</u>	<u>2,448,782</u>	
Creditors: amounts falling due within one year	11	<u>(619,225)</u>	<u>(522,408)</u>	
Net current assets		2,189,438		1,926,374
Total assets less current liabilities		<u>12,374,252</u>		<u>12,182,839</u>
Capital and reserves				
Called up share capital	13	3,375,001	3,375,001	
Share premium account		10,125,000	10,125,000	
Profit and loss reserves		<u>(1,125,749)</u>	<u>(1,317,162)</u>	
Total equity		<u>12,374,252</u>	<u>12,182,839</u>	

The financial statements were approved by the board of directors and authorised for issue on 18 August 2020 and are signed on its behalf by:

Peter Tyrrell
Director

Company Registration No. 05319043

The County Hotel Canterbury Limited

Statement of changes in equity

For the period ended 29 December 2019

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2018	3,375,001	10,125,000	(1,817,888)	11,682,113
Period ended 30 December 2018:				
Profit and total comprehensive income for the period	-	-	500,726	500,726
Balance at 30 December 2018	3,375,001	10,125,000	(1,317,162)	12,182,839
Period ended 29 December 2019:				
Profit and total comprehensive income for the period	-	-	191,413	191,413
Balance at 29 December 2019	3,375,001	10,125,000	(1,125,749)	12,374,252

The County Hotel Canterbury Limited

Notes to the financial statements

For the period ended 29 December 2019

1 Accounting policies

Company information

The County Hotel Canterbury 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.

The County Hotel Canterbury Limited constitutes a qualifying entity, as set out within FRS 102 Section 1 "Scope", due to it being a 100% subsidiary of Andrew Brownsword Hotels Limited, and is included within the consolidated accounts of that company, which can be located at Companies House.

As the company meets the criteria of a qualifying entity, it has taken advantage of the following exemptions available to it:

- The requirements of Section 7 "Statement of Cash Flows" and Section 3 "Financial Statement Presentation" paragraph 3.17(d);
- The requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" outlined in paragraph 1.12(c); and
- The requirement of Section 33 "Related Party Disclosures" paragraph 33.7.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The County Hotel Canterbury Limited

Notes to the financial statements (continued) For the period ended 29 December 2019

1 Accounting policies (continued)

1.3 Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes or duty. The following criteria must be met before revenue is recognised:

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

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 of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	Nil - 20% straight line
Land and buildings leasehold	Nil - 20% straight line
Plant and machinery	5 - 20% straight line
Fixtures, fittings & equipment	10 - 25% straight line
Computer equipment	25 - 33% 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.

In accordance with normal practice in the UK hotel industry, no depreciation is provided on the company's freehold property acquired at cost. It is the company's practice to maintain its property in a continual state of sound repair and to 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.

The company has undertaken a refurbishment to the property. This expenditure is split between work to the core of the building, with nil depreciation and work to building surfaces and services, with a finite useful economic life and depreciated at rates between 5% and 10% accordingly.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1 Accounting policies (continued)

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.

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 and cash equivalents

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.

1 Accounting policies (continued)

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.

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.

1 Accounting policies (continued)

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.

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.

1.10 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.

1.11 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.

The County Hotel Canterbury Limited

Notes to the financial statements (continued)

For the period ended 29 December 2019

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.

3 Turnover and other revenue

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

	2019	2018
	£	£
Turnover		
Hotel accommodation	2,480,793	2,634,939
Food and beverage	1,440,143	1,549,869
Sundry and other revenue	134,159	153,592
	<u>4,055,095</u>	<u>4,338,400</u>

4 Operating profit

	2019	2018
	£	£
Operating profit for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	6,850	6,850
Depreciation of owned tangible fixed assets	202,536	188,635
Cost of stocks recognised as an expense	<u>431,374</u>	<u>457,634</u>

The County Hotel Canterbury Limited

Notes to the financial statements (continued)

For the period ended 29 December 2019

5 Employees

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

	2019	2018
	Number	Number
Employees	86	77
	=====	=====

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	1,344,309	1,297,935
Social security costs	93,453	86,973
Pension costs	17,946	12,379
	=====	=====
	1,455,708	1,397,287
	=====	=====

6 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	6,961	3,185
	=====	=====

The County Hotel Canterbury Limited

Notes to the financial statements (continued)

For the period ended 29 December 2019

7 Taxation

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

	2019	2018
	£	£
Profit before taxation	191,413	500,726
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	36,368	95,138
Tax effect of expenses that are not deductible in determining taxable profit	6,542	4,915
Change in unrecognised deferred tax assets	(42,910)	(98,250)
Group relief	-	(605)
Deferred tax adjustments in respect of prior years	-	(1,198)
	<u> </u>	<u> </u>
Taxation charge for the period	-	-
	<u> </u>	<u> </u>

The company has available trading losses carried forward of £47,389 (period ended 30 December 2018: £18,692).

The County Hotel Canterbury Limited

Notes to the financial statements (continued)

For the period ended 29 December 2019

8 Tangible fixed assets

	Land and buildings freehold	Land and buildings leasehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 31 December 2018	13,108,306	200,000	1,108,243	1,212,559	206,823	15,835,931
Additions	22,563	-	54,356	52,814	1,152	130,885
At 29 December 2019	13,130,869	200,000	1,162,599	1,265,373	207,975	15,966,816
Depreciation						
At 31 December 2018	3,641,474	-	665,510	1,092,433	180,049	5,579,466
Charge for the period	34,681	-	74,765	74,567	18,523	202,536
At 29 December 2019	3,676,155	-	740,275	1,167,000	198,572	5,782,002
Carrying amount						
At 29 December 2019	9,454,714	200,000	422,324	98,373	9,403	10,184,814
At 30 December 2018	9,466,832	200,000	442,733	120,126	26,774	10,256,465

9 Stocks

	2019 £	2018 £
Raw materials and consumables	10,955	7,469
Finished goods and goods for resale	22,387	31,721
	33,342	39,190

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	45,328	56,610
Other debtors	4,097	87
Prepayments and accrued income	122,755	113,199
	172,180	169,896

The County Hotel Canterbury Limited

Notes to the financial statements (continued)

For the period ended 29 December 2019

11 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	121,605	95,078
Taxation and social security	130,066	146,297
Other creditors	235,447	135,495
Accruals and deferred income	132,107	145,538
	<u>619,225</u>	<u>522,408</u>

12 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>17,946</u>	<u>12,379</u>

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.

13 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
13,500,004 Ordinary shares of 25p each	<u>3,375,001</u>	<u>3,375,001</u>

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.

14 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (period ended 30 December 2018: £49,243).

15 Ultimate controlling party

The company's ultimate controlling parent company is Andrew Brownsword Hotels Limited, which is incorporated in England and Wales. The company's ultimate controlling party is Andrew Brownsword, by virtue of his shareholding in the ultimate parent company.

The County Hotel Canterbury Limited

Notes to the financial statements (continued)

For the period ended 29 December 2019

16 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the exemption available in FRS 102 section 33 "Related Party Disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Andrew Brownsword owns and controls both the ultimate parent company and The Bath Priory Limited. During the period, The Bath Priory Limited made purchases from The County Hotel Canterbury Limited totalling £228 (period ended 30 December 2018: £280). A balance of £33 (period ended 30 December 2018: £nil) was outstanding at the period end. The Bath Priory made sales to The County Hotel Canterbury Limited totalling £5,367 (period ended 30 December 2018: £9,361). A balance of £839 (period ended 30 December 2018: £918) was due to The Bath Priory Limited at the period end.

Andrew Brownsword also owns and controls Paxton & Whitfield Limited. During the period to 29 December 2019, Paxton & Whitfield Limited made sales of £5,318 (period ended 30 December 2018: £5,597) to The County Hotel Canterbury Limited. A balance of £248 (period ended 30 December 2018: £397) was outstanding at the period end.

17 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.

18 Post balance sheet event disclosure

Following the period end, the outbreak of coronavirus, which is a rapidly evolving situation, has adversely impacted global commercial activities. This led to the closure of the hotel within the company between 23 March and 4 July, after which the hotel successfully reopened following government advice. The company has utilised government measures to the best extent, which has eased immediate cash flow requirements. Due to the reduction in revenues during the lockdown period and the Coronavirus Job Retention Scheme due to end in October 2020, the company has made the difficult decision to restructure in order to sustain its long term future.

The directors do not believe that this leads to an uncertainty with regard to the going concern of the company due to the liquidity within the Andrew Brownsword Hotels Limited group and The Bath Priory Hotel Limited (see note 16) and also the ongoing support of the ultimate sole shareholder.

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.