

REGISTERED NUMBER
10525068

STOCKTON HOTELS COMPANY LIMITED

ACCOUNTS

FOR YEAR ENDED 31ST MARCH 2020

STOCKTON HOTELS COMPANY LTD
REGISTERED NUMBER: 10525068
STATEMENT OF FINANCIAL POSITION AS AT 31.03.20

		2019-20		2018-19	
	Note	£	£	£	£
Fixed Assets					
Equipment	4		829		-
			829		-
Current Assets					
Stock	5	12,517		10,525	
Debtors	6	224,037		48,902	
Cash at Bank and In Hand	7	939,172		683,293	
		1,175,727		742,721	
Creditors - amounts falling due within 1 year	8	(670,969)		(272,319)	
Net Current Assets			504,757		470,402
Total Assets less Current Liabilities			505,586		470,402
Long Term Liabilities					
Loans	9		(720,000)		(800,000)
Net Assets			- 214,414		- 329,598
Capital and Reserves					
Profit and Loss Reserve			(214,415)		(329,599)
Called up Share Capital	11		1		1
Total Capital and Reserves			- 214,414		- 329,598

The financial statements have been prepared in accordance with the provisions applicable to companies who are subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

For the year ending 31/03/2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A).

The directors have opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....
A.Montague
 Director

Date: 25th February 2021

The notes on pages 2 to 4 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31st MARCH 2019

1. GENERAL INFORMATION

Stockton Hotels Company is a private limited company limited by shares and incorporated in England. The address of the registered office and principal place of business is Municipal Buildings, Church Road, Stockton-On-Tees, England, TS18 1LD. The Company's registered number is 10525068

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 section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2016.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue recognised at the point of sale is the fair value of bar, food and hotel room sales, after deducting discounts and sales-based taxes.

Revenue from hotel rooms is recognised when rooms are occupied and as services are provided after deducting of discounts and sales-based taxes.

2.3 Foreign Currency Translation

The Company's functional and presentational currency is GBP.

Foreign currency transactions are converted into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are converted using the closing rate.

2.4 Operating Leases: the company as a lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

*The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

*Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 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 in bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so 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:

Equipment: 20% straight line basis.

It is not provided for in the year of acquisition but is done so in the year of disposal.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted 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 the statement of income and retained earnings.

2.7 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.

2.8 Debtors

Short term debtors are measured at transaction price.

2.9 Cash at Bank and Petty Cash

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.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs.

2.11 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 to related parties and investments in non-puttable ordinary shares.

2.12 Dividends

No dividends were considered for the year ended 31st March 2020.

2.13 Going Concern

Due to the current Covid 19 pandemic the trading performance of the company since the year end has been impacted. Since year end, regular cashflow forecasts have been produced showing the ability to meet liabilities as they fall due. However, due to the ongoing nature of the pandemic, the associated restrictions and impact on trading the Company has sought and received written confirmation from Stockton on Tees Borough Council, the ultimate controlling party, confirming they will provide an amount of one off funding. Allowing for this within a robust cash-flow forecast process the Directors are satisfied the company has sufficient funds to meet its liabilities as they fall due for a period of not less than 12 months from the date of signing these accounts and therefore continue to adopt the going concern basis in preparing financial statements.

3. EMPLOYEES

The average number of monthly employees including directors was 3.

4. FIXED ASSETS

	Equipment
	£
Cost or valuation	
Additions	837
As at 31st March 2020	<u>837</u>
Depreciation	
Charge for the period on owned assets	-
As at 31st March 2020	<u>-</u>
Net Book Value	
As at 31st March 2020	<u>837</u>

5. STOCKS

	2019-20	2018-19
	£	£
Goods for resale	12,517	10,525
	<u>12,517</u>	<u>10,525</u>

6. DEBTORS

	2019-20	2018-19
	£	£
Trade Debtors	9,390	1,377
Other Debtors	25,794	19,119
Prepayments and Accrued Income	188,854	28,407
	<u>224,037</u>	<u>48,902</u>

7. CASH AT BANK AND IN HAND

	2019-20	2018-19
	£	£
Cash at bank and in hand	939,172	683,293
	<u>939,172</u>	<u>683,293</u>

8. CREDITORS

	2019-20	2018-19
	£	£
Trade Creditors	(489,721)	(91,994)
Customer Deposits	(14,745)	(13,031)
Accruals and Deferred Income	(166,504)	(167,293)
	<u>(670,969)</u>	<u>(272,319)</u>

9. LOANS

	2019-20	2018-19
	£	£
A loan was made from Stockton On Tees Borough Council to fund start up costs and provide working capital.	(720,000)	(800,000)
	<u>(720,000)</u>	<u>(800,000)</u>

10. COMMITMENT UNDER OPERATING LEASES

At 31st March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019-20	2018-19
	£	£
Not later than 1 year	540,000	450,000
Later than 1 year and not later than 5 years	2,472,965	2,376,240
Later than 5 years	14,834,003	15,470,378
	<u>17,846,968</u>	<u>18,296,618</u>

11. CONTROLLING PARTY

The company is a subsidiary undertaking of Stockton Borough Holding Company. The company is ultimately controlled by Stockton on Tees Borough Council. Stockton on Tees Borough Council's registered office and principal place of business is Municipal Buildings, Church Road, Stockton-On-Tees, England, TS18 1LD.

12. AUDITORS INFORMATION

An unqualified audit opinion was issued in respect of the ultimate controlling party's (Stockton On Tees Borough Council) annual consolidated group accounts by Gavin Barker, Engagement Lead for and on behalf of Mazars LLP. These featured Stockton Borough Holding Company and Stockton Hotels Company. The company were given an audit exemption under Section 477 of the Companies Act 2006 relating to small companies.

Stockton Hotels Company Ltd
Registered Number 10525068

REPORT OF THE DIRECTORS
for the year ended 31st March 2020

The Directors present their report for Stockton Hotels Company Limited for the year ended 31st March 2020.

Directors

The Directors shown below have held office during the whole period from 1st April 2019 to 31st March 2020

Mr G Cummings	1st April 2019 – 20th December 2019
Mr R McGuckin	
Mr A Montague	20th December 2019 – 31st March 2020
Mr C Renahan	20th December 2019 – 31st March 2020
Mr N Schneider	1st April 2019 – 20th December 2019
Mrs J Winship	20th December 2019 – 31st March 2020

Dividends

No dividends will be distributed for the year ended 31st March 2020.

Audit

For the year ending 31/03/2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006. The company accounts were audited as part of the group accounts of the ultimate

Covid 19

Since the end of the financial year the Covid 19 global pandemic has caused a significant disruption to the business environment within which Stockton Hotels Company Ltd operates. At the date of signing these statements interruption has continued throughout the 21-22 financial year and as such revenue, profitability and cash-flow have been adversely effected. The Directors have been regularly reviewing data as the position has evolved to ensure that decisions are made in real time based on the latest intelligence. They are currently pursuing a Business Interruption Insurance claim that whilst not resolving the financial consequences of Covid, will undoubtedly assist the position of the Company A full year effect of the pandemic will be reflected in the financial statements for the year ending 31 March 2021.

The Directors identify strong internal controls, a healthy cash position at the reporting period and formal written confirmation of financial support from the ultimate controlling party as key mitigations against the ongoing financial impact of Covid 19 and enable the Company to continue to be treated as a going concern.

Directors Overview

The performance headlines for the 2019-20 financial year are as follows:

Turnover:	£2,685,187
Profit:	£115,185
Occupancy:	77.9%
Average Daily Rate:	£64.40

The principal activity of the company in the year under review was that of a hotel operator covering a single

Performance was relatively consistent throughout the financial year, when allowing for the seasonal factors

With 2019-20 being the first full year of trading prior year comparisons are largely meaningless. However, the hotel broadly performed in-line with, or above the budgeted position when using the key metrics.

The focus in the first full year was around establishing a strong position in the market, with a core focus on capturing the mid-week corporate market and supplementing this with leisure clientele on a weekend. Regular reviews from management demonstrated that this was happening throughout the year and that the hotel was competing favorably with already established counterparts. It is expected that the leisure market within Stockton will grow further as key local drivers linked to entertainment and the local night time economy are established and generate demand for an offer on weekends. This represents an exciting

The Directors are pleased that the company has been able to support the local economy through a range of channels. A number of key contracts have been established to ensure that products ranging from laundry to alcohol have been sourced from local suppliers. Alongside this 100% of staff employed by the Hotel

A key building block to enable the business to grow swiftly has been a desire to meet the needs of customers within the market and drive repeat business. With this in mind the Directors feel it is positive that the review scores on various platforms are high and has subsequently led to a pleasing ranking when compared to

Finally, although only a small proportion of the impact fell in the 2019-20 financial year, at the time of writing, the Hotel had remained open throughout the Covid-19 pandemic in order to provide a service for NHS and other key workers, crucial to carrying out the Nation's response to the unprecedented situation it has been

STOCKTON HOTELS COMPANY LTD
INCOME AND EXPENDITURE ACCOUNT FOR 01.04.19 - 31.03.20

	2019-20	2018-19
	£	£
Turnover	2,685,187	189,687
Cost Of Sales	(1,740,581)	(172,343)
Gross Profit	<u>944,606</u>	<u>17,344</u>
Pre-Opening Costs		(251,084)
Rents and Leases	(454,356)	(59,768)
Business Rates	(79,628)	(19,370)
Insurance	(30,933)	(3,180)
Management Fees	(96,008)	(3,793)
FFE Payment	(26,942)	
Misc	(93,555)	(9,747)
Net Operating Profit / (Loss)	<u>163,185</u>	<u>(329,599)</u>
Interest Receivable	-	-
Interest Payable	(48,000)	-
Net Profit / (Loss) on Ordinary activities	<u>115,185</u>	<u>(329,599)</u>
Tax on Profit of Ordinary Activities	-	-
Net Profit / (Loss) for the financial year	<u>115,185</u>	<u>(329,599)</u>