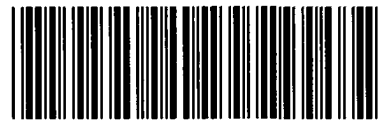


Registered number: 07075571

# WIVENHOE HOUSE HOTEL LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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**WIVENHOE HOUSE HOTEL LIMITED**

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**COMPANY INFORMATION**

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**Directors**

Mr O B Morris  
Mr A Keeble  
Mr C Oldham  
Ms J M Samuels (resigned 22 November 2021)  
Ms A Barnard  
Mr P Jackson Mr W Dickinson  
Mr A Cox  
Ms S Higgins (appointed 1 August 2022)

**Registered number**

07075571

**Registered office**

Wivenhoe House  
Wivenhoe Park  
Colchester  
Essex  
CO4 3SQ

**Independent auditor**

KPMG LLP  
15 Canada Square  
LONDON  
E14 5GL

**Bankers**

Lloyds TSB  
27 High Street  
Colchester  
Essex  
CO1 1DU

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**WIVENHOE HOUSE HOTEL LIMITED**

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## WIVENHOE HOUSE HOTEL LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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#### Introduction

The company operates a hotel on the grounds of the University of Essex. The business comprises 40 bedrooms, three 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 profit in the current financial year of £2,775 (2020/21: £516,592 loss).

#### Principal risks and uncertainties

As the covid19 pandemic restrictions have lessened, the Hotel has enjoyed an especially successful year, returning to profit, and enjoying very high customer satisfaction ratings.

Like many other industries, the changing nature of the operating environment has meant that the nature of the risks faced by the Hotel has changed in less than a year. The very tight recruitment market and the general inflationary cost situation means that active management of bookings has been put in place, and continuous review of market prices is undertaken to maintain volumes.

However, the management is confident that with renewed investment, planned to commence from 2023, the Hotel will continue to deliver an excellent customer experience and profitable outcomes.

#### Financial key performance indicators

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

#### 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. The management regularly monitors customer feedback obtained through surveys and online platforms.

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



.....  
**Mr P Jackson**  
**Director**

Date:

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**WIVENHOE HOUSE HOTEL LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2022**

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The directors present their report and the financial statements for the year ended 31 July 2022.

**Results and dividends**

The profit for the year, after taxation, amounted to £2,775 (2021 - loss £516,592).

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  
Ms J M Samuels (resigned 22 November 2021)  
Ms A Barnard  
Mr P Jackson Mr W Dickinson  
Mr A Cox

**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 not be proposed for reappointment in accordance with section 485 of the Companies Act 2006 as the audit service has been tendered and BDO LLP has been appointed for the coming financial year.

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



Mr P Jackson  
Director

Date:

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## WIVENHOE HOUSE HOTEL LIMITED

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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The directors are responsible for preparing the Strategic Report, 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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## WIVENHOE HOUSE HOTEL LIMITED

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

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#### Opinion

We have audited the financial statements of Wivenhoe House Hotel Limited ("the Company") for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 2022 and of its profit 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

#### Fraud and breaches of laws and regulations – ability to detect

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and the Group Audit and Risk Management Committee, as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Group Board meeting minutes and Group Audit and Risk Management Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships or transactions.

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## WIVENHOE HOUSE HOTEL LIMITED

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period or the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of Group-wide fraud risk management controls.

We performed procedures including:

- For a sample of income recognised and cash received in the period July 2022 to August 2022, assessing whether the income had been recognised in the appropriate accounting period.
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included, material post year-end journals and journals posted to unusual account combinations.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, distributable profits and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;



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## WIVENHOE HOUSE HOTEL LIMITED

- in our opinion the information given in those reports 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.

### 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.

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 3, 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](http://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.



**Ben Lazarus (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

Date: 12 December 2022

# WIVENHOE HOUSE HOTEL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £	2021 £
Turnover	4	3,146,158	1,342,444
Cost of sales		(2,120,033)	(1,484,682)
<b>Gross profit/(loss)</b>		<b>1,026,125</b>	<b>(142,238)</b>
Administrative expenses		(1,023,411)	(716,528)
Other operating income	5	-	341,913
<b>Operating profit/(loss)</b>		<b>2,714</b>	<b>(516,853)</b>
Interest receivable and similar income	8	61	261
<b>Profit/(loss) before tax</b>		<b>2,775</b>	<b>(516,592)</b>
<b>Profit/(loss) for the financial year</b>		<b>2,775</b>	<b>(516,592)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
<b>Total comprehensive income for the year</b>		<b>2,775</b>	<b>(516,592)</b>


The notes on pages 11 to 23 form part of these financial statements.

**WIVENHOE HOUSE HOTEL LIMITED**

**BALANCE SHEET  
AS AT 31 JULY 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	6,651,810	6,894,026
		<u>6,651,810</u>	<u>6,894,026</u>
<b>Current assets</b>			
Stocks	11	39,512	28,929
Debtors: amounts falling due within one year	12	81,929	40,126
Cash at bank and in hand	13	1,026,014	640,952
		<u>1,147,455</u>	<u>710,007</u>
Creditors: amounts falling due within one year	14	(605,933)	(413,476)
<b>Net current assets</b>		<u>541,522</u>	<u>296,531</u>
<b>Total assets less current liabilities</b>		<u>7,193,332</u>	<u>7,190,557</u>
<b>Net assets excluding pension asset</b>		<u>7,193,332</u>	<u>7,190,557</u>
<b>Net assets</b>		<u>7,193,332</u>	<u>7,190,557</u>
<b>Capital and reserves</b>			
Called up share capital	16	11,100,620	11,100,620
Profit and loss account	17	(3,907,288)	(3,910,063)
		<u>7,193,332</u>	<u>7,190,557</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:

**WIVENHOE HOUSE HOTEL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
As at 1 August 2021	<b>11,100,620</b>	<b>(3,910,063)</b>	<b>7,190,557</b>
<b>Comprehensive income for the year</b>			
Profit for the year		<b>2,775</b>	<b>2,775</b>
<b>Other comprehensive income for the year</b>			
		-	-
<b>Total comprehensive income for the year</b>		<b>2,775</b>	<b>2,775</b>
<b>Total transactions with owners</b>			
		-	-
As at 31 July 2022	<b>11,100,620</b>	<b>(3,907,288)</b>	<b>7,193,332</b>

**WIVENHOE HOUSE HOTEL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
As at 1 August 2020.	<b>11,100,620</b>	<b>(3,393,471)</b>	<b>7,707,149</b>
<b>Comprehensive income for the year</b>			
Profit for the year		<b>(516,592)</b>	<b>(516,592)</b>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(516,592)</b>	<b>(516,592)</b>
<b>Total transactions with owners</b>		-	-
As at 31 July 2021	<b>11,100,620</b>	<b>(3,910,063)</b>	<b>7,190,557</b>

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**WIVENHOE HOUSE HOTEL LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 JULY 2022**

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	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash at bank and in hand	640,952	388,606	1,029,558
	<hr/> 640,952 <hr/>	<hr/> 388,606 <hr/>	<hr/> 1,029,558 <hr/>

The notes on pages 12 to 23 form part of these financial statements.

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## WIVENHOE HOUSE HOTEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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#### 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 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.

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## WIVENHOE HOUSE HOTEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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#### 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 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 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.



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## WIVENHOE HOUSE HOTEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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#### 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 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	2%
Plant & Machinery	10%
Fixtures, Fittings & Equipment	14% to 30%

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.

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## WIVENHOE HOUSE HOTEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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#### 2. Accounting policies (continued)

##### 2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivables 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.

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## WIVENHOE HOUSE HOTEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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#### 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 10 for the carrying amount of the property, plant, and equipment, and note 2.7 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:

	2022 £	2021 £
Sales	3,146,158	1,342,444
<b>Sales</b>	<b>3,146,158</b>	<b>1,342,444</b>

All turnover arose within the United Kingdom.

	2022 £	2021 £
<b>Income by type</b>		
Hire of rooms and equipment	1,370,375	575,598
Food and beverage sales	1,679,432	764,870
Facility fees from Edge Hotel School	96,351	1,976
	<b>3,146,158</b>	<b>1,342,444</b>

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**WIVENHOE HOUSE HOTEL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

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**5. Other operating income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Government grants receivable	-	341,913
	<u>-</u>	<u>341,913</u>

**6. Auditor's remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<b>7,975</b>	<b>5,600</b>
	<u>7,975</u>	<u>5,600</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.

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**WIVENHOE HOUSE HOTEL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

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**7. Employees**

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	1,346,593	1,064,303
Social security costs	101,957	89,197
Cost of defined contribution scheme	25,064	45,819
	<u>1,473,614</u>	<u>1,199,319</u>

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

	2022 No.	2021 No.
Service Delivery	<u>85</u>	<u>50</u>

The average number of employees includes Edge Hotel School students paid for casual roles outside of their training hours which reduced during the pandemic as learning moved online. The 2022 value represents a return to pre-pandemic levels.

**8. Interest receivable**

	2022 £	2021 £
Other interest receivable	61	261
	<u>61</u>	<u>261</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.

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**WIVENHOE HOUSE HOTEL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

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**9. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2021 - %). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	2,775	(516,592)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	527	(98,152)
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	30,794	33,415
Utilisation of tax losses	(31,321)	64,737
<b>Total tax charge for the year</b>	-	-

**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 2022

### 10. Tangible fixed assets

	L/Term Leasehold Property Improvement £	Plant and machinery £	Fixtures, Fittings and Equipment £	Assets under the course of construction £	Total £
<b>Cost or valuation</b>					
At 1 August 2021	9,101,276	891,515	221,259	41,426	10,255,476
Additions	-	-	43,566	-	43,566
At 31 July 2022	9,101,276	891,515	264,825	41,426	10,299,042
<b>Depreciation</b>					
At 1 August 2021	2,471,480	782,139	107,831	-	3,361,450
Charge for the year on owned assets	161,026	86,001	38,755	-	285,782
At 31 July 2022	2,632,506	868,140	146,586	-	3,647,232
<b>Net book value</b>					
At 31 July 2022	6,468,770	23,375	118,239	41,426	6,651,810
At 31 July 2021	6,629,796	109,376	113,428	41,426	6,894,026

Assets in the course of construction relates to monies spent on a project to expand the number of bedrooms in the hotel. This project was put on hold owing to the covid19 pandemic but is expected to resume in the near future.

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**WIVENHOE HOUSE HOTEL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>11. Stocks</b>		
Finished goods and goods for resale	<b><u>39,512</u></b>	<b><u>28,929</u></b>
<b>12. Debtors</b>		
Trade debtors	<b>31,185</b>	<b>4,306</b>
Other debtors	<b><u>50,744</u></b>	<b><u>35,820</u></b>
	<b>81,929</b>	<b>40,126</b>
<b>13. Cash and cash equivalents</b>		
Cash at bank and in hand	<b><u>1,026,014</u></b>	<b><u>640,952</u></b>
<b>14. Creditors: Amounts falling due within one year</b>		
Trade creditors	<b>36,791</b>	<b>32,763</b>
Other taxation and social security	<b>284,333</b>	<b>128,593</b>
Other creditors	<b><u>284,809</u></b>	<b><u>252,120</u></b>
	<b>605,933</b>	<b>413,476</b>



**WIVENHOE HOUSE HOTEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**15. Financial instruments**

	2022 £	2021 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	1,026,014	640,952
Financial assets that are debt instruments measured at amortised cost	81,929	40,126
	<u>1,107,943</u>	<u>681,078</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(321,600)</u>	<u>(284,883)</u>

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

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## WIVENHOE HOUSE HOTEL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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#### 16. Share capital

	2022 £	2021 £
<b>Authorised, allotted, called up and fully paid</b>		
11,100,620 (2021 - 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 £25,064 (2020/21: £45,819).

#### 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.

#### 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.