

**Company Registration No. 05319043 (England and Wales)**

**The County Hotel Canterbury Limited**

**Annual report and financial statements  
for the period ended 2 January 2022**

## **The County Hotel Canterbury Limited**

### **Company information**

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

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**The County Hotel Canterbury Limited**

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## **The County Hotel Canterbury Limited**

### **Strategic report**

**For the period ended 2 January 2022**

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The directors present the strategic report and financial statements for the period ended 2 January 2022.

#### **Fair review of the business**

The Coronavirus worldwide pandemic continued into 2021 and resulted in the hotels closing from January to May 2021. 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.

The profit for the period, after taxation, amounted to £290,669 (period ended 3 January 2021: loss of £344,085) and will be transferred to reserves.

Net Assets at the end of the year were £12,320,836.

No dividends were paid or proposed in the period.

#### **Principal risks and uncertainties**

The company manages competitive trading risk by providing high quality services, consistent renewal of its properties and maintaining strong relationships with its customers and investing in the development and performance of highly professional service staff.

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 supply of labour has affected the hotel and restaurant industry across the UK which can at times put severe pressure on the hotels operations. The current utility pricing is a further uncertainty within the business. Whilst actively seeking the best contracted prices in advance the business is seeing large increases in relation to Gas and Electricity.

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.

#### **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 for room for certain room costs/payroll, wage cost %, utility cost per occupied room and EBITDA %.

On behalf of the board

Peter Tyrrell

**Director**

15 September 2022

## **The County Hotel Canterbury Limited**

### **Directors' report**

**For the period ended 2 January 2022**

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The directors present their annual report and financial statements for the period ended 2 January 2022.

### **Principal activities**

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

### **Results and dividends**

The results for the period are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **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  
David Matthews

### **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.

### **Auditor**

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

## **The County Hotel Canterbury Limited**

### **Directors' report (continued)**

**For the period ended 2 January 2022**

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#### **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;
- 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.

On behalf of the board

Peter Tyrrell

**Director**

15 September 2022

## **The County Hotel Canterbury Limited**

### **Independent auditor's report**

**To the members of The County Hotel Canterbury Limited**

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#### **Opinion**

We have audited the financial statements of The County Hotel Canterbury Limited (the 'company') for the period ended 2 January 2022 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 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 2 January 2022 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**

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 County Hotel Canterbury Limited**

### **Independent auditor's report (continued)**

**To the members of The County Hotel Canterbury Limited**

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#### **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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 County Hotel Canterbury Limited**

### **Independent auditor's report (continued)**

#### **To the members of The County Hotel Canterbury Limited**

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#### **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 County Hotel Canterbury Limited**

**Independent auditor's report (continued)**

**To the members of The County Hotel Canterbury Limited**

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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 2022

**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 2 January 2022**

		<b>Period ended 2 January 2022</b>	<b>Period ended 3 January 2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	2,583,455	1,785,452
Cost of sales		(1,418,282)	(1,352,104)
<b>Gross profit</b>		<u>1,165,173</u>	<u>433,348</u>
Administrative expenses		(1,099,313)	(1,116,714)
Other operating income	<b>3</b>	224,577	335,191
<b>Operating profit/(loss)</b>	<b>4</b>	<u>290,437</u>	<u>(348,175)</u>
Interest receivable and similar income	<b>6</b>	232	4,090
<b>Profit/(loss) before taxation</b>		<u>290,669</u>	<u>(344,085)</u>
Tax on profit/(loss)	<b>7</b>	-	-
<b>Profit/(loss) for the financial period</b>		<u><u>290,669</u></u>	<u><u>(344,085)</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 2 January 2022**

		<b>Period ended 2 January 2022</b>		<b>Period ended 3 January 2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>8</b>		9,928,315		10,028,826
<b>Current assets</b>					
Stocks	<b>9</b>	31,236		14,354	
Debtors	<b>10</b>	90,515		95,857	
Cash at bank and in hand		2,701,982		2,197,116	
		<u>2,823,733</u>		<u>2,307,327</u>	
<b>Creditors: amounts falling due within one year</b>	<b>11</b>	<u>(431,212)</u>		<u>(305,986)</u>	
<b>Net current assets</b>			<u>2,392,521</u>		<u>2,001,341</u>
<b>Total assets less current liabilities</b>			<u>12,320,836</u>		<u>12,030,167</u>
<b>Capital and reserves</b>					
Called up share capital	<b>12</b>		3,375,001		3,375,001
Share premium account			10,125,000		10,125,000
Profit and loss reserves			<u>(1,179,165)</u>		<u>(1,469,834)</u>
<b>Total equity</b>			<u>12,320,836</u>		<u>12,030,167</u>

The financial statements were approved by the board of directors and authorised for issue on 15 September 2022 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 2 January 2022**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 30 December 2019</b>	3,375,001	10,125,000	(1,125,749)	12,374,252
<b>Period ended 3 January 2021:</b>				
Loss and total comprehensive income for the period	-	-	(344,085)	(344,085)
<b>Balance at 3 January 2021</b>	3,375,001	10,125,000	(1,469,834)	12,030,167
<b>Period ended 2 January 2022:</b>				
Profit and total comprehensive income for the period	-	-	290,669	290,669
<b>Balance at 2 January 2022</b>	3,375,001	10,125,000	(1,179,165)	12,320,836

## **The County Hotel Canterbury Limited**

### **Notes to the financial statements For the period ended 2 January 2022**

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#### **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, particularly given that the parent company, Andrew Brownsword Hotels Limited, is prepared to fully support the company. 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 2 January 2022

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#### 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.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***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.

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***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.

**The County Hotel Canterbury Limited**

**Notes to the financial statements (continued)**

**For the period ended 2 January 2022**

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**1 Accounting policies (continued)**

**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.

**1.12 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.

**1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**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 County Hotel Canterbury Limited**

**Notes to the financial statements (continued)**

**For the period ended 2 January 2022**

**3 Turnover and other revenue**

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

	<b>Period ended 2 January 2022</b>	<b>Period ended 3 January 2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by class of business</b>		
Hotel accommodation	1,790,567	1,109,477
Food and beverage	733,199	619,351
Sundry and other revenue	59,689	56,624
	<u>2,583,455</u>	<u>1,785,452</u>

	<b>Period ended 2 January 2022</b>	<b>Period ended 3 January 2021</b>
	<b>£</b>	<b>£</b>
<b>Other significant revenue</b>		
Furlough income received	181,721	335,191
Other government grants	42,856	-
	<u>224,577</u>	<u>335,191</u>

**4 Operating profit/(loss)**

	<b>Period ended 2 January 2022</b>	<b>Period ended 3 January 2021</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss) for the period is stated after charging/(crediting):		
Government grants received	(42,856)	-
Furlough income received	(181,721)	(335,191)
Fees payable to the company's auditor for the audit of the company's financial statements	7,100	6,850
Depreciation of owned tangible fixed assets	123,648	155,988
	<u>111,171</u>	<u>(219,453)</u>

**The County Hotel Canterbury Limited**

**Notes to the financial statements (continued)**

**For the period ended 2 January 2022**

**5 Employees**

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

	<b>Period ended 2 January 2022</b>	<b>Period ended 3 January 2021</b>
	<b>Number</b>	<b>Number</b>
Employees	52	69

Their aggregate remuneration comprised:

	<b>Period ended 2 January 2022</b>	<b>Period ended 3 January 2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,044,568	1,085,196
Social security costs	75,965	71,800
Pension costs	13,607	16,937
	<u>1,134,140</u>	<u>1,173,933</u>

**6 Interest receivable and similar income**

	<b>Period ended 2 January 2022</b>	<b>Period ended 3 January 2021</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	232	4,090

**The County Hotel Canterbury Limited**

**Notes to the financial statements (continued)**

**For the period ended 2 January 2022**

**7 Taxation**

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

	<b>Period ended 2 January 2022</b>	<b>Period ended 3 January 2021</b>
	<b>£</b>	<b>£</b>
Profit/(loss) before taxation	290,669	(344,085)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (Period ended 3 January 2021: 19.00%)	55,227	(65,376)
Tax effect of expenses that are not deductible in determining taxable profit	6,196	6,369
Change in unrecognised deferred tax assets	(23,941)	59,007
Group relief	(37,482)	-
Taxation charge for the period	-	-

The company has available trading losses carried forward of £nil (period ended 3 January 2021: £193,115).

**The County Hotel Canterbury Limited**

**Notes to the financial statements (continued)**

**For the period ended 2 January 2022**

**8 Tangible fixed assets**

	Land and buildings freehold	Land and buildings leasehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 4 January 2021	13,130,869	200,000	1,162,599	1,265,373	207,975	15,966,816
Additions	-	-	13,569	5,986	3,582	23,137
At 2 January 2022	13,130,869	200,000	1,176,168	1,271,359	211,557	15,989,953
<b>Depreciation</b>						
At 4 January 2021	3,709,924	-	812,321	1,209,380	206,365	5,937,990
Charge for the period	32,847	-	67,116	22,133	1,552	123,648
At 2 January 2022	3,742,771	-	879,437	1,231,513	207,917	6,061,638
<b>Carrying amount</b>						
At 2 January 2022	9,388,098	200,000	296,731	39,846	3,640	9,928,315
At 3 January 2021	9,420,945	200,000	350,278	55,993	1,610	10,028,826

**9 Stocks**

	Period ended 2 January 2022	Period ended 3 January 2021
	£	£
Finished goods and goods for resale	31,236	14,354

**10 Debtors**

	Period ended 2 January 2022	Period ended 3 January 2021
Amounts falling due within one year:	£	£
Trade debtors	13,505	-
Other debtors	4,097	35,263
Prepayments and accrued income	72,913	60,594
	90,515	95,857

**The County Hotel Canterbury Limited**

**Notes to the financial statements (continued)**

**For the period ended 2 January 2022**

**11 Creditors: amounts falling due within one year**

	Period ended 2 January 2022	Period ended 3 January 2021
	£	£
Trade creditors	62,825	22,140
Taxation and social security	55,478	10,657
Other creditors	152,320	208,801
Accruals and deferred income	160,589	64,388
	<u>431,212</u>	<u>305,986</u>

**12 Share capital**

	Period ended 2 January 2022	Period ended 3 January 2021	Period ended 2 January 2022	Period ended 3 January 2021
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 25p each	<u>13,500,004</u>	<u>13,500,004</u>	<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.

**13 Retirement benefit schemes**

	Period ended 2 January 2022	Period ended 3 January 2021
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>13,607</u>	<u>16,937</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.

**14 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 Alessandra Brownsword-Matthews, by virtue of her shareholding in the ultimate parent company.



## **The County Hotel Canterbury Limited**

### **Notes to the financial statements (continued)**

**For the period ended 2 January 2022**

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#### **15 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.

Alessandra Brownsword-Matthews 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 £1,742 (period ended 3 January 2021: £530). A balance of £nil (period ended 3 January 2021: £nil) was outstanding at the period end. The Bath Priory made sales to The County Hotel Canterbury Limited totalling £5,315 (period ended 3 January 2021: £3,762). A balance of £nil (period ended 3 January 2021: £nil) was due to The Bath Priory Limited at the period end.

Andrew Brownsword owns and controls Paxton & Whitfield Limited. During the period to 2 January 2022, Paxton & Whitfield Limited made sales of £693 (period ended 3 January 2021: £979) to The County Hotel Canterbury Limited. A balance of £nil (period ended 3 January 2021: £nil) was outstanding at the period end.

Andrew Brownsword invoiced the company £450 (period ended 3 January 2021: £nil) during the period. A balance of £nil (period ended 3 January 2021: £nil) was outstanding at the period end.

#### **16 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.

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.