

Armagh City Hotel Limited

Annual Report and Financial Statements
for the Year Ended 31 July 2024

Armagh City Hotel Limited

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Armagh City Hotel Limited

Company Information

Directors	Mr T E Fisher Mr K McAnallen Mr B McCormack Mr F Mooney
Company secretary	Mr F Mooney
Registered office	Armagh City Hotel Friary Road Armagh Co Armagh BT60 4FR
Solicitors	Carson McDowell LLP Murray House Murray Street Belfast BT1 6DN
Bankers	Bank of Ireland University Road University Rd Belfast BT7 1NH
Auditors	McKeague Morgan & Company 27 College Gardens Belfast BT9 6BS

Armagh City Hotel Limited

Strategic Report for the Year Ended 31 July 2024

The directors present their strategic report for the year ended 31 July 2024.

Principal activity

The principal activity of the company is that of the operation of a hotel complex.

Fair review of the business

The financial statements for the year ended 31 July 2024 show an increase in turnover of £1.08m (18.24%) from the prior year. A profit before tax of £447k was recorded in the year (2023: loss of £185k), primarily due to an increase in occupancy rates and associated spend at the bar and restaurant. These results are a direct response from managements decision to undertake significant repair works in previous years, creating a more luxurious space for guests to relax and unwind.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2024	2023
Turnover	£000s	7,010	5,929
Gross profit	%	38	34
EBITDA	£000s	884	254

Future developments

The company is committed to reducing its reliance on fossil fuels and has installed Solar Photovoltaics panels on the roof of the hotel. The renewable energy created by this technology will reduce the carbon footprint of the hotel and reduce energy costs.

Principal risks and uncertainties

The management of business and the execution of the company’s strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to the impact of the cost of living crisis, competitive activity, market trends and forecasts and customer behaviour. These risks are addressed by the board carrying out regular strategic reviews including assessments of competitor activity and the board’s active review of competitor prices, which provides both protection and maximises opportunities. These risks are also addressed through strong customer service as well as investment in its people and facilities.

Approved by the Board on 7 November 2024 and signed on its behalf by:

.....
Mr K McAnallen
Director

.....
Mr F Mooney
Company secretary and director

Armagh City Hotel Limited

Directors' Report for the Year Ended 31 July 2024

The directors present their report and the financial statements for the year ended 31 July 2024.

Directors of the company

The directors who held office during the year were as follows:

Mr T E Fisher

Mr K McAnallen

Mr B McCormack

Mr F Mooney - Company secretary and director

Financial instruments

Objectives and policies

The company's operations expose it to a variety of financial risks that include liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a subcommittee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk, credit risk, liquidity risk and cash flow risk

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity and cash flow risk

The company's policy is to ensure that sufficient resources are available either from cash balances, cash flows and near cash liquid investments to ensure all obligations can be met when they fall due.

Foreign exchange risk

The operations of the company are wholly in the United Kingdom, and as a result its exposure to foreign exchange risk is negligible.

Environmental matters

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Armagh City Hotel Limited

Directors' Report for the Year Ended 31 July 2024

Health and safety

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all areas of the hotel safe environments for employees and customers alike.

Human resources

The management of the company recognises that its most important resource is its people, their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue to be able to meet its liabilities as they fall due for the foreseeable future. The directors continually review the trading and financial position of the company and assess its future prospects, liquidity and borrowing position.

Despite the challenges of the cost of living crisis and its impact on margins, the company is lowly geared and has adequate facilities to enable it to meet these challenges, trade and continue as a going concern. On this basis the directors believe it is appropriate to prepare the financial statements on the going concern basis.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 7 November 2024 and signed on its behalf by:

.....
Mr K McAnallen
Director

.....
Mr F Mooney
Company secretary and director

Armagh City Hotel Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Armagh City Hotel Limited

Independent Auditor's Report to the Members of Armagh City Hotel Limited

Opinion

We have audited the financial statements of Armagh City Hotel Limited (the 'company') for the year ended 31 July 2024, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of 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 company's affairs as at 31 July 2024 and of its profit for the year 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 responsibilities for the audit of the financial statements section of our report. We are independent of the 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Armagh City Hotel Limited

Independent Auditor's Report to the Members of Armagh City Hotel Limited

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities [set out on page 5], 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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.

Armagh City Hotel Limited

Independent Auditor's Report to the Members of Armagh City Hotel Limited

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

On the basis of our understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, we considered the risk of non-compliance and to what extent it might have a material effect on the financial statements. The principal laws and regulations that we determined as being the most significant are the Companies Act 2006, FRS 102 - "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the relevant UK tax compliance regulations.

- We made enquiries of management to understand how the company is complying with its legal and regulatory obligations.
- We read the board minutes to determine whether any fraud or non-compliance had been identified by the company.
- We evaluated the susceptibility of the financial statements to material misstatement and discussed with management the areas where we believed risk of fraud may be higher and what procedures are in place to prevent or detect fraud or non-compliance.
- We reviewed manual journal entries for any unusual postings.
- We performed tests in areas where significant accounting estimates and judgements are made to assess their reasonableness.

There are inherent limitations in the audit procedures described above. The further removed any 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. Furthermore, the risk of material misstatement due to fraud is higher than the risk of material misstatement due to error, as fraud may involve deliberate concealment.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 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 company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Stephen Morgan (Senior Statutory Auditor)
For and on behalf of McKeague Morgan & Company, Statutory Auditor
27 College Gardens
Belfast
BT9 6BS

7 November 2024

Armagh City Hotel Limited

Profit and Loss Account for the Year Ended 31 July 2024

	Note	2024 £	2023 £
Turnover	<u>4</u>	7,010,309	5,928,563
Cost of sales		<u>(4,363,813)</u>	<u>(3,925,573)</u>
Gross profit		2,646,496	2,002,990
Administrative expenses		<u>(2,181,711)</u>	<u>(2,155,073)</u>
Operating profit/(loss)	<u>7</u>	464,785	(152,083)
Interest payable and similar expenses	<u>8</u>	<u>(17,377)</u>	<u>(32,479)</u>
Profit/(loss) before tax		447,408	(184,562)
Taxation	<u>11</u>	<u>(133,929)</u>	6,574
Profit/(loss) for the financial year		<u><u>313,479</u></u>	<u><u>(177,988)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Armagh City Hotel Limited

Statement of Comprehensive Income for the Year Ended 31 July 2024

	2024	2023
	£	£
Profit/(loss) for the year	<u>313,479</u>	<u>(177,988)</u>
Total comprehensive income for the year	<u><u>313,479</u></u>	<u><u>(177,988)</u></u>

Armagh City Hotel Limited

(Registration number: NI030708)

Balance Sheet as at 31 July 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	<u>12</u>	6,768,297	7,094,638
Current assets			
Stocks	<u>13</u>	155,960	144,405
Debtors	<u>14</u>	205,102	174,585
Cash at bank and in hand		667,359	290,570
		<u>1,028,421</u>	<u>609,560</u>
Creditors: Amounts falling due within one year	<u>16</u>	<u>(1,059,652)</u>	<u>(1,128,422)</u>
Net current liabilities		<u>(31,231)</u>	<u>(518,862)</u>
Total assets less current liabilities		6,737,066	6,575,776
Creditors: Amounts falling due after more than one year	<u>16</u>	-	(246,146)
Provisions for liabilities	<u>17</u>	<u>(181,920)</u>	<u>(87,963)</u>
Net assets		<u>6,555,146</u>	<u>6,241,667</u>
Capital and reserves			
Called up share capital	<u>19</u>	1,539,700	1,539,700
Share premium reserve		1,013,302	1,013,302
Revaluation reserve		1,512,010	1,512,010
Profit and loss account		<u>2,490,134</u>	<u>2,176,655</u>
Total equity		<u>6,555,146</u>	<u>6,241,667</u>

Approved and authorised by the Board on 7 November 2024 and signed on its behalf by:

.....
Mr K McAnallen
Director

Armagh City Hotel Limited

Statement of Changes in Equity for the Year Ended 31 July 2024

	Share capital £	Share premium £	Revaluation reserve £	Retained earnings £	Total £
At 1 August 2023	1,539,700	1,013,302	1,512,010	2,176,655	6,241,667
Profit for the year	-	-	-	313,479	313,479
At 31 July 2024	1,539,700	1,013,302	1,512,010	2,490,134	6,555,146
	Share capital £	Share premium £	Revaluation reserve £	Retained earnings £	Total £
At 1 August 2022	1,539,700	1,013,302	1,512,010	2,454,643	6,519,655
Loss for the year	-	-	-	(177,988)	(177,988)
Dividends	-	-	-	(100,000)	(100,000)
At 31 July 2023	1,539,700	1,013,302	1,512,010	2,176,655	6,241,667

The notes on pages 14 to 27 form an integral part of these financial statements.
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Armagh City Hotel Limited

Statement of Cash Flows for the Year Ended 31 July 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Profit/(loss) for the year		313,479	(177,988)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>7</u>	419,408	410,958
Finance costs	<u>8</u>	17,377	32,425
Income tax expense	<u>11</u>	133,929	(6,574)
		884,193	258,821
Working capital adjustments			
(Increase)/decrease in stocks	<u>13</u>	(11,555)	8,180
(Increase)/decrease in debtors	<u>14</u>	(30,517)	88,898
Increase in creditors	<u>16</u>	28,673	40,286
Increase in provisions	<u>17</u>	1	-
Cash generated from operations		870,795	396,185
Income taxes paid	<u>11</u>	-	(21,235)
Net cash flow from operating activities		870,795	374,950
Cash flows from investing activities			
Acquisitions of tangible assets		(95,380)	(679,466)
Cash flows from financing activities			
Interest paid	<u>8</u>	(17,377)	(32,425)
Repayment of bank borrowing		(381,249)	(143,347)
Dividends paid	<u>21</u>	-	(100,000)
Net cash flows from financing activities		(398,626)	(275,772)
Net increase/(decrease) in cash and cash equivalents		376,789	(580,288)
Cash and cash equivalents at 1 August		290,570	870,858
Cash and cash equivalents at 31 July	<u>15</u>	<u>667,359</u>	<u>290,570</u>

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

1 General information

The company is a private company limited by share capital, incorporated in the United Kingdom.

The address of its registered office is:

Armagh City Hotel
Friary Road
Armagh
Co Armagh
BT60 4FR
Northern Ireland

These financial statements were authorised for issue by the Board on 7 November 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will continue to be able to meet its liabilities as they fall due for the foreseeable future. The directors continually review the trading and financial position of the company and assess its future prospects, liquidity and borrowing position.

Despite the challenges of the cost of living crisis and its impact on margins, the company is lowly geared and has adequate facilities to enable it to meet these challenges, trade and continue as a going concern. On this basis the directors believe it is appropriate to prepare the financial statements on the going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost or fair value, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	Not depreciated
Freehold property	2% straight line
Plant and machinery	12.5% straight line
Fixtures and fittings	25% straight line
Computer equipment	25% straight line
Other fixed assets	20-25% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

2 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

2 Accounting policies (continued)

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Judgements and key sources of estimation uncertainty

In the application of the company'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. These 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 revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Inventory provision

The company considers the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

4 Revenue

The analysis of the company's turnover for the year from continuing operations is as follows:

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

4 Revenue (continued)

	2024 £	2023 £
Sale of goods	6,877,220	5,791,605
Other revenue	133,089	136,958
	<u>7,010,309</u>	<u>5,928,563</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

2024 £	2023 £
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6 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

2024 £	2023 £
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7 Operating profit/(loss)

Arrived at after charging/(crediting)

	2024 £	2023 £
Depreciation expense	421,721	413,271
Amortisation expense	<u>(2,313)</u>	<u>(2,313)</u>

8 Interest payable and similar expenses

	2024 £	2023 £
Interest on bank overdrafts and borrowings	17,377	30,850
Interest on obligations under finance leases and hire purchase contracts	-	1,575
Foreign exchange gains	-	54
	<u>17,377</u>	<u>32,479</u>

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

9 Staff costs (continued)

	2024	2023
	£	£
Wages and salaries	2,524,933	2,350,259
Social security costs	148,636	144,083
Pension costs, defined contribution scheme	34,032	34,561
Redundancy costs	-	(4,402)
	<u>2,707,601</u>	<u>2,524,501</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2024	2023
	No.	No.
Administration and support	11	12
Sales	161	163
	<u>172</u>	<u>175</u>

10 Auditors' remuneration

	2024	2023
	£	£
Audit of the financial statements	<u>9,700</u>	<u>8,000</u>

11 Taxation

Tax charged/(credited) in the profit and loss account

	2024	2023
	£	£
Current taxation		
UK corporation tax	37,660	-
Deferred taxation		
Arising from origination and reversal of timing differences	<u>96,269</u>	<u>(6,574)</u>
Tax expense/(receipt) in the income statement	<u>133,929</u>	<u>(6,574)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 24.1% (2023 - 25%).
The differences are reconciled below:

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

11 Taxation (continued)

	2024 £	2023 £
Profit/(loss) before tax	447,408	(184,562)
Corporation tax at standard rate	107,825	(46,140)
Effect of expense not deductible in determining taxable profit (tax loss)	74	15
Effect of tax losses	(141,619)	146,967
Deferred tax expense/(credit) from unrecognised tax loss or credit	96,269	(6,574)
Tax increase/(decrease) from effect of capital allowances and depreciation	71,380	(100,842)
Total tax charge/(credit)	133,929	(6,574)

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

12 Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Other tangible assets £	Total £
Cost or valuation						
At 1 August 2023	6,250,000	3,488,356	2,333,807	759,251	258,820	13,090,234
Additions	-	5,350	52,928	37,102	-	95,380
At 31 July 2024	6,250,000	3,493,706	2,386,735	796,353	258,820	13,185,614
Depreciation						
At 1 August 2023	112,000	3,177,383	1,768,427	693,898	243,888	5,995,596
Charge for the year	112,000	65,238	201,787	33,547	9,149	421,721
At 31 July 2024	224,000	3,242,621	1,970,214	727,445	253,037	6,417,317
Carrying amount						
At 31 July 2024	6,026,000	251,085	416,521	68,908	5,783	6,768,297
At 31 July 2023	6,138,000	310,973	565,380	65,353	14,932	7,094,638

Included within the net book value of land and buildings above is £6,026,000 (2023 - £6,138,000) in respect of freehold land and buildings.

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

12 Tangible assets (continued)

Revaluation

The company's freehold land and buildings were revalued at £6,250,000 on 23 February 2023 on the basis of open market value for existing use as advised on a consultancy basis by Avison Young, Estate Agents.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £Nil (2023 - £4,573,561).

13 Stocks

	2024 £	2023 £
Consumables	85,805	81,705
Goods for resale	70,155	62,700
	<u>155,960</u>	<u>144,405</u>

14 Debtors

	Note	2024 £	2023 £
Trade debtors		72,059	69,749
Amounts owed by related parties	<u>22</u>	2,777	3,010
Other debtors		11,166	7,416
Prepayments		119,100	94,410
		<u>205,102</u>	<u>174,585</u>

15 Cash and cash equivalents

	2024 £	2023 £
Cash on hand	18,450	18,450
Cash at bank	648,909	272,120
	<u>667,359</u>	<u>290,570</u>

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

16 Creditors

	Note	2024 £	2023 £
Due within one year			
Loans and borrowings	<u>20</u>	-	135,103
Trade creditors		313,733	313,940
Amounts due to related parties	<u>22</u>	4,350	-
Social security and other taxes		284,742	234,786
Outstanding defined contribution pension costs		1,686	1,381
Other payables		71,339	45,850
Accrued expenses		346,142	397,362
Corporation tax liability		37,660	-
		<u>1,059,652</u>	<u>1,128,422</u>
Due after one year			
Loans and borrowings	<u>20</u>	-	246,146

17 Provisions for liabilities

	Deferred tax £	Capital grants £	Total £
At 1 August 2023	75,052	12,911	87,963
Increase (decrease) in existing provisions	<u>96,269</u>	<u>(2,312)</u>	<u>93,957</u>
At 31 July 2024	<u>171,321</u>	<u>10,599</u>	<u>181,920</u>

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £34,032 (2023 - £34,561).

Contributions totalling £1,686 (2023 - £1,381) were payable to the scheme at the end of the year and are included in creditors.

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

19 Share capital

Allotted, called up and fully paid shares

	2024		2023	
	No.	£	No.	£
Ordinary A shares of £1 each	1,154,775	1,154,775	1,154,775	1,154,775
Ordinary B shares of £1 each	384,925	384,925	384,925	384,925
	<u>1,539,700</u>	<u>1,539,700</u>	<u>1,539,700</u>	<u>1,539,700</u>

20 Loans and borrowings

	2024	2023
	£	£
Non-current loans and borrowings		
Bank borrowings	<u>-</u>	<u>246,146</u>

	2024	2023
	£	£
Current loans and borrowings		
Bank borrowings	<u>-</u>	<u>135,103</u>

Bank borrowings

The bank borrowings is denominated in sterling with a nominal interest rate of 3.5%, and the final instalment is due on 5 November 2026. The carrying amount at year end is £Nil (2023 - £381,249).

During the year, the company repaid its bank borrowings in full.

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

21 Dividends

Interim dividends paid

	2024	2023
	£	£
Interim dividend of £- (2023 - £0.06) per each Ordinary A shares	-	75,000
Interim dividend of £- (2023 - £0.06) per each Ordinary B shares	-	25,000
	-	100,000

22 Related party transactions

Transactions with directors

There were no transactions with Directors in the year ended 31 July 2023.

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

22 Related party transactions (continued)

Summary of transactions with other related parties

The company has identified the following transactions which are disclosable under the terms of FRS 102 "Related Party Disclosures":

(a) Dunadry Development Company Limited, a shareholder in Armagh City Hotel Limited, and of which F Mooney is a director, traded with the company during the year under the same terms as those available to other customers in the ordinary course of business. During the year Dunadry Development Company Limited raised a management charge of £150,000 (2023 - £150,000) to Armagh City Hotel Limited and there were other expenses (recouped)/ recharged which netted to £(3,975) (2023 - £709).

The amount due (to)/from Dunadry Development Company Limited at 31 July 2024 was £(4,349) (2023 - from Dunadry Development Company Limited £2,071).

(b) Friary Road Enterprises Limited, of which K McAnallen, T E Fisher, B McCormack and F Mooney are directors, traded with Armagh City Hotel under the same terms as those available to other customers in the ordinary course of business. Rents of £NIL (2023 - £NIL) were charged to Armagh City Hotel Limited and other expense recharged netted to £1,838 (2023 - £2,286).

The amount due from Friary Road Enterprises Limited at 31 July 2024 was £2,777 (2023 - £939).

Armagh City Hotel Limited

Notes to the Financial Statements for the Year Ended 31 July 2024

22 Related party transactions (continued)

Loans from related parties

	Other related parties £	Total £
2024		
Advanced	37,570	37,570
Repaid	(33,221)	(33,221)
At end of period	<u>4,349</u>	<u>4,349</u>
	Other related parties £	Total £
2023		
At start of period	4,138	4,138
Repaid	(4,138)	(4,138)
At end of period	<u>-</u>	<u>-</u>

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.