

Registration number: 03198626

The Swan Hotel (Newby Bridge) Limited

Annual Report and Financial Statements

for the Year Ended 28 June 2020

Murray Harcourt Limited
6 Queen Street
Leeds
West Yorkshire
LS1 2TW



The Swan Hotel (Newby Bridge) Limited

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The Swan Hotel (Newby Bridge) Limited

Company Information

Directors	J Houlston A Rae S Gibbs
Registered office	c/o Murray Harcourt 6 Queen Street Leeds LS1 2TW
Auditors	Murray Harcourt Limited 6 Queen Street Leeds West Yorkshire LS1 2TW

The Swan Hotel (Newby Bridge) Limited
Strategic Report for the Year Ended 28 June 2020

The Directors present their strategic report for the year ended 28 June 2020.

Principal activity

The principal activity of the Company is that of the operator of a boutique hotel including licensed restaurant, bar, health club, spa and mooring facilities.

Fair review of the business

The COVID-19 pandemic has had an impact on the economy which in turn has affected the business activities of the Company since March 2020 and resulted in a reduction in turnover to £3,449,489 (2019 - £5,355,405), down 35.6% on the previous year because of the pandemic.

Gross profit margin has reduced to 32.4 % (2019 - 45.6%) both as a result of the business closing between March 2020 to June 2020. Operating profit has reduced to a loss of £540,156 excluding profit on disposal of land and buildings (2019 - profit of £6,402).

Whilst the business was operating, occupancy levels reduced slightly to 70% (2019 - 76%) with self-catering nests showing a slight decrease in occupancy levels to 68% (2019 - 68.5%). Both reductions cannot be attributed to COVID 19 and were likely caused due to the lack of attention towards sales during the transaction process.

Whilst operating, pub and restaurant covers remain consistent with previous years, and we now strive to increase revenue with a more diverse food offering to drive increased spend per head.

Principal risks and uncertainties

The principal risk to our business remains the COVID-19 pandemic and potential further closures as a result, this aside flooding remains a significant risk to our business; however, we have reached a position of comfort and understanding with our insurers. Other risks are the increase in costs such as pension contributions and the national living wage. Also, availability of quality employees in the area remains a challenge particularly in the kitchen however, we continue to offer an develop in-house training and career progression schemes to minimise the risk.

As a leisure business, the pandemic has had a significant impact on the performance of the business, as it has in across the leisure sector. The government restrictions in place resulted in the closure of the hotel for the final three months of the year, during one of its busiest trading periods. However, the ongoing strategy to maintain a broad offering to customers alongside a planned hotel refurbishment and expansion should continue to attract customer once the pandemic restrictions are fully lifted.

Competition from other providers remains fierce in both the leisure and corporate sectors however, we remain strong in our key affluent family and leisure markets showing stable occupancy levels.

Jun 24, 2021

Approved by the Board on and signed on its behalf by:


James Houlston (Jun 24, 2021 15:00 GMT+1)

J Houlston
Director

The Swan Hotel (Newby Bridge) Limited

Directors' Report for the Year Ended 28 June 2020

The Directors present their report and the financial statements for the year ended 28 June 2020.

Directors of the Company

The Directors who held office during the year were as follows:

J Houlston (appointed 6 February 2020)

A Rae (appointed 6 February 2020)

S Gibbs (resigned 6 February 2020 and reappointed 24 November 2020)

A Bardsley (resigned 6 February 2020)

O Bardsley (resigned 6 February 2020)

S Bardsley (resigned 6 February 2020)

C Dickinson (resigned 6 February 2020)

C Hadfield (resigned 6 February 2020)

A Robertson (resigned 6 February 2020)

Dividends

The Directors do not recommend the payment of a final dividend.

Financial instruments

Treasury operations and financial instruments

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

The company's principal financial instruments include bank overdrafts and loans, the main purpose of which is to raise finance for the company's operations. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

Price risk, credit risk, liquidity risk and cash flow risk

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise the interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Credit risk

Investments of cash surpluses and borrowings are made through banks which must fulfil credit rating criteria approved by the Board.

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has prepared a Strategic Report, which includes information that would have previously been included in the Directors' Report.

The Swan Hotel (Newby Bridge) Limited

Directors' Report for the Year Ended 28 June 2020

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Jun 24, 2021

Approved by the Board on and signed on its behalf by:

James Houlston

James Houlston (Jun 24, 2021 15:00 GMT+1)

J Houlston
Director

The Swan Hotel (Newby Bridge) Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Swan Hotel (Newby Bridge) Limited

Independent Auditor's Report to the Members of The Swan Hotel (Newby Bridge) Limited

Opinion

We have audited the financial statements of The Swan Hotel (Newby Bridge) Limited (the 'Company') for the year ended 28 June 2020, which comprise the Statement of Income and Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

It is not possible to predict with certainty the potential impact of future developments in both the company's trading environment or in the broader economy. Because of this, the above statements should not be interpreted as a guarantee that the company will continue to operate as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Swan Hotel (Newby Bridge) Limited

Independent Auditor's Report to the Members of The Swan Hotel (Newby Bridge) Limited

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The Swan Hotel (Newby Bridge) Limited

Independent Auditor's Report to the Members of The Swan Hotel (Newby Bridge) Limited

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Murray Harcourt LTD
Murray Harcourt LTD (Jun 24, 2021 15:02 GMT+1)

Mark Hunter BA FCA (Senior Statutory Auditor)
For and on behalf of Murray Harcourt Limited, Statutory Auditor

6 Queen Street
Leeds
West Yorkshire
LS1 2TW

Date: Jun 24, 2021.....

The Swan Hotel (Newby Bridge) Limited

Statement of Income and Retained Earnings for the Year Ended 28 June 2020

	Note	2020 £	2019 £
Turnover	3	3,448,489	5,355,405
Cost of sales		<u>(2,330,402)</u>	<u>(2,915,504)</u>
Gross profit		1,118,087	2,439,901
Administrative expenses		(534,729)	(2,433,499)
Other operating income		<u>256,838</u>	<u>-</u>
Operating profit	5	840,196	6,402
Interest payable and similar charges	6	<u>(113,910)</u>	<u>(129,159)</u>
Profit/(loss) before tax		726,286	(122,757)
Taxation	10	<u>262,694</u>	<u>(107,791)</u>
Profit/(loss) for the financial year		988,980	(230,548)
Retained earnings brought forward		<u>3,644,587</u>	<u>3,875,135</u>
Retained earnings carried forward		<u><u>4,633,567</u></u>	<u><u>3,644,587</u></u>

The notes on pages 11 to 22 form an integral part of these financial statements.

The Swan Hotel (Newby Bridge) Limited

(Registration number: 03198626)

Balance Sheet as at 28 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	281,091	9,672,046
Current assets			
Stocks	12	25,911	51,035
Debtors	13	5,459,219	579,430
Cash at bank and in hand		300,749	2,797
		<u>5,785,879</u>	<u>633,262</u>
Creditors: Amounts falling due within one year	15	<u>(1,433,401)</u>	<u>(2,316,309)</u>
Net current assets/(liabilities)		<u>4,352,478</u>	<u>(1,683,047)</u>
Total assets less current liabilities		4,633,569	7,988,999
Creditors: Amounts falling due after more than one year	15	-	(4,215,189)
Provisions for liabilities	16	-	(129,221)
Net assets		<u>4,633,569</u>	<u>3,644,589</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account	19	<u>4,633,567</u>	<u>3,644,587</u>
Shareholders' funds		<u>4,633,569</u>	<u>3,644,589</u>

Jun 24, 2021

Approved and authorised by the Board on and signed on its behalf by:

James Houlston
James Houlston (Jun 24, 2021 15:00 GMT+1)

J Houlston
Director

The notes on pages 11 to 22 form an integral part of these financial statements.

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

1 General information

The Company is a private company limited by share capital incorporated in England and Wales. Company information details are shown on page 1.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared on a going concern basis, using the historical cost convention and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following available exemptions:

- the requirement to prepare a statement of cash flows;
- financial instruments disclosures, including categories of financial instruments; and
- the disclosure of key management personnel remuneration in total.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Reporting period

The accounting reference date of the company is set as the 28th June each year. However, for operational purposes, the company sets its year end as the closest Sunday to 28th June each year.

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

2 Accounting policies (continued)

Judgements

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed under "Key sources of estimation uncertainty" below.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery of service), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue for the provision of services is recognised once the service has been provided and the company is legally entitled to the revenue.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on timing differences between taxable profits and profits reported in the financial statements. Deferred tax is recognised on all timing differences at the reporting date and is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	5 - 50 years straight line basis
Fixtures and fittings	3 - 15 years straight line basis
Computers	3 - 5 years straight line basis

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

2 Accounting policies (continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stocks are 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. Reversals of impairment losses are also recognised in profit or loss.

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Dividends

Dividend distribution to the Company's shareholders is recognised in the financial statements in the reporting period in which the dividends are paid.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Sale of goods	3,441,760	5,347,794
Other revenue	6,729	7,611
	<u>3,448,489</u>	<u>5,355,405</u>

4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2020	2019
	£	£
Grant monies received under the UK Government Job Retention Scheme	<u>256,838</u>	<u>-</u>

5 Operating profit

Arrived at after charging/(crediting):

	2020	2019
	£	£
Depreciation expense	369,657	656,986
Operating lease expense - other	553	553
Profit on disposal of property, plant and equipment	<u>(1,333,415)</u>	<u>-</u>

6 Interest payable and similar charges

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	96,708	127,666
Interest on obligations under finance leases and hire purchase contracts	838	1,560
Interest expense on other finance liabilities	<u>16,364</u>	<u>(67)</u>
	<u>113,910</u>	<u>129,159</u>

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	1,628,950	1,844,324
Social security costs	92,269	99,729
Pension costs, defined contribution scheme	26,552	23,321
Other employee expense	7,207	4,568
	<u>1,754,978</u>	<u>1,971,942</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Management staff	3	6
Hotel staff	95	96
	<u>98</u>	<u>102</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	97,399	158,000
Contributions paid to money purchase schemes	4,292	4,292
	<u>101,691</u>	<u>162,292</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020	2019
	No.	No.
Accruing benefits under defined benefit pension scheme	<u>1</u>	<u>1</u>

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

9 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	12,500	10,500
Other fees to auditors		
All other assurance services	9,450	-

10 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	(74,928)	99,964
Deferred taxation		
Tax charged in the Profit and loss for the period	(187,766)	7,827
Tax (receipt)/expense in the income statement	(262,694)	107,791

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit/(loss) before tax	726,286	(122,757)
Corporation tax at standard rate	137,994	(23,324)
Effect of expense not deductible in determining taxable profit (tax loss)	598	346
Deferred tax (credit)/expense from unrecognised tax loss or credit	(164,802)	7,827
Tax (decrease)/increase from effect of capital allowances and depreciation	(217,605)	85,561
Tax losses carried back	56,049	-
Adjustment to tax charge in respect of previous periods	(74,928)	-
Write off of irrecoverable intercompany loans	-	37,381
Total tax (credit)/charge	(262,694)	107,791

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

11 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost				
At 29 June 2019	11,910,960	2,857,173	410,957	15,179,090
Additions	19,819	11,371	22,624	53,814
Disposals	(11,910,960)	-	-	(11,910,960)
At 28 June 2020	<u>19,819</u>	<u>2,868,544</u>	<u>433,581</u>	<u>3,321,944</u>
Depreciation				
At 29 June 2019	2,648,870	2,507,521	350,653	5,507,044
Charge for the period	188,128	146,983	34,546	369,657
Eliminated on disposal	(2,835,848)	-	-	(2,835,848)
At 28 June 2020	<u>1,150</u>	<u>2,654,504</u>	<u>385,199</u>	<u>3,040,853</u>
Carrying amount				
At 28 June 2020	<u>18,669</u>	<u>214,040</u>	<u>48,382</u>	<u>281,091</u>
At 28 June 2019	<u>9,262,090</u>	<u>349,652</u>	<u>60,304</u>	<u>9,672,046</u>

Included within the net book value of land and buildings above is £18,669 (2019 - £9,262,090) in respect of leasehold land and buildings and £Nil (2019 - £Nil) in respect of short leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2020 £	2019 £
Fixtures and Fittings	2,589	5,401
Computers	<u>-</u>	<u>7,307</u>
	<u>2,589</u>	<u>12,708</u>

12 Stocks

	2020 £	2019 £
Other inventories	<u>25,911</u>	<u>51,035</u>

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

13 Debtors

	2020 £	2019 £
Trade debtors	-	24,028
Other debtors	5,315,515	341,397
Prepayments	85,159	214,005
Deferred tax assets	58,545	-
	<u>5,459,219</u>	<u>579,430</u>

14 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	300,638	-
Other cash and cash equivalents	111	2,797
	<u>300,749</u>	<u>2,797</u>
Bank overdrafts	-	(469,740)
Cash and cash equivalents in statement of cash flows	<u>300,749</u>	<u>(466,943)</u>

15 Creditors

	2020 £	2019 £
Due within one year		
Loans and borrowings	-	740,489
Trade creditors	406,754	746,380
Social security and other taxes	294,395	285,714
Other payables	233,617	76,886
Accrued expenses	470,421	360,748
Income tax liability	25,036	99,964
HP and finance lease liabilities	3,178	6,128
	<u>1,433,401</u>	<u>2,316,309</u>
Due after one year		
Loans and borrowings	-	4,215,189

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

16 Provisions for liabilities

	Deferred tax £	Total £
At 29 June 2019	129,221	129,221
Decrease in existing provisions	<u>(129,221)</u>	<u>(129,221)</u>
At 28 June 2020	<u>-</u>	<u>-</u>

17 Pension and other schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £26,552 (2019 - £23,321).

18 Share capital

Allotted, called up and fully paid shares

	2020	£	2019	£
	No.		No.	
2 Ordinary of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

19 Reserves

Share capital represents the number of shares issued at nominal price.

The profit and loss account represents accumulated comprehensive income for the year and prior periods, after deduction of dividends paid.

20 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Bank borrowings	-	4,212,535
Finance lease liabilities	<u>-</u>	<u>2,654</u>
	<u>-</u>	<u>4,215,189</u>

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

20 Loans and borrowings (continued)

	2020 £	2019 £
Current loans and borrowings		
Loans and borrowings	-	270,749
Bank overdrafts	-	469,740
Finance lease liabilities	3,178	6,128
	<u>3,178</u>	<u>746,617</u>

21 Net debt

	At 29 June 2019 £	Cash flows £	At 28 June 2020 £
Cash and cash equivalents	(466,943)	767,692	300,749
Bank borrowings	(4,953,024)	4,953,024	-
Finance leases	(8,782)	5,604	(3,178)
	<u>(5,428,749)</u>	<u>5,726,320</u>	<u>297,571</u>

22 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	3,705	5,301
Later than one year and not later than five years	-	3,705
	<u>3,705</u>	<u>9,006</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £553 (2019 - £553).

23 Related party transactions

The Company has taken the exemption set out in FRS 102 from disclosing transactions with other members of the group.

Transactions with directors

Included in other creditors is an amount of £Nil (2019 - £76,857) owed to A Bardsley and S Bardsley, directors of the Company.

The Sprout Pub Company

Included in other debtors is an amount of £Nil (2019 - £330,960) due from The Sprout Pub Company. In the prior year, an impairment loss of £196,741 was recognised relating to the irrecoverable amount of bad debt.

The Swan Hotel (Newby Bridge) Limited

Notes to the Financial Statements for the Year Ended 28 June 2020

24 Parent and ultimate parent undertaking

The company's immediate parent is The Swan Hotel (Newby Bridge) Holdings Limited, incorporated in United Kingdom.

The ultimate parent is B H Hotels Limited, incorporated in United Kingdom.

These financial statements are available upon request from Companies House, Cardiff, CF14 3UZ