
ELEPHANT & CASTLE HOTEL LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MAY 2021

ELEPHANT & CASTLE HOTEL LIMITED
REGISTERED NUMBER: 06894952

BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	1	1
Tangible assets	5	1,733,489	1,749,728
Investment property	6	411,147	411,147
		<u>2,144,637</u>	<u>2,160,876</u>
Current assets			
Stocks		10,245	5,206
Debtors: amounts falling due within one year	7	8,127	4,960
Cash at bank and in hand	8	48,300	105
		<u>66,672</u>	<u>10,271</u>
Creditors: amounts falling due within one year	9	(165,608)	(188,608)
Net current liabilities		<u>(98,936)</u>	<u>(178,337)</u>
Total assets less current liabilities		<u>2,045,701</u>	<u>1,982,539</u>
Creditors: amounts falling due after more than one year	10	(1,231,807)	(1,306,079)
Provisions for liabilities			
Deferred tax	12	(41,501)	(37,874)
		<u>(41,501)</u>	<u>(37,874)</u>
Net assets		<u><u>772,393</u></u>	<u><u>638,586</u></u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		772,391	638,584
		<u><u>772,393</u></u>	<u><u>638,586</u></u>

ELEPHANT & CASTLE HOTEL LIMITED
REGISTERED NUMBER: 06894952

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account 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:

.....
Mr I L Williams
Director

Date: 17 February 2022

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

1. General information

Elephant & Castle Hotel Limited is a private limited company, limited by shares, incorporated in England and Wales, with its registered office at 1 Edison Court, Ellice Way, Wrexham, LL13 7YT. The company's principal place of business is The Elephant and Castle Hotel, Broad Street, Newtown, Powys SY16 2BQ.

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 the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.3 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 balance sheet 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 balance sheet date.

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Profit and loss account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 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 to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	- Nil
Fixtures and fittings	- 7.5% on reducing balance
Computer equipment	- 20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively 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 profit or loss.

2.10 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.11 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. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 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 from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 24 (2020 - 31).

ELEPHANT & CASTLE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

4. Intangible assets

	Goodwill £
Cost	
At 1 June 2020	1
At 31 May 2021	<u>1</u>
Net book value	
At 31 May 2021	<u>1</u>
<i>At 31 May 2020</i>	<u>1</u>

5. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 June 2020	1,530,980	414,601	64,774	2,010,355
Additions	-	925	-	925
At 31 May 2021	<u>1,530,980</u>	<u>415,526</u>	<u>64,774</u>	<u>2,011,280</u>
Depreciation				
At 1 June 2020	-	201,357	59,270	260,627
Charge for the year on owned assets	-	16,063	1,101	17,164
At 31 May 2021	<u>-</u>	<u>217,420</u>	<u>60,371</u>	<u>277,791</u>
Net book value				
At 31 May 2021	<u>1,530,980</u>	<u>198,106</u>	<u>4,403</u>	<u>1,733,489</u>
<i>At 31 May 2020</i>	<u>1,530,980</u>	<u>213,244</u>	<u>5,504</u>	<u>1,749,728</u>

ELEPHANT & CASTLE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

5. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	1,530,980	1,530,980
	<u>1,530,980</u>	<u>1,530,980</u>

6. Investment property

	Freehold investment property £
Valuation	
At 1 June 2020	411,147
At 31 May 2021	<u>411,147</u>

The 2021 valuations were made by the directors at cost, on an open market value for existing use basis.

7. Debtors

	2021 £	2020 £
Trade debtors	7,358	4,584
Prepayments and accrued income	769	376
	<u>8,127</u>	<u>4,960</u>

ELEPHANT & CASTLE HOTEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

8. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	48,300	105
Less: bank overdrafts	(203)	(13,374)
	<u>48,097</u>	<u>(13,269)</u>

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	203	13,374
Bank loans	50,513	34,468
Trade creditors	43,202	58,860
Corporation tax	28,523	18,216
Other taxation and social security	8,006	25,350
Other creditors	14,831	14,918
Accruals and deferred income	20,330	23,422
	<u>165,608</u>	<u>188,608</u>

10. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	512,099	552,962
Other creditors	643,033	661,610
Accruals and deferred income	76,675	91,507
	<u>1,231,807</u>	<u>1,306,079</u>

ELEPHANT & CASTLE HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

11. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	50,513	34,468
	<u>50,513</u>	<u>34,468</u>
Amounts falling due 1-2 years		
Bank loans	4,065	7,930
	<u>4,065</u>	<u>7,930</u>
Amounts falling due 2-5 years		
Bank loans	173,128	117,263
	<u>173,128</u>	<u>117,263</u>
Amounts falling due after more than 5 years		
Bank loans	334,905	427,769
	<u>334,905</u>	<u>427,769</u>
	<u>562,611</u>	<u>587,430</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

12. Deferred taxation

	2021 £
At beginning of year	(37,874)
Charged to profit or loss	(3,627)
At end of year	(41,501)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(41,501)	(37,874)
	<u>(41,501)</u>	<u>(37,874)</u>

13. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 (2020 - 2) Ordinary shares shares of £1.00 each	<u>2</u>	<u>2</u>

14. Related party transactions

Other creditors include loans from the company's directors of £643,032 (2020: £661,610). No terms have been agreed for their repayment.

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.