

Company Registration No. 03792478 (England and Wales)

The Royal Clarence Hotel Limited

**Financial statements
for the period ended 2 January 2022**

Pages for filing with the Registrar

The Royal Clarence Hotel Limited

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The Royal Clarence Hotel Limited

Statement of financial position

As at 2 January 2022

| | | Period ended 2 January 2022 | | Period ended 3 January 2021 | |
|---|-------|--------------------------------|-----------|--------------------------------|-----------|
| | Notes | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | 4 | 1,219,044 | | 2,274,222 | |
| Cash at bank and in hand | | 10,648,933 | | 10,812,456 | |
| | | <u>11,867,977</u> | | <u>13,086,678</u> | |
| Creditors: amounts falling due within one year | 3 | (9,154) | | (1,912,365) | |
| Net current assets | | <u>11,858,823</u> | | <u>11,174,313</u> | |
| Capital and reserves | | | | | |
| Called up share capital | | | 24 | | 24 |
| Share premium account | | | 5,399,978 | | 5,399,978 |
| Profit and loss reserves | | | 6,458,821 | | 5,774,311 |
| Total equity | | <u>11,858,823</u> | | <u>11,174,313</u> | |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 15 September 2022 and are signed on its behalf by:

Peter Tyrrell
Director

Company Registration No. 03792478

The Royal Clarence Hotel Limited

Notes to the financial statements For the period ended 2 January 2022

1 Accounting policies

Company information

The Royal Clarence Hotel Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 Gay Street, Bath, BA1 2PH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements of the company are drawn up to either a 52 or 53 week period each year which is in accordance with the company management accounts. This is in line with the Companies Act 2006 as the period end is never more than seven days before or after the year end date of 31 December each year.

The Royal Clarence Hotel Limited constitutes a qualifying entity, as set out within FRS 102 Section 1 "Scope", due to it being a 100% subsidiary of Andrew Brownsword Hotels Limited, and is included within the consolidated accounts of that company, which can be located at Companies House.

As the company meets the criteria of a qualifying entity, it has taken advantage of the following exemptions available to it:

- The requirements of Section 7 "Statement of Cash Flows" and Section 3 "Financial Statement Presentation" paragraph 3.17(d);
- The requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" outlined in paragraph 1.12(c); and
- The requirement of Section 33 "Related Party Disclosures" paragraph 33.7.

1.2 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, particularly given that the parent company, Andrew Brownsword Hotels Limited, is prepared to fully support the company. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Royal Clarence Hotel Limited

Notes to the financial statements (continued)

For the period ended 2 January 2022

1 Accounting policies (continued)

1.3 Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes or duty. The following criteria must be met before revenue is recognised:

Accommodation revenue is recognised when a room is occupied; food and beverage revenue is recognised when food and beverages are sold; sundry and other revenues, consisting of items such as room hire and car parking, are recognised at the point of sale.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

The Royal Clarence Hotel Limited

Notes to the financial statements (continued)

For the period ended 2 January 2022

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as payable within one year are not amortised.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

The Royal Clarence Hotel Limited

Notes to the financial statements (continued)

For the period ended 2 January 2022

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.10 Exceptional items

The company defines exceptional items as one-off items of income and expenditure, which are material.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

| | Period ended 2 January 2022 | Period ended 3 January 2021 |
|-------|--------------------------------|--------------------------------|
| | Number | Number |
| Total | - | - |
| | == | == |

The Royal Clarence Hotel Limited

Notes to the financial statements (continued)

For the period ended 2 January 2022

3 Creditors: amounts falling due within one year

| | Period ended 2 January 2022 | Period ended 3 January 2021 |
|------------------------------------|--|--|
| | £ | £ |
| Corporation tax | - | 1,912,365 |
| Other taxation and social security | 2,654 | - |
| Other creditors | 6,500 | - |
| | <u>9,154</u> | <u>1,912,365</u> |

4 Debtors

| | Period ended 2 January 2022 | Period ended 3 January 2021 |
|--|--|--|
| | £ | £ |
| Amounts falling due within one year: | | |
| Other debtors | - | 1,929,178 |
| | <u></u> | <u></u> |
| Amounts falling due after more than one year: | | |
| Other debtors | 345,044 | 345,044 |
| Deferred tax asset | 874,000 | - |
| | <u>1,219,044</u> | <u>345,044</u> |
| Total debtors | <u>1,219,044</u> | <u>2,274,222</u> |

In the prior year the company sold their fixed assets. As part of the consideration was deferred, management have had to apply an appropriate discount rate and time period to the expected future cash flows that will be generated from the asset. The discount rate applied is in line with the borrowing rate that the company would have been able to obtain from a commercial third party.

5 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The Royal Clarence Hotel Limited

Notes to the financial statements (continued)

For the period ended 2 January 2022

5 Audit report information (continued)

The senior statutory auditor was Michael Strong and the auditor was Saffery Champness LLP.

6 Events after the reporting date

In June 2022, the company has carried out a capital reduction. The share capital of the company subsequently consists of 10 Ordinary 10p shares.

Following the year end, the company paid a dividend of £10,000,000.

7 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the exemption available in FRS 102 section 33 'Related Party Disclosures' whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

8 Parent company

The company's ultimate parent company is Andrew Brownsword Hotels Limited, which is incorporated in England and Wales. The company's ultimate controlling party is Alessandra Brownsword-Matthews, by virtue of her shareholding in the ultimate parent company.

9 Contingent assets

As at the date of signing the financial statements, the company is undergoing a claim against various financial institutions in relation to finance charges. Although settlement is considered probable, the expected settlement cannot be reliably estimated at this stage.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.