

Company Registration No. 05893760 (England and Wales)

**COUNTY HOTEL (CHELMSFORD) LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**PAGES FOR FILING WITH REGISTRAR**

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# COUNTY HOTEL (CHELMSFORD) LIMITED

## COMPANY INFORMATION

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<b>Director</b>	MJ Austin
<b>Secretary</b>	MJ Austin
<b>Company number</b>	05893760
<b>Registered office</b>	County Hotel Rainsford Road Chelmsford Essex CM1 2PZ
<b>Accountants</b>	Rickard Luckin Limited 1st Floor County House 100 New London Road Chelmsford Essex CM2 0RG
<b>Business address</b>	County Hotel Rainsford Road Chelmsford Essex CM1 2PZ

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# COUNTY HOTEL (CHELMSFORD) LIMITED

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# COUNTY HOTEL (CHELMSFORD) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	4	3,007,500		3,330,000	
Investments	5	3,276		3,176	
		<u>3,010,776</u>		<u>3,333,176</u>	
<b>Current assets</b>					
Debtors	6	1,367,752		295,592	
Cash at bank and in hand		45,707		172	
		<u>1,413,459</u>		<u>295,764</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(63,964)</u>		<u>(107,520)</u>	
<b>Net current assets</b>		<u>1,349,495</u>		<u>188,244</u>	
<b>Total assets less current liabilities</b>		<u>4,360,271</u>		<u>3,521,420</u>	
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(1,484,739)</u>		<u>(1,084,224)</u>	
<b>Net assets</b>		<u><u>2,875,532</u></u>		<u><u>2,437,196</u></u>	
<b>Capital and reserves</b>					
Called up share capital	9	10,000		10,000	
Share premium account		2,673,176		2,673,176	
Profit and loss reserves		192,356		(245,980)	
<b>Total equity</b>		<u><u>2,875,532</u></u>		<u><u>2,437,196</u></u>	

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

# **COUNTY HOTEL (CHELMSFORD) LIMITED**

## **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2020***

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The financial statements were approved and signed by the director and authorised for issue on 9 December 2021

MJ Austin  
**Director**

**Company Registration No. 05893760**

# COUNTY HOTEL (CHELMSFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

County Hotel (Chelmsford) Limited is a private company limited by shares incorporated in England and Wales. The registered office is County Hotel, Rainsford Road, Chelmsford, Essex, CM1 2PZ.

#### 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, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### 1.2 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	1% straight line
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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.

#### 1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.4 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.

# COUNTY HOTEL (CHELMSFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

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.

#### 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 balance sheet 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 and cash and bank balances, 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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# COUNTY HOTEL (CHELMSFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 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 profit and loss account 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.



# COUNTY HOTEL (CHELMSFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Exceptional item

	2020	2019
	£	£
Profit on disposal of tangible assets	490,000	-

During the year some land was sold to a subsidiary undertaking at its market value of £790,000. The profit on disposal of £490,000 has been shown as an exceptional item.

### 3 Employees

The only employee in the company during the current and prior year was the director.

# COUNTY HOTEL (CHELMSFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Tangible fixed assets

	Land and buildings £
<b>Cost</b>	
At 1 January 2020	3,375,000
Disposals	(300,000)
At 31 December 2020	3,075,000
<b>Depreciation and impairment</b>	
At 1 January 2020	45,000
Depreciation charged in the year	22,500
At 31 December 2020	67,500
<b>Carrying amount</b>	
At 31 December 2020	3,007,500
At 31 December 2019	3,330,000

### 5 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	3,276	3,176

#### Movements in fixed asset investments

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2020	3,176
Additions	100
At 31 December 2020	3,276
<b>Carrying amount</b>	
At 31 December 2020	3,276
At 31 December 2019	3,176

# COUNTY HOTEL (CHELMSFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	1,367,752	263,855
Other debtors	-	31,737
	<u>1,367,752</u>	<u>295,592</u>

### 7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	46,885	90,756
Corporation tax	14,079	13,764
Other creditors	3,000	3,000
	<u>63,964</u>	<u>107,520</u>

### 8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	<u>1,484,739</u>	<u>1,084,224</u>

The long-term loans are secured via legal charge over the freehold land and buildings of the company, a debenture and an intercompany guarantee with the company's subsidiary, Chelmsford Hotels Limited. The bank loan is repayable by equal monthly instalments. The balance outstanding that is due in more than 5 years is £832,116 (2019: £721,202).

### 9 Called up share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

### 10 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability in respect of cross guarantees given to bankers on behalf of the company and its subsidiary, Chelmsford Hotels Limited. At 31 December 2020, the contingent liability in respect of this amounted to £197,841 (2019: £8,088).

## **COUNTY HOTEL (CHELMSFORD) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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#### **11 Related party transactions**

At the year end, the company was owed £1,354,552 (2019: £250,655) by its subsidiary undertakings. This amount is included within debtors. During the year rent of £10,000 (2019: £120,000) was charged to a subsidiary undertaking.

At the year end the company was owed £13,200 (2019: £13,200) by its parent company. This amount is included within debtors.

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.