

Unaudited Financial Statements

for the Year Ended 30 April 2020

for

THE ROYAL HOTEL LIMITED

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for the year ended 30 April 2020**

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THE ROYAL HOTEL LIMITED

**Company Information
for the year ended 30 April 2020**

Directors: W J Bailey
M C Thompson
C A Prew

Secretary: M Cirrone

Registered office: Northside House
69 Tweedy Road
Bromley
Kent
BR1 3WA

Registered number: 02931228 (England and Wales)

Accountants: Haines Watts
Chartered Accountants
Northside House
69 Tweedy Road
Bromley
Kent
BR1 3WA

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
The Royal Hotel Limited**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Statement of Comprehensive Income and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Royal Hotel Limited for the year ended 30 April 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of The Royal Hotel Limited, as a body, in accordance with the terms of our engagement letter dated 13 December 2012. Our work has been undertaken solely to prepare for your approval the financial statements of The Royal Hotel Limited and state those matters that we have agreed to state to the Board of Directors of The Royal Hotel Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Royal Hotel Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The Royal Hotel Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of The Royal Hotel Limited. You consider that The Royal Hotel Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Royal Hotel Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Haines Watts
Chartered Accountants
Northside House
69 Tweedy Road
Bromley
Kent
BR1 3WA

22 December 2020

THE ROYAL HOTEL LIMITED (REGISTERED NUMBER: 02931228)

**Balance Sheet
30 April 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		3,964,843		4,222,063
Current assets					
Stocks		10,500		13,290	
Debtors	5	405,194		434,406	
Cash in hand		<u>1,500</u>		<u>1,500</u>	
		417,194		449,196	
Creditors					
Amounts falling due within one year	6	<u>800,069</u>		<u>895,348</u>	
Net current liabilities			<u>(382,875)</u>		<u>(446,152)</u>
Total assets less current liabilities			3,581,968		3,775,911
Creditors					
Amounts falling due after more than one year	7		(566,561)		(646,209)
Provisions for liabilities	9		<u>(86,816)</u>		<u>(95,608)</u>
Net assets			<u>2,928,591</u>		<u>3,034,094</u>
Capital and reserves					
Called up share capital	10		116		116
Share premium	11		113,759		113,759
Revaluation reserve	11		3,121,034		3,121,034
Retained earnings	11		<u>(306,318)</u>		<u>(200,815)</u>
Shareholders' funds			<u>2,928,591</u>		<u>3,034,094</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
30 April 2020

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2020 and were signed on its behalf by:

W J Bailey - Director

**Notes to the Financial Statements
for the year ended 30 April 2020**

1. Statutory information

The Royal Hotel Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating depreciation. A full line by line review of fixed assets is carried out by management regularly. Whilst every attempt is made to ensure that the depreciation policy is as accurate as possible, there remains a risk that the policy does not match the useful life of the assets.

There is estimation uncertainty in calculating deferred tax. A full line by line review of deferred tax is carried out by management regularly. Whilst every attempt is made to ensure that the deferred tax is as accurate as possible, there remains a risk that the provisions do not match the actual tax liability when asset is disposed of.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on cost

No depreciation is provided in respect of freehold property as the directors consider that any depreciation charge would be immaterial given the estimated length of the property's remaining useful life and its residual value at the end of that life is not materially different from the value carried in the balance sheet. This policy is supported by annual impairment reviews and regular valuations.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes to the Financial Statements - continued
for the year ended 30 April 2020

2. **Accounting policies - continued**

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **Employees and directors**

The average number of employees during the year was 74 (2019 - 68) .

THE ROYAL HOTEL LIMITED (REGISTERED NUMBER: 02931228)

**Notes to the Financial Statements - continued
for the year ended 30 April 2020**

4. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost or valuation					
At 1 May 2019	3,710,438	1,363,272	230,474	77,396	5,381,580
Additions	-	18,165	391	11,106	29,662
Disposals	(210,438)	-	-	-	(210,438)
At 30 April 2020	<u>3,500,000</u>	<u>1,381,437</u>	<u>230,865</u>	<u>88,502</u>	<u>5,200,804</u>
Depreciation					
At 1 May 2019	-	969,985	130,343	59,189	1,159,517
Charge for year	-	41,223	25,130	10,091	76,444
At 30 April 2020	-	<u>1,011,208</u>	<u>155,473</u>	<u>69,280</u>	<u>1,235,961</u>
Net book value					
At 30 April 2020	<u>3,500,000</u>	<u>370,229</u>	<u>75,392</u>	<u>19,222</u>	<u>3,964,843</u>
At 30 April 2019	<u>3,710,438</u>	<u>393,287</u>	<u>100,131</u>	<u>18,207</u>	<u>4,222,063</u>

The freehold property of The Royal Hotel Limited, was valued on 20 November 2009 by S Francis and E Bellfield of Christie & Co at £3,500,000. The director believes this valuation to be valid as at the balance sheet date. The historical cost of the asset at the balance sheet date is £378,996 (2019 - £378,996).

The net book value of the other tangible fixed assets included £22,781 (2019 - £30,375) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £7,594 (2019 - £10,125).

Cost or valuation at 30 April 2020 is represented by:

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 1995	204,309	-	-	-	204,309
Valuation in 1999	435,975	-	-	-	435,975
Valuation in 2017	2,480,750	-	-	-	2,480,750
Cost	<u>378,966</u>	<u>1,381,437</u>	<u>230,865</u>	<u>88,502</u>	<u>2,079,770</u>
	<u>3,500,000</u>	<u>1,381,437</u>	<u>230,865</u>	<u>88,502</u>	<u>5,200,804</u>

5. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	2,364	(1,891)
Other debtors	<u>402,830</u>	<u>436,297</u>
	<u>405,194</u>	<u>434,406</u>

THE ROYAL HOTEL LIMITED (REGISTERED NUMBER: 02931228)

**Notes to the Financial Statements - continued
for the year ended 30 April 2020**

6. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	349,569	157,085
Hire purchase contracts	11,461	11,461
Trade creditors	128,452	201,651
Amounts owed to group undertakings	-	241,197
Taxation and social security	152,325	110,814
Other creditors	158,262	173,140
	<u>800,069</u>	<u>895,348</u>

7. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	520,791	578,978
Hire purchase contracts	25,770	37,231
Other creditors	20,000	30,000
	<u>566,561</u>	<u>646,209</u>

8. Secured debts

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank overdrafts	270,459	77,975
Bank loans	599,901	658,088
	<u>870,360</u>	<u>736,063</u>

9. Provisions for liabilities

	2020	2019
	£	£
Deferred tax	<u>86,816</u>	<u>95,608</u>

	Deferred tax
	£
Balance at 1 May 2019	95,608
Credit to Profit and Loss Account during year	<u>(8,792)</u>
Balance at 30 April 2020	<u>86,816</u>

THE ROYAL HOTEL LIMITED (REGISTERED NUMBER: 02931228)

**Notes to the Financial Statements - continued
for the year ended 30 April 2020**

10. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
116	Ordinary	£1	<u>116</u>	<u>116</u>

11. Reserves

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 May 2019	(200,815)	113,759	3,121,034	3,033,978
Deficit for the year	<u>(105,503)</u>			<u>(105,503)</u>
At 30 April 2020	<u>(306,318)</u>	<u>113,759</u>	<u>3,121,034</u>	<u>2,928,475</u>

12. Directors' advances, credits and guarantees

The following advances and credits to a director subsisted during the years ended 30 April 2020 and 30 April 2019:

	2020 £	2019 £
W J Bailey		
Balance outstanding at start of year	338,256	195,639
Amounts advanced	-	142,617
Amounts repaid	(16,514)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>321,742</u>	<u>338,256</u>

13. Related party disclosures

Royal Hotel Holdings Ltd

The parent company of The Royal Hotel Ltd

	2020 £	2019 £
Amount due to related party at the balance sheet date	<u>-</u>	<u>241,197</u>

14. Post balance sheet events

After the balance sheet date the company's operations continue to be impacted by the Covid-19 outbreak and associated government action (including social distancing measures) which started in March 2020. The impact of these disruptions have been considered as part of the Directors review of the going concern basis for the preparation of the accounts. No adjustment to the financial statements are required as a result of the review.

Notes to the Financial Statements - continued
for the year ended 30 April 2020

15. **Ultimate controlling party**

The ultimate controlling party is W J Bailey.

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.