

**REGISTERED NUMBER**  
**10525068**

**STOCKTON HOTELS COMPANY LIMITED**

**ACCOUNTS**

**FOR YEAR ENDED 31ST MARCH 2021**

**STOCKTON HOTELS COMPANY LTD**  
**REGISTERED NUMBER: 10525068**  
**STATEMENT OF FINANCIAL POSITION AS AT 31.03.21**

	Note	2020-21		2019-20	
		£	£	£	£
<b>Fixed Assets</b>					
Equipment	4		2,587		829
			<b>2,587</b>		<b>829</b>
<b>Current Assets</b>					
Stock	5	7,445		12,517	
Debtors	6	353,971		224,037	
Cash at Bank and In Hand	7	869,896		939,172	
		1,231,312		1,175,727	
Creditors - amounts falling due within 1 year	8	(599,911)		(670,969)	
			<b>631,401</b>		<b>504,757</b>
<b>Net Current Assets</b>			<b>631,401</b>		<b>504,757</b>
<b>Total Assets less Current Liabilities</b>			<b>633,988</b>		<b>505,586</b>
<b>Long Term Liabilities</b>					
Loans	9		(640,000)		(720,000)
			<b>- 6,012</b>		<b>- 214,414</b>
<b>Net Assets</b>			<b>- 6,012</b>		<b>- 214,414</b>
<b>Capital and Reserves</b>					
Profit and Loss Reserve	11		(6,013)		(214,415)
Called up Share Capital	12		1		1
			<b>- 6,012</b>		<b>- 214,414</b>
<b>Total Capital and Reserves</b>			<b>- 6,012</b>		<b>- 214,414</b>

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 31/03/2021 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: 23rd December 2021

The notes on pages 2 to 5 form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31st MARCH 2021**

### **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 2021.

## **2.13 Going Concern**

As the impact of the Covid 19 pandemic evolves it continues to bring a degree of uncertainty. Since year end, regular cashflow forecasts have been produced showing the ability of the Company to meet liabilities as they fall due. The Directors believe the assumptions underlying the forecasts are reasonable and that 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 4. (2019-20 = 3)

#### **4. FIXED ASSETS**

	<b>Equipment 2020-21 £</b>
<b>Cost or valuation</b>	
As at 1st April 2020	829
Additions	1,924
As at 31st March 2021	<u>2,753</u>
<b>Depreciation</b>	
As at 1st April 2020	-
Charge for the period on owned assets	(166)
As at 31st March 2021	<u>(166)</u>
<b>Net Book Value</b>	
As at 31st March 2021	<u>2,587</u>

#### **5. STOCKS**

	<b>2020-21 £</b>	<b>2019-20 £</b>
Goods for resale	7,445	12,517
	<u>7,445</u>	<u>12,517</u>

#### **6. DEBTORS**

	<b>2020-21 £</b>	<b>2019-20 £</b>
Trade Debtors	38,364	9,390
Other Debtors	262,004	25,794
Prepayments and Accrued Income	53,602	188,854
	<u>353,971</u>	<u>224,037</u>

#### **7. CASH AT BANK AND IN HAND**

	<b>2020-21 £</b>	<b>2019-20 £</b>
Cash at bank and in hand	869,896	939,172
	<u>869,896</u>	<u>939,172</u>

#### **8. CREDITORS**

	<b>2020-21 £</b>	<b>2019-20 £</b>
Trade Creditors	(429,244)	(489,721)
Customer Deposits	(5,401)	(14,745)
Accruals and Deferred Income	(165,266)	(166,504)
	<u>(599,911)</u>	<u>(670,969)</u>

#### **9. LOANS**

	<b>2020-21 £</b>	<b>2019-20 £</b>
A loan was made from Stockton On Tees Borough Council to fund start up costs and provide working capital.	(640,000)	(720,000)
	<u>(640,000)</u>	<u>(720,000)</u>

#### **10. COMMITMENT UNDER OPERATING LEASES**

At 31st March 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2020-21 £</b>	<b>2019-20 £</b>
Not later than 1 year	600,000	540,000
Later than 1 year and not later than 5 years	2,522,424	2,472,965
Later than 5 years	14,184,544	14,834,003
	<u>17,306,968</u>	<u>17,846,968</u>

#### **11 PROFIT AND LOSS RESERVE**

The Profit and Loss reserve as at 31st March 2021, incorporates a one off payment of £465,000 received from the Ultimate Controlling Party.

#### **12. 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.

### **13. AUDITORS INFORMATION**

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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**  
**INCOME AND EXPENDITURE ACCOUNT FOR 01.04.20 - 31.03.21**

		<b>2020-21</b>	<b>2019-20</b>
		<b>£</b>	<b>£</b>
Turnover	1 2	2,283,039	2,685,187
Cost Of Sales		(661,028)	(986,349)
<b>Gross Profit</b>		<b><u>1,622,011</u></b>	<b><u>1,698,838</u></b>
Admin and General		(167,840)	(250,291)
IT		(16,813)	-
Marketing		(34,232)	(44,139)
Repairs and Maintenance		(51,928)	(39,438)
Utilities		(162,891)	(161,529)
Franchise Fees		(170,336)	(258,834)
<b>Operating Profit</b>		<b><u>1,017,970</u></b>	<b><u>944,607</u></b>
Rents and Leases		(544,395)	(454,356)
Business Rates		-	(79,628)
Insurance		(32,227)	(30,933)
Management Fees		(77,196)	(96,008)
FFE Payment		(31,411)	(26,942)
Misc		(81,140)	(93,556)
<b>Net Operating Profit / (Loss)</b>		<b><u>251,602</u></b>	<b><u>163,185</u></b>
Interest Receivable		-	-
Interest Payable		(43,200)	(48,000)
<b>Net Profit / (Loss) on Ordinary activities</b>		<b><u>208,402</u></b>	<b><u>115,185</u></b>
Tax on Profit of Ordinary Activities		-	-
<b>Net Profit / (Loss) for the financial year</b>		<b><u>208,402</u></b>	<b><u>115,185</u></b>

1. 1. The turnover includes £465,000 of grant given by the Council to the Hotel Company. This was unconditional to cover the losses that arose as a result of Covid. It was made clear that this payment wasn't a loan or in exchange for an increase in share capital.

2. The turnover includes an accrual for £221,771 which was a provisional offer via email to settle a Business Interruption Claim through insurance.