

Registered number: OC399539

CANNOCK COVENTRY HOTEL NO. 1 LLP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



CANNOCK COVENTRY HOTEL NO. 1 LLP

INFORMATION

Designated Members

Cannock Residential Limited
Hetherley Developments Limited

LLP registered number

OC399539

Registered office

Chantry House High Street
Coleshill
Birmingham
B46 3BP

Independent auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
The Colmore Building
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

Bankers

National Westminster Bank PLC
Leicester Customer Service Centre
11 Western Boulevard
Bede Island
Leicester
LE2 7EJ

CANNOCK COVENTRY HOTEL NO. 1 LLP

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CANNOCK COVENTRY HOTEL NO. 1 LLP

**MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The members present their annual report together with the audited financial statements of Cannock Coventry Hotel No.1 LLP (the "LLP") for the year ended 31 March 2021.

Principal activities

The principal object of the LLP is the operation of a hotel.

Designated Members

The designated members of the LLP throughout the year were:

Cannock Residential Limited and
Hetherley Developments Limited

Going concern

The LLP made a loss for the year of £444,727 (2020: profit of £6,933) and had net assets at the balance sheet date of £398,494 (2020: £843,221). The members have prepared the financial statements on the going concern basis which is based on the following assumptions:

Whilst the impact of Covid 19 has been substantial during the year to March 2021, the management team were able to reduce outgoings and make a business interruption insurance claim. After supplementing these positive actions with claims for furlough, rates assistance and some small grants, the LLP managed to make a small positive EBITDA of £9,283 in the year (2020 : £511,163).

Subsequent to the year end, trading has remained tough, but the LLP also expects to make a profit and positive EBITDA during the year to March 2022. Although performance for the year to March 2021 and expected profit for the year to March 2022 are considerably below the levels expected in a normal trading year, the fact that EBITDA has remained positive in each of these years means that the financial position of the LLP has not deteriorated over this period.

Now that all Covid restrictions have been removed, the members expect trading to move towards normal levels over the next two years. The forecasts prepared by management to 31 March 2023 show positive performances going forward, but because banking covenants have been set assuming normal levels of trade, the LLP is likely to breach its banking covenants.

The members acknowledge that a breach of banking covenants represents a material breach that casts doubt on the LLP's ability to continue as a going concern. Nevertheless, after making enquiries, and considering the uncertainty described above, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the year ended 31 March 2021 are set out in the Reconciliation of members' interests.

Profits are allocated on a discretionary basis, divided between members and are included within "Loans and other debts due to members" and rank alongside ordinary creditors in the event of a windings up. Losses are borne by the LLP.

CANNOCK COVENTRY HOTEL NO. 1 LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Policy with respect to members' drawings

Members are permitted to make drawings in anticipation of profits which are allocated on a discretionary basis. There have been no drawings by members during the year.

Members' responsibilities statement

The members are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The members are responsible for the maintenance and integrity of the LLP and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The members confirm that:

- so far as each member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This report was approved by the members on 4 March 2022 and signed on their behalf by:


J Glennon
Director of Cannock Residential Limited
Designated member



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANNOCK COVENTRY HOTEL NO. 1 LLP

Opinion

We have audited the financial statements of Cannock Coventry Hotel No. 1 LLP (the 'LLP') for the year ended 31 March 2021, which comprise the statement of comprehensive income, the statement of financial position, the reconciliation of members' interests 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 limited liability partnership's affairs as at 31 March 2021 and of its loss 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 as applied to limited liability partnerships.

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 LLP 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

We are responsible for concluding on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the LLP to cease to continue as a going concern.

In our evaluation of the members' conclusions, we considered the inherent risks associated with the limited liability partnership's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the members and the related disclosures and analysed how those risks might affect the limited liability partnership's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANNOCK COVENTRY HOTEL NO. 1 LLP
(CONTINUED)**

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, concerning the LLP's ability to continue as a going concern.

The LLP is forecast to breach its banking covenant in respect of gross leverage. This entitles the bank to recall the outstanding loan balance in full. Furthermore, the business continues to face significant disruption to operations as a result of Covid-19.

These events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the LLPs ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The members are responsible for the other information. The other information comprises the information included in the members' 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANNOCK COVENTRY HOTEL NO. 1 LLP (CONTINUED)

Responsibilities of members for the financial statements

As explained more fully in the Members' responsibilities statement, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the LLP and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006);
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- We enquired of management and those charged with governance, concerning the LLP's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations; and
 - the detection and response to the risks of fraud.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual,



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANNOCK COVENTRY HOTEL NO. 1 LLP (CONTINUED)

suspected or alleged fraud. We corroborated the results of our enquires to relevant supporting documentation;

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.

Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates
- understanding of the legal and regulatory requirements specific to the LLP including:
 - the provisions of the applicable legislation
 - the applicable statutory provisions.

We did not identify any matters relating to non-compliance with laws and regulations or fraud.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Rebecca Eagle
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

4 March 2022

CANNOCK COVENTRY HOTEL NO. 1 LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Turnover	422,741	1,854,567
Cost of sales	(337,489)	(584,940)
	<hr/>	<hr/>
Gross profit	85,252	1,269,627
Administrative expenses	(700,868)	(1,139,246)
Other operating income	297,061	-
	<hr/>	<hr/>
Operating (loss)/profit	(318,555)	130,381
Interest payable and similar charges	(126,172)	(123,448)
	<hr/>	<hr/>
(Loss)/profit for the year before members' remuneration and profit shares	(444,727)	6,933
Members' remuneration charged as an expense	-	-
(Loss)/profit for the year before members' remuneration and profit shares available for discretionary division among members	(444,727)	6,933
	<hr/> <hr/>	<hr/> <hr/>

There was no other comprehensive income for 2021 or 2020.

The notes on pages 11 to 18 form part of these financial statements.

CANNOCK COVENTRY HOTEL NO. 1 LLP
REGISTERED NUMBER: OC399539

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	7	4,453,275	4,781,113
Current assets			
Stocks		2,489	3,912
Debtors: amounts falling due within one year	8	265,747	29,582
Cash at bank and in hand	9	536,817	949,769
		<u>805,053</u>	<u>983,263</u>
Creditors: amounts falling due within one year	10	(313,834)	(4,210,155)
Net current assets/(liabilities)		<u>491,219</u>	<u>(3,226,892)</u>
Total assets less current liabilities		<u>4,944,494</u>	<u>1,554,221</u>
Creditors: amounts falling due after more than one year	11	(4,546,000)	(711,000)
Net assets		<u><u>398,494</u></u>	<u><u>843,221</u></u>

CANNOCK COVENTRY HOTEL NO. 1 LLP
REGISTERED NUMBER:OC399539

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability	13	47	47
Other amounts	13	464,954	464,954
		<u>465,001</u>	<u>465,001</u>
Members' other interests			
Other reserves classified as equity		(66,507)	378,220
		<u>398,494</u>	<u>843,221</u>
Total members' interests			
Loans and other debts due to members	13	465,001	465,001
Members' other interests		(66,507)	378,220
		<u>398,494</u>	<u>843,221</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 4 March 2022.

John Glennon

J Glennon
Director of Cannock Residential Limited
Designated member

The notes on pages 11 to 18 form part of these financial statements.

CANNOCK COVENTRY HOTEL NO. 1 LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Equity Members' other interests		Debt Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Other reserves £	Total £	Members' capital (classified as debt) £	Other amounts £	Total £	Total £
Amounts due to members			47	464,954	465,001	
Balance at 1 April 2019	371,287	371,287	47	464,954	465,001	836,288
(Loss)/ Profit for the year available for discretionary division among members	6,933	6,933	-	-	-	6,933
Members' interests after profit for the year	378,220	378,220	47	464,954	465,001	843,221
Amounts due to members			47	464,954	465,001	
Balance at 31 March 2020	378,220	378,220	47	464,954	465,001	843,221
(Loss)/ Profit for the year available for discretionary division among members	(444,727)	(444,727)	-	-	-	(444,727)
Members' interests after profit for the year	(66,507)	(66,507)	47	464,954	465,001	398,494
Amounts due to members			47	464,954	465,001	
Balance at 31 March 2021	(66,507)	(66,507)	47	464,954	465,001	398,494

The notes on pages 11 to 18 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

CANNOCK COVENTRY HOTEL NO. 1 LLP

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

1. General information

Cannock Coventry Hotel No.1 LLP is a limited liability partnership registered in England and Wales. Registered number OC399539. Its registered head office is located at Chantry House High Street, Coleshill, Birmingham, B46 3BP.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies.

The entity's functional and presentational currency is sterling (£). Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

The LLP made a loss for the year of £444,727 (2020: profit of £6,933) and had net assets at the balance sheet date of £398,494 (2020: £843,221). The members have prepared the financial statements on the going concern basis which is based on the following assumptions:

Whilst the impact of Covid 19 has been substantial during the year to March 2021, the management team were able to reduce outgoings and make a business interruption insurance claim. After supplementing these positive actions with claims for furlough, rates assistance and some small grants, the LLP managed to make a small positive EBITDA of £9,283 in the year (2020 : £511,163).

Subsequent to the year end, trading has remained tough, but the LLP also expects to make a profit and positive EBITDA during the year to March 2022. Although performance for the year to March 2021 and expected profit for the year to March 2022 are considerably below the levels expected in a normal trading year, the fact that EBITDA has remained positive in each of these years means that the financial position of the LLP has not deteriorated over this period.

Now that all Covid restrictions have been removed, the members expect trading to move towards normal levels over the next two years. The forecasts prepared by management to 31 March 2023 show positive performances going forward, but because banking covenants have been set assuming normal levels of trade, the LLP is likely to breach its banking covenants.

The members acknowledge that a breach of banking covenants represents a material breach that casts doubt on the LLP's ability to continue as a going concern. Nevertheless, after making enquiries, and considering the uncertainty described above, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

CANNOCK COVENTRY HOTEL NO. 1 LLP

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

2. Accounting policies (continued)**2.3 Turnover**

Turnover comprises revenue recognised by the LLP in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts. Turnover is recognised upon provision of the service to the customer in the bar and restaurant, and on the date of stay for the hotel room. Turnover attributable to events is recognised in the period in which the event takes place.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Other fixed assets	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

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

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

CANNOCK COVENTRY HOTEL NO. 1 LLP

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

2. Accounting policies (continued)**2.8 Financial instruments**

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.9 Creditors

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

2.10 Finance costs

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

2.11 Borrowing costs

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

2.12 Pensions**Defined contribution pension plan**

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the LLP in independently administered funds.

CANNOCK COVENTRY HOTEL NO. 1 LLP

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

3. Other operating income

	2021 £	2020 £
Furlough Income	55,150	-
Insurance proceeds	241,911	-
	<u>297,061</u>	<u>-</u>

4. Auditor's remuneration

Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements totalled £12,500 (2020 - £11,800).

5. Employees

The average monthly number of employees, including members, during the year was 16 (2020 - 14).

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	255,451	288,131
Social security costs	19,047	19,149
Cost of defined contribution scheme	5,787	5,002
	<u>280,285</u>	<u>312,282</u>

6. Information in relation to members

	2021 Number	2020 Number
The average members during the year was	<u>2</u>	<u>2</u>

No member received any remuneration during the year (2020: £Nil).

The loss that is attributable to the member with the largest entitlement is £549,310 (2020: profit £5,546).

CANNOCK COVENTRY HOTEL NO. 1 LLP

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

7. Tangible fixed assets

	Land and buildings £	Other fixed assets £	Total £
Cost or valuation			
At 1 April 2020	4,862,428	1,134,133	5,996,561
At 31 March 2021	4,862,428	1,134,133	5,996,561
Depreciation			
At 1 April 2020	461,439	754,009	1,215,448
Charge for the year	97,248	230,590	327,838
At 31 March 2021	558,687	984,599	1,543,286
Net book value			
At 31 March 2021	4,303,741	149,534	4,453,275
At 31 March 2020	4,400,989	380,124	4,781,113

CANNOCK COVENTRY HOTEL NO. 1 LLP

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

8. Debtors

	2021 £	2020 £
Trade debtors	1,491	3,438
Other debtors	6,321	6,320
Prepayments and accrued income	257,935	19,824
	<u>265,747</u>	<u>29,582</u>

9. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	536,817	949,769
	<u>536,817</u>	<u>949,769</u>

10. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	25,000	3,824,135
Trade creditors	13,007	75,829
Other taxation and social security	33,318	49,421
Other creditors	242,509	260,770
	<u>313,834</u>	<u>4,210,155</u>

The bank loan is secured via fixed charge over the LLP's freehold property and a floating charge over all the property and undertakings of the LLP. Interest is charged at 2.25% over the Bank of England's Base Rate. The loan is due for repayment in quarterly instalments, with the first repayment due in December 2021.

CANNOCK COVENTRY HOTEL NO. 1 LLP

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

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

	2021 £	2020 £
Bank loans	3,825,000	-
Related party loans	721,000	711,000
	<u>3,825,000</u>	<u>711,000</u>

The bank loan is secured via fixed charge over the LLP's freehold property and a floating charge over all the property and undertakings of the LLP. Interest is charged at 2.25% over the Bank of England's Base Rate. The loan is due for repayment in quarterly instalments, with the first repayment due in December 2021.

Related party loans are unsecured. Interest is charged on the loan at 2% above the Bank of England's Base Rate per annum. During the year the loan was re-financed and is now due for repayment in November 2025.

12. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	25,000	3,824,135
	<u>25,000</u>	<u>3,824,135</u>
Amounts falling due 1-2 years		
Bank loans	50,000	-
Related party loans	-	711,000
	<u>50,000</u>	<u>711,000</u>
Amounts falling due 2-5 years		
Bank loans	3,775,000	-
Related party loans	721,000	-
	<u>4,496,000</u>	<u>-</u>
	<u>4,571,000</u>	<u>4,535,135</u>

CANNOCK COVENTRY HOTEL NO. 1 LLP

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

13. Loans and other debts due to members

	2021	2020
	£	£
Members' capital treated as debt	(47)	(47)
Other amounts due to members	(464,954)	(464,954)
	<u>(465,001)</u>	<u>(465,001)</u>

Loans and other debts due to members may be further analysed as follows:

	2021	2020
	£	£
Falling due after more than one year	<u>(465,001)</u>	<u>(465,001)</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

14. Related party transactions

	2021	2020
	£	£
Cannock Developments Limited	<u>721,000</u>	<u>711,000</u>

Cannock Developments Limited is jointly controlled by M J Tracey and J Glennon.

15. Ultimate parent undertaking and controlling party

The immediate controlling party is the parent company, Cannock Residential Limited by virtue of their 80% interest in the entity.

The ultimate controlling party of Cannock Residential Limited is M J Tracey.