

Company registration number NI030708 (Northern Ireland)

ARMAGH CITY HOTEL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

ARMAGH CITY HOTEL LIMITED

COMPANY INFORMATION

Directors	Mrs B Keeley	(Appointed 31 March 2025)
	Mrs C McKeever	(Appointed 31 March 2025)
	Mr E McKeever	(Appointed 31 March 2025)
	Mr E McKeever	(Appointed 31 March 2025)
	Mrs V Walton	(Appointed 1 August 2025)

Secretary	Mrs B Keeley
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Company number	NI030708
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Registered office	315 Ballyclare Road Newtownabbey Northern Ireland BT36 4TQ
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Auditor	HM Chartered Accountants 6th Floor East Tower Lanyon Plaza 8 Lanyon Place Belfast Co. Antrim BT1 3LP
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Solicitors	McKees The Linenhall 32-38 Linenhall Street Belfast BT2 8BG
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ARMAGH CITY HOTEL LIMITED

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ARMAGH CITY HOTEL LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

The directors present their annual report and financial statements for the period ended 30 September 2025.

Principal activities

The principal activity of the company during the year was the running of a hotel.

The company has prepared these accounts for a long 14 month period to 30 September to bring the accounting reference date in line with the parent company.

Results and dividends

The results for the period are set out on page 7.

Directors

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

Mrs B Keeley	(Appointed 31 March 2025)
Mrs C McKeever	(Appointed 31 March 2025)
Mr E McKeever	(Appointed 31 March 2025)
Mr E McKeever	(Appointed 31 March 2025)
Mrs V Walton	(Appointed 1 August 2025)
Mr F C Mooney	(Resigned 31 March 2025)
Mr B McCormack	(Resigned 31 March 2025)
Mr P K McAnallen	(Resigned 31 March 2025)
Mr T E Fisher	(Resigned 31 March 2025)

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 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

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 company's auditor 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 company's auditor is aware of that information.

ARMAGH CITY HOTEL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr E McKeever

Director

16 June 2026

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 period ended 30 September 2025 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 company's affairs as at 30 September 2025 and of its profit 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 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 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.

Other information

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

ARMAGH CITY HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARMAGH CITY HOTEL LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the 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 or 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, 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 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 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 (CONTINUED)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and/or senior management, and from our commercial knowledge and experience of the sector;

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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.

ARMAGH CITY HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARMAGH CITY HOTEL LIMITED (CONTINUED)

The purpose of our audit work and to whom we owe our responsibilities

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.

Angela Craigan (Senior Statutory Auditor)

For and on behalf of HM Chartered Accountants, Statutory Auditors

Chartered Accountants

6th Floor East Tower

Lanyon Plaza

8 Lanyon Place

Belfast

Co. Antrim

BT1 3LP

16 June 2026

ARMAGH CITY HOTEL LIMITED

INCOME STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

		Period ended 30 September 2025 £	Year ended 31 July 2024 £
	Notes		
Turnover	3	8,181,448	7,010,309
Cost of sales		(2,197,178)	(4,363,813)
Gross profit		5,984,270	2,646,496
Administrative expenses		(5,846,419)	(2,181,711)
Other operating income		168,106	-
Operating profit	4	305,957	464,785
Interest receivable and similar income	6	189	-
Interest payable and similar expenses	7	(178,283)	(17,377)
Profit before taxation		127,863	447,408
Tax on profit	8	(74,872)	(133,929)
Profit for the financial period		52,991	313,479

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

ARMAGH CITY HOTEL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Period ended 30 September 2025 £	Year ended 31 July 2024 £
Profit for the period	52,991	313,479
Other comprehensive income	-	-
Total comprehensive income for the period	<u>52,991</u>	<u>313,479</u>

ARMAGH CITY HOTEL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

		30 September 2025		31 July 2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		6,466,579		6,768,297
Current assets					
Stocks	11	69,605		155,960	
Debtors	12	6,532,754		205,102	
Cash at bank and in hand		819,182		667,359	
		7,421,541		1,028,421	
Creditors: amounts falling due within one year	13	(1,425,774)		(1,070,251)	
Net current assets/(liabilities)			5,995,767		(41,830)
Total assets less current liabilities			12,462,346		6,726,467
Creditors: amounts falling due after more than one year	14		(5,730,000)		-
Provisions for liabilities					
Deferred tax liability	16	124,209		171,321	
			(124,209)		(171,321)
Net assets			6,608,137		6,555,146
Capital and reserves					
Called up share capital	19		1,539,700		1,539,700
Share premium account			1,013,302		1,013,302
Revaluation reserve			1,512,010		1,512,010
Profit and loss reserves			2,543,125		2,490,134
Total equity			6,608,137		6,555,146

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 16 June 2026 and are signed on its behalf by:

Mr E McKeever
Director

Company registration number NI030708 (Northern Ireland)

ARMAGH CITY HOTEL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 August 2023		1,539,700	1,013,302	1,512,010	2,976,655	7,041,667
Year ended 31 July 2024:						
Profit and total comprehensive income		-	-	-	313,479	313,479
Dividends	9	-	-	-	(800,000)	(800,000)
Balance at 31 July 2024		1,539,700	1,013,302	1,512,010	2,490,134	6,555,146
Period ended 30 September 2025:						
Profit and total comprehensive income		-	-	-	52,991	52,991
Balance at 30 September 2025		1,539,700	1,013,302	1,512,010	2,543,125	6,608,137

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

1 Accounting policies

Company information

Armagh City Hotel Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is 315 Ballyclare Road, Newtownabbey, Northern Ireland, BT36 4TQ.

1.1 Reporting period

The company has prepared these accounts for a long 14 month period to 30 September to bring the accounting reference date in line with the parent company.

1.2 Basis of preparation

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 company. 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.

This 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 consolidated 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:

- 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: Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of McKeever Hotels Limited. These consolidated financial statements are available from companies house.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Revenue comprises sales of goods or services provided to customers net of value added tax and other sales taxes, less an appropriate deduction for actual and expected returns and discounts. Revenue is recognised when performance obligations are satisfied and the control of goods or services is transferred to the buyer. Where the performance obligation is satisfied over time, revenue is recognised in accordance with its progress towards complete satisfaction of that performance obligation.

When cash inflows are deferred and represent a financing arrangement, the promised consideration is adjusted for the effects of the time value of money, which is recognised as interest income.

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.5 Tangible fixed assets

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

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

Freehold land and buildings	2% Straight Line
Plant and equipment	12.5% Straight Line
Fixtures and fittings	25% Straight Line
IT Equipment	25% Straight Line
Other Tangible Assets and Art	20% 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 credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.8 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.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

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 company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

As lessor

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

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

1.15 Government grants

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

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

2 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. 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.

Critical judgements

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

Useful Lives of Tangible Fixed Assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and update them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of Tangible Fixed Assets subject to depreciation at the financial year end date was £6,466,579 (2024: £6,768,297).

3 Turnover and other revenue

All of the company's turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

	2025	2024
	£	£
Other revenue		
Interest income	189	-
Grants received	2,698	-
	<u> </u>	<u> </u>

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

4 Operating profit

	2025	2024
	£	£
Operating profit for the period is stated after charging/(crediting):		
Government grants	(2,698)	-
Fees payable to the company's auditor for the audit of the company's financial statements	14,700	9,700
Depreciation of tangible fixed assets	454,538	419,408
	<u> </u>	<u> </u>

5 Employees

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

	2025	2024
	Number	Number
Administration and Support	13	11
Sales	145	161
	<u> </u>	<u> </u>
Total	158	172
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2025	2024
	£	£
Wages and salaries	3,104,996	2,524,933
Social security costs	226,976	148,636
Pension costs	43,018	34,032
	<u> </u>	<u> </u>
	3,374,990	2,707,601
	<u> </u>	<u> </u>

6 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Interest on bank deposits	189	-
	<u> </u>	<u> </u>

7 Interest payable and similar expenses

	2025	2024
	£	£
Interest on bank overdrafts and loans	178,283	17,377
	<u> </u>	<u> </u>

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

8 Taxation

	2025 £	2024 £
Current tax		
UK corporation tax on profits for the current period	121,984	-
Deferred tax		
Origination and reversal of timing differences	(47,112)	133,929
Total tax charge	74,872	133,929

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

	2025 £	2024 £
Profit before taxation	127,863	447,408
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 24.10%)	31,966	107,825
Tax effect of expenses that are not deductible in determining taxable profit	-	74
Unutilised tax losses carried forward	-	(141,619)
Permanent capital allowances in excess of depreciation	47,168	71,380
Other non-reversing timing differences	(56)	-
Other permanent differences	42,906	-
Movement in deferred tax	(47,112)	96,269
Taxation charge for the period	74,872	133,929

9 Dividends

	2025 £	2024 £
Final paid	-	800,000

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	IT Equipment £	Other Tangible Assets and Art £	Total £
Cost						
At 1 August 2024	6,250,000	3,493,706	2,386,735	796,353	258,820	13,185,614
Additions	-	-	100,850	51,970	-	152,820
Transfers	-	-	23,711	-	(23,711)	-
At 30 September 2025	6,250,000	3,493,706	2,511,296	848,323	235,109	13,338,434
Depreciation and impairment						
At 1 August 2024	224,000	3,242,621	1,970,214	727,445	253,037	6,417,317
Depreciation charged in the period	130,667	68,567	213,022	39,597	2,685	454,538
Transfers	-	-	20,613	-	(20,613)	-
At 30 September 2025	354,667	3,311,188	2,203,849	767,042	235,109	6,871,855
Carrying amount						
At 30 September 2025	5,895,333	182,518	307,447	81,281	-	6,466,579
At 31 July 2024	6,026,000	251,085	416,521	68,908	5,783	6,768,297

11 Stocks

	2025 £	2024 £
Finished goods and goods for resale	69,605	155,960

12 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	68,410	45,426
Amounts owed by group undertakings	6,305,479	-
Other debtors	65,324	40,575
Prepayments and accrued income	93,541	119,101
	6,532,754	205,102

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

13 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Bank loans	15	180,000	-
Trade creditors		302,101	313,733
Amounts owed to group undertakings		181,959	-
Corporation tax		121,984	37,660
Other taxation and social security		209,040	284,742
Deferred income	17	126,291	10,599
Other creditors		59,903	77,375
Accruals and deferred income		244,496	346,142
		<u>1,425,774</u>	<u>1,070,251</u>

Bank loans are secured by the following:

- First Legal Charge over the properties held by the group;
- Debenture over the assets and undertakings of the group; and
- An unlimited intercompany cross guarantee between Corrs Corner Hotel Ltd, Dunsilly Hotel Ltd, The Lodge Hotel (Coleraine) Limited, Dunadry Hotel Ltd, Dillons Hotel Limited, E&C Inns Ltd, Armagh City Hotel Limited, and McKeever Hotels Ltd.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Bank loans and overdrafts	15	<u>5,730,000</u>	<u>-</u>

15 Loans and overdrafts

	2025 £	2024 £
Bank loans	<u>5,910,000</u>	<u>-</u>
Payable within one year	180,000	-
Payable after one year	<u>5,730,000</u>	<u>-</u>

Bank loans are secured by the following:

- First Legal Charge over the properties held by the group;
- Debenture over the assets and undertakings of the group; and
- An unlimited intercompany cross guarantee between Corrs Corner Hotel Ltd, Dunsilly Hotel Ltd, The Lodge Hotel (Coleraine) Limited, Dunadry Hotel Ltd, Dillons Hotel Limited, E&C Inns Ltd, Armagh City Hotel Limited, and McKeever Hotels Ltd.

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2025 £	Liabilities 2024 £
Balances:		
Accelerated capital allowances	124,575	171,743
Tax losses	(366)	(422)
	<u>124,209</u>	<u>171,321</u>
		<u>2025</u>
Movements in the period:		£
Liability at 1 August 2024		171,321
Credit to profit or loss		(47,112)
		<u>124,209</u>
Liability at 30 September 2025		<u>124,209</u>

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

17 Deferred income

	2025 £	2024 £
Arising from government grants	7,901	10,599
Other deferred income	118,390	-
	<u>126,291</u>	<u>10,599</u>

18 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	<u>43,018</u>	<u>34,032</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

ARMAGH CITY HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

19 Share capital

	2025	2024	2025	2024
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
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 Financial commitments, guarantees and contingent liabilities

There is an unlimited inter-company cross guarantee in place between Corrs Corner Hotel Ltd and McKeever Hotels Ltd, E & C Inns Ltd, Dunsilly Hotel Ltd, Dunadry Hotel Ltd, Dillons Hotel Ltd, The Lodge Hotel (Coleraine) Ltd and Armagh City Hotel Limited.

A contingent liability exists to repay government grants received should certain conditions under which they were awarded cease to be met.

21 Events after the reporting date

There have been no significant events affecting the company since the balance sheet date.

22 Ultimate controlling party

The ultimate parent company is McKeever Hotels Ltd, a company incorporated in Northern Ireland. The registered address of McKeever Hotels Ltd is 315 Ballyclare Road, Newtownabbey, County Antrim, BT36 4TQ.

The ultimate controlling parties are Mr E and Mrs C McKeever, who jointly control the majority shareholding of McKeever Hotels Ltd.

The only group in which the results of the company are consolidated is their ultimate parent company, McKeever Hotels Ltd. The consolidated accounts of this group are publicly available at Companies House.

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.