

Registered number: 07075571

WIVENHOE HOUSE HOTEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020



WIVENHOE HOUSE HOTEL LIMITED

COMPANY INFORMATION

Directors

Mr O B Morris
Mr A Keeble
Mr C Oldham
Ms J M Samuels
Ms A Barnard
Mr P Jackson (appointed 28 September 2020)
Mr W Dickinson
Mr A Cox

Registered number

07075571

Registered office

Wivenhoe House
Wivenhoe Park

Colchester
Essex
CO4 3SQ

Independent auditor

KPMG LLP
15 Canada Square

Banker

London
E14 5GL

Lloyds TSB
27 High Street

Colchester
Essex
CO1 1DU

WIVENHOE HOUSE HOTEL LIMITED

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WIVENHOE HOUSE HOTEL LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2020**

Introduction

The company operates a hotel on the grounds of the University of Essex. The business comprises 40 bedrooms, 3 dedicated function rooms, a brasserie restaurant and a lounge area, specialising in afternoon tea and private dining. The hotel has been awarded with an AA 4 star status. It is also home of the Edge Hotel School, where undergraduate students study for Hotel Management degrees, conferred by the University of Essex.

Business review

The hotel reported a loss in the current financial year of £469,490 (2018/19: £104,863 loss).

Principal risks and uncertainties

The hotel closed in March 2020 following the outbreak of the COVID19 pandemic. The hotel remained closed until July 2020, when the accommodation and restaurants were permitted to re-open. Additional measures including cleaning, physical barriers, Personal Protective Equipment (PPE) and training were implemented in order to reduce the risks posed by the virus and alleviate customer concerns. Conference and events remain restricted; however the increase in UK leisure guests at the hotel have partially offset the loss in sales in these areas.

The risks associated with the virus remain the most significant risk and uncertainty facing the hotel. The hotel is expecting to make further losses in 2020/21 year end. In order to minimise these losses, new revenue streams to replace the events and corporate business losses are being explored, as well as tight control of costs. The hotel has benefited from the Coronavirus Job Retention Scheme and the business rates relief.

The other risks for the business arise from local competition for bedroom, restaurant and conferencing business. In addition, any significant reduction in student numbers within the Edge Hotel School could impact the hotel operations and subsequently the financial position.

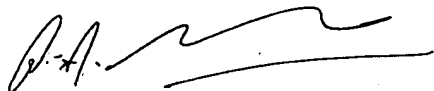
Financial key performance indicators

The hotel income is comprised of short term room rental income, food, beverage and facility fees for student trainees. Key performance indicators for the room income is occupancy and average room rates. The restaurant monitors covers and spend per head.

Other key performance indicators

The Hotel is rated as AA 4 stars and so monitors the standards tested to ensure compliance is kept up to date. It also monitors customer feedback obtained through surveys and online forums.

This report was approved by the board and signed on its behalf.



.....
Mr P Jackson
Director

Date: 11 December 2020

WIVENHOE HOUSE HOTEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present their report and the financial statements for the year ended 31 July 2020.

Results and dividends

The loss for the year, after taxation, amounted to £469,490 (2019 - loss £104,863).

The directors have not recommended a dividend in the current or prior period.

Directors

The directors who served during the year were:

Mr O B Morris
Mr A Keeble
Mr C Oldham
Professor P A Jones (resigned 16 October 2019)
Professor D P Micklewright (resigned 15 October 2019)
Ms J M Samuels
Ms A Barnard
Mr W Dickinson
Mr A Cox

Engagement with employees

The Company is committed to employee involvement throughout its businesses. The Company keeps staff informed on matters that concern them in the context of their employment. Regular management meetings are held to enable the cascading of Company information and sharing of ideas and practices and in order to encourage development opportunities. It is the policy of Wivenhoe House Hotel Ltd to encourage and develop all members of staff to realise their maximum potential. The Company looks to create opportunities for internal promotion. All vacancies are published both internally and externally and all staff are actively encouraged to undertake personal development enabling progression through the organisation.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

WIVENHOE HOUSE HOTEL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

This report was approved by the board and signed on its behalf.



Mr P Jackson
Director.

Date: 11 December 2020

WIVENHOE HOUSE HOTEL LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

WIVENHOE HOUSE HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIVENHOE HOUSE HOTEL LIMITED

Opinion

We have audited the financial statements of Wivenhoe House Hotel Limited ("the company") for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, and Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

WIVENHOE HOUSE HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIVENHOE HOUSE HOTEL LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Fleur Nieboer

Fleur Nieboer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL
14 December 2020

WIVENHOE HOUSE HOTEL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Turnover	4	1,847,265	2,819,286
Cost of sales		(1,717,224)	(1,915,762)
Gross profit		130,041	903,524
Administrative expenses		(823,864)	(1,015,801)
Other operating income		216,239	-
Operating loss		(477,584)	(112,277)
Interest receivable and similar income	8	8,094	7,414
Loss before tax		(469,490)	(104,863)
Loss for the financial year		(469,490)	(104,863)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Total comprehensive income for the year		(469,490)	(104,863)

The notes on pages 12 to 22 form part of these financial statements.

WIVENHOE HOUSE HOTEL LIMITED
REGISTERED NUMBER: 07075571

BALANCE SHEET
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	7,162,611	7,375,389
		<u>7,162,611</u>	<u>7,375,389</u>
Current assets			
Stocks	11	26,296	34,516
Debtors: amounts falling due within one year	12	175,996	130,689
Cash at bank and in hand	13	619,664	1,257,354
		<u>821,956</u>	<u>1,422,559</u>
Creditors: amounts falling due within one year	14	(277,418)	(621,309)
Net current assets		<u>544,538</u>	<u>801,250</u>
Total assets less current liabilities		<u>7,707,149</u>	<u>8,176,639</u>
Net assets excluding pension asset		<u>7,707,149</u>	<u>8,176,639</u>
Net assets		<u>7,707,149</u>	<u>8,176,639</u>
Capital and reserves			
Called up share capital	16	11,100,620	11,100,620
Profit and loss account	17	(3,393,471)	(2,923,981)
		<u>7,707,149</u>	<u>8,176,639</u>

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



.....
Mr P Jackson
 Director

Date: 11 December 2020

WIVENHOE HOUSE HOTEL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2019	11,100,620	(2,923,981)	8,176,639
Comprehensive income for the year			
Loss for the year	-	(469,490)	(469,490)
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(469,490)	(469,490)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2020	11,100,620	(3,393,471)	7,707,149

The notes on pages 12 to 22 form part of these financial statements.

WIVENHOE HOUSE HOTEL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2018	11,100,620	(2,819,118)	8,281,502
Comprehensive income for the year			
Loss for the year	-	(104,863)	(104,863)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(104,863)	(104,863)
Total transactions with owners	-	-	-
At 31 July 2019	11,100,620	(2,923,981)	8,176,639

The notes on pages 12 to 22 form part of these financial statements.

WIVENHOE HOUSE HOTEL LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 JULY 2020**

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	1,257,354	(637,690)	619,664
	<u>1,257,354</u>	<u>(637,690)</u>	<u>619,664</u>

The notes on pages 12 to 22 form part of these financial statements.

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. General information

The company operates a hotel on the grounds of the University of Essex. The business comprises 40 bedrooms, 3 dedicated function rooms, a brasserie restaurant and a lounge area, specialising in afternoon tea and private dining. The hotel has been awarded with an AA 4 star status. It is also home of the Edge Hotel School, where undergraduate students study for Hotel Management degrees, conferred by the University of Essex.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its immediate parent, University of Essex, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on University of Essex providing additional financial support during that period. University of Essex has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

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

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

2.7 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

L/Term Leasehold Property	- 2%
Improvements	
Plant and machinery	- 10%
Fixtures, Fittings and Equipment-	14% to 33%

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

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

2.8 Stocks

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

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

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash and cash equivalents

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

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

WIVENHOE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended where necessary. See note 11 for the carrying amount of the property, plant and equipment, and note 2.4 for the useful economic lives for each class of asset.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtor and historical experience. In the current year there were no provisions for bad debts or bad debts written off.

The company has significant investments in property, plant and equipment. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired, requiring the book value to be written down to its recoverable amount. Impairments are reversed if the conditions for impairment are no longer present. Evaluating whether an asset is impaired or if impairment should be reversed requires a high degree of judgement and may to a large extent depend upon the selection of key assumptions about the future.

Cashflow and profit and loss forecasts for the company's operations are reviewed on a regular basis by the directors to allow them to assess whether the freehold property is being held at an appropriate value.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sales	<u>1,847,265</u>	<u>2,819,286</u>

All turnover arose within the United Kingdom.

	2020 £	2019 £
Income by type		
Hire of rooms and equipment	700,235	1,137,868
Food and beverage sales	1,097,627	1,619,139
Facility fees from Edge Hotel School	49,403	62,279
	<u>1,847,265</u>	<u>2,819,286</u>

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

5. Other operating income

	2020 £	2019 £
Government grants receivable	216,239	-
	<u>216,239</u>	<u>-</u>

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	4,725	4,606
	<u>4,725</u>	<u>4,606</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	1,185,974	1,178,879
Social security costs	88,118	91,235
Cost of defined contribution scheme	44,492	31,777
	<u>1,318,584</u>	<u>1,301,891</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Service Delivery	<u>94</u>	<u>100</u>

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

8. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>8,094</u>	<u>7,414</u>

9. Taxation

The company has no tax charge in the current or prior year. Deferred tax assets in relation to losses carried forward are not recognised as probability of taxable profits in the future is not known.

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>(469,490)</u>	<u>(104,863)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(89,203)	(19,924)
Effects of:		
Depreciation for year in excess of capital allowances	19,998	20,254
Utilisation of tax losses	69,205	(330)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

10. Tangible fixed assets

	L/Term Leasehold Property Improvement £	Plant and machinery £	Fixtures, Fittings and Equipment £	Assets under the course of construction £	Total £
Cost or valuation					
At 1 August 2019	9,101,276	891,515	170,926	-	10,163,717
Additions	-	-	33,694	41,426	75,120
At 31 July 2020	9,101,276	891,515	204,620	41,426	10,238,837
Depreciation					
At 1 August 2019	2,149,429	599,920	38,979	-	2,788,328
Charge for the year on owned assets	161,025	94,691	32,182	-	287,898
At 31 July 2020	2,310,454	694,611	71,161	-	3,076,226
Net book value					
At 31 July 2020	6,790,822	196,904	133,459	41,426	7,162,611
At 31 July 2019	6,951,847	291,595	131,947	-	7,375,389

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

11. Stocks

	2020 £	2019 £
Finished goods and goods for resale	26,296	34,516
	<u>26,296</u>	<u>34,516</u>

12. Debtors

	2020 £	2019 £
Trade debtors	144,114	86,150
Other debtors	31,882	44,539
	<u>175,996</u>	<u>130,689</u>

13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	619,664	1,257,354
	<u>619,664</u>	<u>1,257,354</u>

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	12,769	112,027
Amounts owed to group undertakings	-	19,758
Other taxation and social security	73,344	184,776
Other creditors	191,305	304,748
	<u>277,418</u>	<u>621,309</u>

WIVENHOE HOUSE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

15. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	619,664	1,257,354
Financial assets that are debt instruments measured at amortised cost	175,996	130,689
	<u>795,660</u>	<u>1,388,043</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(204,074)</u>	<u>(436,533)</u>

Financial assets measured at amortised cost comprise trade debtors, prepayments and accrued income.

WIVENHOE HOUSE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

16. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
11,100,620 (2019 - 11,100,620) Ordinary shares of £1.00 each	<u>11,100,620</u>	<u>11,100,620</u>

17. Reserves

Profit and loss account

The profit and loss account includes all current and prior period recognised and retained gains and losses.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £44,492 (2018/19: £31,777).

19. Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS 102 from disclosing related party transactions with group companies.

Included in turnover is £39,179 (2018/19: £62,279) of charges to Edge Hotel School Limited for facility fees relating to the use of the hotel premises for the provision of education services. Edge Hotel School is a related party by way of common directors. From 31 January 2020, the Edge Hotel School was taken over by University of Essex, the parent company of Wivenhoe House Hotel Limited. The balance of £10,224 was paid to the University of Essex between 31 January 2020 and 31 July 2020.

20. Controlling party

In the opinion of the directors, the company's ultimate parent entity and ultimate controlling party is the University of Essex, a higher education institution in the United Kingdom. The parent undertaking of the largest and smallest group, which includes the company and for which group accounts are prepared, is University of Essex. Copies of the group financial statements are available from the Director of Finance, University of Essex, Wivenhoe Park, Colchester, Essex, CO4 3SQ.

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