

Company Registration No. 04890274 (England and Wales)

Andrew Brownsword Hotels Limited

**Annual report and
group financial statements
for the period ended 3 January 2021**

Andrew Brownsword Hotels Limited

Company information

Directors Andrew Brownsword
Jeremy Hancock
Stephanie Hocking
Peter Tyrrell
Alessandra Brownsword-Matthews
David Matthews

Secretary Peter Tyrrell

Company number 04890274

Registered office 8 Gay Street
Bath
BA1 2PH

Independent auditor Saffery Champness LLP
St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Andrew Brownsword Hotels Limited

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Andrew Brownsword Hotels Limited

Strategic report

For the period ended 3 January 2021

The directors present the strategic report and financial statements for the period ended 3 January 2021.

Fair review of the business

The loss for the financial year, after taxation was £3,340,134 (period ended 29 December 2019: £7,502,822).

Net assets at the period end were £53,728,642 (period ended 29 December 2019: £57,068,776).

In March 2020 the Coronavirus worldwide pandemic resulted in the hotels closing from 23 March to 4 July 2020. This temporary closure resulted in no revenue, whilst at the same time the hotels continued to have certain fixed costs (Insurance, Utilities, IT Contracts etc). The hotels utilised the Governments Coronavirus Job Retention Scheme to minimise the cost of payroll whilst it was closed. Once re-opened the hotels performed well throughout the summer months, however towards the end of the year the government mandated further closures which resulted in further disruption throughout the months of October to December and once again impacted revenues.

The board are satisfied with the overall trading performance throughout a period of challenging market conditions.

The loss for the period will be transferred to reserves. No dividends were paid or proposed in the year.

Principal risks and uncertainties

The group manages competitive trading risk by providing high quality services, consistent renewal of its properties and maintaining strong relationships with its customers and investing in the development and performance of highly professional service staff.

In line with the hotel and restaurant industry generally, the business is exposed to normal economic and market factors which ultimately reflect the strength of the economy and the strength of local conditions. This is affected by business usage and tourism as well as normal seasonal factors and weather conditions.

In 2021 the Coronavirus worldwide pandemic continued to disrupt business with national lockdowns ordered from January 2021 to June 2021 impacting heavily on the hospitality industry.

The directors believe the group is well placed to compete in the market despite challenging market conditions.

Development and performance

It is the group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

Key performance indicators

To enable review of performance and benchmarking within the group, many KPI's are regularly used and an example of these would be: average room rate, occupancy %, yield, food and beverage COS %, cost per occupied room for certain room costs/payroll, wage cost %, utility cost per occupied room and EBITDA %.

Andrew Brownsword Hotels Limited

Strategic report (continued)

For the period ended 3 January 2021

Promoting the success of the company

The group is a family owned and managed business with the shareholding directors acting in the way to promote the success of the group and benefit its stake holders.

The group is managed to build the business for the future, always considering ways to enhance and improve operations and their guests experience.

Employees

Family First is our people brand and is here to represent the people who make up our family across all of our hotels and restaurants. Communication is encouraged, through numerous channels such as the company website, regular group updates and management briefings. Risks are kept to a minimum through health and safety and regular training.

Relationships with suppliers

Suppliers are continually communicated with to ensure the best product offering for the customer.

Relationships with customers

Our hotels are built on Originality (all the hotels have their own stories and heritage), Personality (being different is a badge of honour) and Quality (Quality is at the heart of everything we do, take pride in every little detail)

Community and environment

The group is invested in minimising its carbon footprint by ensuring all employees have an increased energy awareness across all its sites / behavioural change initiatives.

Wherever possible the continued re-investment in smarter, more energy efficient lighting, machinery and technology whenever possible.

Maintain high standards

The group's reputation for outstanding service, knowledge and experience is the result of an energy and ambition that is shared across every hotel.

On behalf of the board

Peter Tyrrell

Director

15 September 2021

Andrew Brownsword Hotels Limited

Directors' report

For the period ended 3 January 2021

The directors present their annual report and financial statements for the period ended 3 January 2021.

Principal activities

The principal activity of the group during the period was the provision of accommodation and restaurant services.

Results and dividends

The results for the period are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Andrew Brownsword
Jeremy Hancock
Stephanie Hocking
Peter Tyrrell
Alessandra Brownsword-Matthews
David Matthews

Financial instruments

Liquidity risk

The group has significant cash resources to meet its financial obligations and has the ongoing support of its sole shareholder.

Interest rate risk

The group does not have borrowings as at the period end and so is not exposed to interest rate risk.

Foreign currency risk

The group makes its sales and purchases in sterling and so is not exposed to foreign currency risk.

Credit risk

Credit risk is considered low for the group as credit terms are not provided to the majority of customers.

Auditor

Saffery Champness have expressed their willingness to continue in office.

Energy and carbon report

As a group, Andrew Brownsword Hotels Limited is attempting to increase its efficiency every year.

Andrew Brownsword Hotels Limited

Directors' report (continued)
For the period ended 3 January 2021

<i>Energy consumption</i>		kWh
Aggregate of energy consumption in the year		3,540,581
		<hr/>
- Gas combustion and fuel consumed for owned transport	442.00	
	<hr/>	442.00
Scope 2 - indirect emissions		
- Electricity purchased		265.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		40.00
		<hr/>
Total gross emissions		747.00
		<hr/>
<i>Intensity ratio</i>		
Tonnes CO2e per £1m of revenue		145
		<hr/>

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £1m of revenue, the recommended ratio for the sector.

Measures taken to improve energy efficiency

- Increased energy awareness across all sites / behavioural change initiatives
- Monitoring usage on a regular basis and reducing wastage
- Greater video conferencing to reduce business travel
- Efficient LED lighting wherever possible
- Energy efficient boilers / pumps etc installed when replacements are required

Statement of directors' responsibilities

The directors are responsible 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 group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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 group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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;
- 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 group's and the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent 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 group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of its fair review of the business, details of the group's risks and uncertainties and also its' future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Andrew Brownsword Hotels Limited

Directors' report (continued)
For the period ended 3 January 2021

On behalf of the board

Peter Tyrrell
Director

15 September 2021

Andrew Brownsword Hotels Limited

Independent auditor's report

To the members of Andrew Brownsword Hotels Limited

Opinion

We have audited the financial statements of Andrew Brownsword Hotels Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 3 January 2021 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group and of the parent company's affairs as at 3 January 2021 and of the group's loss for the period 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 group and the parent 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 group or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

Andrew Brownsword Hotels Limited

Independent auditor's report (continued)

To the members of Andrew Brownsword Hotels Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Opinions on other matters 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 the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the knowledge and understanding of the group and the parent company and their 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors' responsibilities statement, 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 group and the parent 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 group or parent company or to cease operations, or have no realistic alternative but to do so.

Andrew Brownsword Hotels Limited

Independent auditor's report (continued)

To the members of Andrew Brownsword Hotels Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the group and parent company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operates.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Andrew Brownsword Hotels Limited

Independent auditor's report (continued)

To the members of Andrew Brownsword Hotels Limited

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditors 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Strong (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

16 September 2021

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Andrew Brownsword Hotels Limited

Group statement of comprehensive income
For the period ended 3 January 2021

		Period ended 3 January 2021	Period ended 29 December 2019
	Notes	£	£
Turnover	3	5,156,104	13,807,243
Cost of sales		(3,642,270)	(7,115,090)
Gross profit		<u>1,513,834</u>	<u>6,692,153</u>
Administrative expenses		(5,884,432)	(7,563,263)
Other operating income	3	<u>1,235,422</u>	<u>-</u>
Operating loss	4	(3,135,176)	(871,110)
Interest receivable and similar income	8	56,040	113,297
Exceptional expenses	9	-	(7,108,528)
Exceptional income	10	<u>25,856</u>	<u>363,519</u>
Loss before taxation		(3,053,280)	(7,502,822)
Tax on loss	11	<u>(286,854)</u>	<u>-</u>
Loss for the financial period		<u><u>(3,340,134)</u></u>	<u><u>(7,502,822)</u></u>

Loss for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Andrew Brownsword Hotels Limited

Group statement of financial position
As at 3 January 2021

		Period ended 3 January 2021		Period ended 29 December 2019	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		-		42,424
Tangible assets	13		38,347,294		39,716,352
			<u>38,347,294</u>		<u>39,758,776</u>
Current assets					
Stocks	16	69,695		129,612	
Debtors	17	3,148,874		1,012,036	
Investments	18	-		12,200,000	
Cash at bank and in hand		14,972,234		7,895,151	
		<u>18,190,803</u>		<u>21,236,799</u>	
Creditors: amounts falling due within one year	19	(2,809,455)		(2,301,288)	
Net current assets			<u>15,381,348</u>		<u>18,935,511</u>
Total assets less current liabilities			<u>53,728,642</u>		<u>58,694,287</u>
Provisions for liabilities	20		-		(1,625,511)
Net assets			<u><u>53,728,642</u></u>		<u><u>57,068,776</u></u>
Capital and reserves					
Called up share capital	22		16,073,002		16,073,002
Share premium account			48,219,006		48,219,006
Profit and loss reserves			(10,563,366)		(7,223,232)
Total equity			<u><u>53,728,642</u></u>		<u><u>57,068,776</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15 September 2021 and are signed on its behalf by:

Peter Tyrrell
Director

Company Registration No. 04890274

Andrew Brownsword Hotels Limited

**Company statement of financial position
As at 3 January 2021**

		Period ended 3 January 2021		Period ended 29 December 2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		4,744		7,490
Investments	14		64,423,965		65,091,335
			<u>64,428,709</u>		<u>65,098,825</u>
Current assets					
Stocks	16	9,195		8,677	
Debtors	17	878,919		329,301	
Cash at bank and in hand		419,577		2,109,238	
		<u>1,307,691</u>		<u>2,447,216</u>	
Creditors: amounts falling due within one year	19	<u>(1,524,667)</u>		<u>(2,560,696)</u>	
Net current liabilities			<u>(216,976)</u>		<u>(113,480)</u>
Total assets less current liabilities			<u>64,211,733</u>		<u>64,985,345</u>
Capital and reserves					
Called up share capital	22		16,073,002		16,073,002
Share premium account			48,219,006		48,219,006
Profit and loss reserves			<u>(80,275)</u>		<u>693,337</u>
Total equity			<u>64,211,733</u>		<u>64,985,345</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the period was £773,612 (Period ended 29 December 2019 - £54,732 loss).

The financial statements were approved by the board of directors and authorised for issue on 15 September 2021 and are signed on its behalf by:

Peter Tyrrell
Director

Company Registration No. 04890274

Andrew Brownsword Hotels Limited

**Group statement of changes in equity
For the period ended 3 January 2021**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 31 December 2018	16,073,002	48,219,006	279,590	64,571,598
Period ended 29 December 2019:				
Loss and total comprehensive income for the period	-	-	(7,502,822)	(7,502,822)
Balance at 29 December 2019	16,073,002	48,219,006	(7,223,232)	57,068,776
Period ended 3 January 2021:				
Loss and total comprehensive income for the period			(3,340,134)	(3,340,134)
Balance at 3 January 2021	16,073,002	48,219,006	(10,563,366)	53,728,642

Andrew Brownsword Hotels Limited

**Company statement of changes in equity
For the period ended 3 January 2021**

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 31 December 2018	16,073,002	48,219,006	748,069	65,040,077
Period ended 29 December 2019:				
Loss and total comprehensive income for the period	-	-	(54,732)	(54,732)
Balance at 29 December 2019	16,073,002	48,219,006	693,337	64,985,345
Period ended 3 January 2021:				
Loss and total comprehensive income for the period			(773,612)	(773,612)
Balance at 3 January 2021	16,073,002	48,219,006	(80,275)	64,211,733

Andrew Brownsword Hotels Limited

Group statement of cash flows
For the period ended 3 January 2021

		Period ended 3 January 2021		Period ended 29 December 2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(4,921,017)		956,594
Investing activities					
Purchase of tangible fixed assets		(357,940)		(3,317,263)	
Exceptional costs		-		(315,737)	
Proceeds on disposal of tangible fixed assets		100,000		-	
Investment withdrawals		12,200,000		2,400,000	
Interest received		56,040		113,297	
Net cash generated from/(used in) investing activities			11,998,100		(1,119,703)
Net increase/(decrease) in cash and cash equivalents			7,077,083		(163,109)
Cash and cash equivalents at beginning of period			7,895,151		8,058,260
Cash and cash equivalents at end of period			14,972,234		7,895,151

Andrew Brownsword Hotels Limited

Notes to the group financial statements For the period ended 3 January 2021

1 Accounting policies

Company information

Andrew Brownsword Hotels Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is 8 Gay Street, Bath, BA1 2PH.

The group consists of Andrew Brownsword Hotels Limited and all of its subsidiaries.

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.

The financial statements are prepared in sterling, which is the functional currency of the group. 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 group are drawn up to either a 52 or 53 week period each year which is in accordance with the group 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 company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available group financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the group financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Notes to the group financial statements (continued)
For the period ended 3 January 2021

1 Accounting policies (continued)

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to a 52 - 53 week period each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary. Business combinations are accounted for under the purchase method. Where necessary adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Andrew Brownsword Hotels Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 3 January 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The directors have prepared the financial statements on a going concern basis as, in their opinion, the group is able to meet its obligations as they fall due. This opinion is based on detailed forecasting for the following 12 months based on current and expected market conditions together with current performance levels.

1.4 Turnover

Revenue is recognised to the extent that the group 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:

Management fee income is recognised when the fees are due to the group; accommodation is recognised when a room is occupied; food and beverages are 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.

Notes to the group financial statements (continued)
For the period ended 3 January 2021

1 Accounting policies (continued)

1.5 Intangible fixed assets - goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset as follows:

Goodwill	10% straight line
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1.6 Tangible fixed assets

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

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

Land and buildings Freehold	Nil - 20% straight line
Land and buildings Leasehold	Nil - 20% straight line
Plant and machinery	5 - 20% straight line
Fixtures, fittings & equipment	10 - 33% straight line
Computer equipment	20 - 33% straight line

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 recognised in the income statement.

In accordance with normal practice in the UK hotel industry, no depreciation is provided on the group's freehold property acquired at cost. It is the group's practice to maintain its property in a continual state of sound repair and to make improvements thereto from time to time. Accordingly, the directors consider that the life of the asset and residual value, based on the price prevailing at the time of acquisition, is such that its depreciation would be insignificant.

The group has undertaken refurbishment to its property. This expenditure is split between work to the core of the buildings, with nil depreciation, and work to building surfaces and services, with a finite useful economic life and depreciated at rates between 5% and 10% accordingly.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1 Accounting policies (continued)

1.8 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible 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 group 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.

1.9 Stocks

Stocks comprise raw materials and finished goods which are food and beverages respectively. Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 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 Accounting policies (continued)

1.11 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

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.

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 group 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.

Notes to the group financial statements (continued)
For the period ended 3 January 2021

1 Accounting policies (continued)

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.

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

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group 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 group.

1.13 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Contributions in respect of the group's defined contribution pension scheme are charged to the profit and loss account for the period in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the period are shown either as accruals or prepayments at the period end.

1.16 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.

During the year the company received money through the Coronavirus job retention scheme (CJRS). This has been recognised in other income and can be identified in the turnover note. Wages continue to be recognised at their gross value. The recognition point for this income is the month in which the wage cost is recognised.

1 Accounting policies (continued)

1.17 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 are included in the income statement for the period.

1.18 Exceptional items

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

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of fixed asset investments

In assessing the impairment charge to be made to the company's fixed asset investments (see note 14), management have reviewed the net asset position of each subsidiary alongside its future earnings to assess whether these amounts fall below the carrying value of each subsidiary.

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Turnover analysed by class of business		
Management fees	1,136,952	972,578
Hotel accommodation	2,609,766	7,892,038
Food and beverage	1,217,067	4,470,229
Sundry and other revenue	192,319	472,398
	<u>5,156,104</u>	<u>13,807,243</u>

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Other significant revenue		
Interest income	56,040	113,297
Furlough income received	1,230,097	-
Other government grants	5,325	-
	<u>1,291,462</u>	<u>113,297</u>

4 Operating loss

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Operating loss for the period is stated after charging/(crediting):		
Furlough income received	(1,230,097)	-
Other government grants received	(5,325)	-
Depreciation of owned tangible fixed assets	929,388	1,170,465
Impairment of owned tangible fixed assets	-	6,792,791
Loss on disposal of tangible fixed assets	352,566	-
Amortisation of intangible assets	42,424	95,391

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

5 Auditor's remuneration

	Period ended 3 January 2021	Period ended 29 December 2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	12,900	10,500
Audit of the financial statements of the company's subsidiaries	35,350	35,350
	<u>48,250</u>	<u>45,850</u>

6 Employees

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

	Group		Company
	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 29 December 2019
	Number	Number	Number
Management and administration	231	290	31
	<u>231</u>	<u>290</u>	<u>31</u>

Their aggregate remuneration comprised:

	Group		Company
	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 29 December 2019
	£	£	£
Wages and salaries	4,227,433	5,333,846	1,051,295
Social security costs	398,875	506,399	148,257
Pension costs	85,100	86,138	68,911
	<u>4,711,408</u>	<u>5,926,383</u>	<u>1,268,463</u>

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

7 Directors' remuneration

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Remuneration for qualifying services	347,821	331,654
Company pension contributions to defined contribution schemes	31,398	34,748
	<u>379,219</u>	<u>366,402</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (Period ended 29 December 2019 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Remuneration for qualifying services	173,538	180,000
Company pension contributions to defined contribution schemes	18,173	21,836
	<u>191,711</u>	<u>201,836</u>

8 Interest receivable and similar income

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Interest income		
Interest on bank deposits	56,040	113,297
	<u>56,040</u>	<u>113,297</u>

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

9 Exceptional expenses

	Group		Company	
	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
	£	£	£	£
Impairment of assets under construction	-	6,792,791	-	-
Fire related expenses	-	5,737	-	-
Other property costs	-	310,000	-	-
	<u>-</u>	<u>7,108,528</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>7,108,528</u>	<u>-</u>	<u>-</u>

10 Exceptional income

	Group		Company	
	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
	£	£	£	£
Insurance proceeds	25,856	363,519	-	-
	<u>25,856</u>	<u>363,519</u>	<u>-</u>	<u>-</u>
	<u>25,856</u>	<u>363,519</u>	<u>-</u>	<u>-</u>

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)

For the period ended 3 January 2021

11 Taxation

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Current tax		
Adjustments in respect of prior periods	286,854	-
	<u>286,854</u>	<u>-</u>

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Loss before taxation	(3,053,280)	(7,502,822)
	<u>(3,053,280)</u>	<u>(7,502,822)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (Period ended 29 December 2019: 19.00%)	(580,123)	(1,425,536)
Tax effect of expenses that are not deductible in determining taxable profit	104,344	1,397,114
Change in unrecognised deferred tax assets	475,779	28,422
Adjustments in respect of prior years	286,854	-
	<u>286,854</u>	<u>-</u>
Taxation charge	<u>286,854</u>	<u>-</u>

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

12 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 30 December 2019 and 3 January 2021	653,908
	<hr/>
Amortisation and impairment	
At 30 December 2019	611,484
Amortisation charged for the period	42,424
	<hr/>
At 3 January 2021	653,908
	<hr/>
Carrying amount	
At 3 January 2021	-
	<hr/>
At 29 December 2019	42,424
	<hr/>

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

13 Tangible fixed assets

Group	Land and buildings Freehold	Land and buildings Leasehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£	£
Cost						
At 30 December 2019	33,468,631	9,293,762	7,237,835	10,048,409	5,937,445	65,986,082
Additions	-	-	352,566	5,374	-	357,940
Disposals	-	-	(7,590,401)	-	-	(7,590,401)
At 3 January 2021	33,468,631	9,293,762	-	10,053,783	5,937,445	58,753,621
Depreciation and impairment						
At 30 December 2019	6,739,897	617,543	6,792,791	7,089,256	5,030,243	26,269,730
Depreciation charged in the period	148,094	39,412	-	454,323	287,559	929,388
Eliminated in respect of disposals	-	-	(6,792,791)	-	-	(6,792,791)
At 3 January 2021	6,887,991	656,955	-	7,543,579	5,317,802	20,406,327
Carrying amount						
At 3 January 2021	26,580,640	8,636,807	-	2,510,204	619,643	38,347,294
At 29 December 2019	26,728,734	8,676,219	445,044	2,959,153	907,202	39,716,352

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

13 Tangible fixed assets (continued)

Company	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£
Cost			
At 30 December 2019	2,424	422,549	424,973
Additions	-	2,334	2,334
At 3 January 2021	2,424	424,883	427,307
Depreciation and impairment			
At 30 December 2019	1,835	415,648	417,483
Depreciation charged in the period	202	4,878	5,080
At 3 January 2021	2,037	420,526	422,563
Carrying amount			
At 3 January 2021	387	4,357	4,744
At 29 December 2019	589	6,901	7,490

14 Fixed asset investments

		Group		Company	
		Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	64,423,965	65,091,335

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

14 Fixed asset investments (continued)

Movements in fixed asset investments
Company

Shares in group undertakings

£

Cost or valuation

At 30 December 2019 and 3 January 2021

65,091,335

Impairment

At 30 December 2019

-

Impairment losses

667,370

At 3 January 2021

667,370

Carrying amount

At 3 January 2021

64,423,965

At 29 December 2019

65,091,335

15 Subsidiaries

Details of the company's subsidiaries at 3 January 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Castle Street Manageent Limited	1	Dormant	Ordinary	100.00
Foursquare Associates Limited	1	Holders of development property	Ordinary	100.00
The Arthouse Glasgow Limited	1	Hotel operators	Ordinary	100.00
The Chester Abode Limited	1	Hotel operators	Ordinary	100.00
The County Hotel Canterbury Limited	1	Hotel operators	Ordinary	100.00
The Manchester Abode Limited	1	Hotel operators	Ordinary	100.00
The Royal Clarence Hotel Limited	1	Hotel operators	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 8 Gay Street, Bath, England, BA1 2PH

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

16 Stocks

	Group		Company	
	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
	£	£	£	£
Raw materials and consumables	1,184	32,901	-	-
Finished goods and goods for resale	68,511	96,711	9,195	8,677
	<u>69,695</u>	<u>129,612</u>	<u>9,195</u>	<u>8,677</u>

17 Debtors

	Group		Company	
	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	500,607	316,295	828,683	164,302
Other debtors	2,013,488	81,010	1	18,311
Prepayments and accrued income	289,735	614,731	50,235	146,688
	<u>2,803,830</u>	<u>1,012,036</u>	<u>878,919</u>	<u>329,301</u>
Amounts falling due after more than one year:				
Other debtors	345,044	-	-	-
	<u>345,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>3,148,874</u>	<u>1,012,036</u>	<u>878,919</u>	<u>329,301</u>

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

18 Current asset investments

	Group		Company	
	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
	£	£	£	£
Unlisted investments	-	12,200,000	-	-

The prior period's current assets of £12,200,000 consist of short term deposits with terms ranging from 2 to 6 months.

19 Creditors: amounts falling due within one year

	Group		Company	
	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
	£	£	£	£
Trade creditors	93,566	650,857	37,069	-
Amounts owed to group undertakings	-	-	1,269,951	2,382,821
Corporation tax payable	1,912,365	-	-	-
Other taxation and social security	144,189	547,007	117,314	96,335
Other creditors	421,639	572,648	26,759	1,370
Accruals and deferred income	237,696	530,776	73,574	80,170
	<u>2,809,455</u>	<u>2,301,288</u>	<u>1,524,667</u>	<u>2,560,696</u>

The amounts due to group undertakings are due to subsidiaries of the group and are repayable upon demand. Interest will accrue on the loans at the rate of 1% per annum above the base rate from time to time of National Westminster Bank PLC.

Notes to the group financial statements (continued)
For the period ended 3 January 2021

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities Period ended 3 January 2021	Liabilities Period ended 29 December 2019
	£	£
Group		
Other deferred tax movements	-	1,625,511
	<u> </u>	<u> </u>

The company has no deferred tax assets or liabilities.

	Group Period ended 3 January 2021	Company Period ended 3 January 2021
	£	£
Movements in the period:		
Liability at 30 December 2019	1,625,511	-
Transfer on disposal	(1,625,511)	-
	<u> </u>	<u> </u>
Asset at 3 January 2021	-	-
	<u> </u>	<u> </u>

21 Retirement benefit schemes

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	85,100	86,138
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)

For the period ended 3 January 2021

22 Share capital

	Period ended 3 January 2021	Period ended 29 December 2019	Period ended 3 January 2021	Period ended 29 December 2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 25p each	64,292,008	64,292,008	16,073,002	16,073,002

Shares rank equally for voting purposes. On a show of hands, each member shall have one vote and on a poll each member shall have one vote per share held.

23 Contingent assets

As at the date of signing the financial statements, the group 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.

Notes to the group financial statements (continued)
For the period ended 3 January 2021

24 Related party transactions

Group

The company has taken advantage of the exemption available in FRS 102 Section 33 "Related Party Disclosures" whereby it has not disclosed transactions between the ultimate parent and any wholly owned subsidiary undertaking.

The Bath Priory Limited is owned and controlled by Alessandra Brownsword-Matthews. During the period, a total amount of £1,482,239 (period ended 29 December 2019: £1,483,148) was payable to Andrew Brownsword Hotels Limited for the provision of management and other services. A balance of £424,551 (period ended 29 December 2019: £11,746) was outstanding at the period end. Purchases of £23,813 (period ended 29 December 2019: £23,802) were also made from The Bath Priory Limited during the period. A balance of £2,857 (period ended 29 December 2019: £6,118) relating to purchases was outstanding at the period end.

Company

The company is owned and controlled by Alessandra Brownsword-Matthews, a director of the company. During the period, Andrew Brownsword (a director of the company) invoiced the company for a total amount of £14,374 (period ended 29 December 2019: £60,374) for the provision of administrative services, fully serviced accommodation and other recharged expenses. £nil (period ended 29 December 2019: £nil) was outstanding at the period end.

The Bath Priory Limited is also owned and controlled by Alessandra Brownsword-Matthews. During the period, a total amount of £1,476,224 (period ended 29 December 2019: £1,471,296) was payable to Andrew Brownsword Hotels Limited for the provision of management and other services. A balance of £424,551 (period ended 29 December 2019: £10,969) was outstanding at the period end. Purchases of £8,801 (period ended 29 December 2019: £23,802) were also made from The Bath Priory Limited during the period. A balance of £400 (period ended 29 December 2019: £nil) relating to purchases was outstanding at the period end.

25 Controlling party

The ultimate controlling party is Alessandra Brownsword-Matthews, by virtue of her shareholding in the ultimate parent company.

Andrew Brownsword Hotels Limited

Notes to the group financial statements (continued)
For the period ended 3 January 2021

26 Cash generated from group operations

	Period ended 3 January 2021	Period ended 29 December 2019
	£	£
Loss for the period after tax	(3,340,134)	(7,502,822)
Adjustments for:		
Taxation charged	286,854	-
Investment income	(56,040)	(113,297)
Loss on disposal of tangible fixed assets	352,566	-
Insurance proceeds	(25,856)	(363,519)
Amortisation and impairment of intangible assets	42,424	95,391
Depreciation and impairment of tangible fixed assets	929,388	1,170,465
Other exceptionals	-	7,108,528
Movements in working capital:		
Decrease in stocks	59,917	18,752
(Increase)/decrease in debtors	(1,765,938)	38,638
(Decrease)/increase in creditors	(1,404,198)	504,458
Cash (absorbed by)/generated from operations	(4,921,017)	956,594

27 Analysis of changes in net funds - group

	30 December 2019	Cash flows 3 January 2021
	£	£
Cash at bank and in hand	7,895,151	7,077,083
	14,972,234	

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.