

Company registration number 10525068 (England and Wales)

STOCKTON HOTELS COMPANY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

STOCKTON HOTELS COMPANY LTD

COMPANY INFORMATION

Directors	Mr Reuben Kench Mr Christopher Renahan Ms TA Carter	(Appointed 18 July 2025)
Secretary	A Pilgrim	
Company number	10525068	
Registered office	Dunedin House Columbia Drive Thornaby Stockton-On-Tees England TS17 6BJ	
Auditor	Robson Laidler Accountants Limited Medway House Fudan Way Thornaby Stockton-on-Tees TS17 6EN	

STOCKTON HOTELS COMPANY LTD

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STOCKTON HOTELS COMPANY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present their annual report and financial statements for the year ended 31 March 2025.

Review of Business

The principal activity of the company is that of a hotel operator covering a single hotel.

The performance headlines for the 2024-25 financial year are as follows:

Turnover	£3,969,075
Profit after tax	£365,903
Occupancy	77.7%
Average Daily Rate	£97.37

It is noted that part of the profit after tax figure for each year is used to fund a cash contribution to a Furniture, Fixtures and Equipment (FF&E) account that is held by Stockton on Tees Borough Council. The amount involved is approximately £119,000 re 2024-25. The funds are held in the FF&E account to be drawn down by Stockton Hotels Company Ltd when FF&E works are carried out at the hotel.

The hotel continues to enjoy a strong position within the local market, with a core focus on capturing the mid-week corporate market and supplementing this with leisure clientele on a weekend. During the year the hotel followed a similar path to previous years with a buoyant mid-week occupancy level, which has enabled the hotel to maintain higher average daily rate than its local competitor set of hotels.

Increases in operating costs driven by predominately but not exclusively, increases in the National Living Wage alongside high inflationary pressures have been mitigated by robust procurement processes and the ability to take advantage of larger buying power through the hotel management company. In addition, work is currently ongoing to explore value for money opportunities of some of the current commercial arrangements in place.

The hotel has taken the opportunity throughout the year to build on recent years positive performance. It has enjoyed well established business with commercial providers, continuing to invest time in those key relationships and actively seeking new ones, ensuring the hotel maintains its role of being a key asset to support local businesses.

The directors are pleased that the company has been able to continue to support the local economy through a range of channels. A number of key contracts continue to be delivered by the local suppliers. Alongside this the majority of staff employed by the Hotel are recruited from within the boundaries of the Tees Valley.

The directors are reassured by the continued high customer satisfaction scores and reviews across various platforms continue to remain positive. This demonstrates the Hotels strong position within the competitor set and supports the value the hotel offers to the local area.

Results and dividends

Ordinary dividends were paid amounting to £266,979. The directors do not recommend payment of a further dividend.

Directors

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

Mr Reuben Kench	
Mr Christopher Renahan	
Clare Harper	(Resigned 7 July 2025)
Ms Jill Winship	(Resigned 30 June 2024)
Ms TA Carter	(Appointed 18 July 2025)

STOCKTON HOTELS COMPANY LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 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.

Small companies exemption

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

On behalf of the board

Mr Reuben Kench
Director

17 December 2025

STOCKTON HOTELS COMPANY LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STOCKTON HOTELS COMPANY LTD

Opinion

We have audited the financial statements of Stockton Hotels Company Ltd (the 'company') for the year ended 31 March 2025 which comprise the profit and loss account, the balance sheet, 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 31 March 2025 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'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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

STOCKTON HOTELS COMPANY LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STOCKTON HOTELS COMPANY LTD (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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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.

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

- we identified the key laws and regulations applicable to the company through discussions with management and from our knowledge and experience of the sector in which the company operates;
- we focussed on laws and regulations where it was considered that non-compliance could have a direct and material impact on the financial statements or the operations of the company, which included the Companies Act 2006 and FRS 102 along with taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and as part of our procedures on related financial statement items, including inspecting applicable documentation;
- 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 regarding their knowledge of actual, suspected and alleged fraud and by assessing other factors including, but not limited to, the role of accounting estimates, internal control systems, management override and journal entries.

Audit procedures performed by the engagement team then included the following (using a sample basis as applicable):

- considering issues regarding revenue recognition;
- testing of journal entries and complex transactions;
- considering the rationale behind identified significant or unusual transactions; and
- assessing whether judgements and assumptions made in the calculation of accounting estimates appeared reasonable.

STOCKTON HOTELS COMPANY LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STOCKTON HOTELS COMPANY LTD (CONTINUED)

It is noted that, in light of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. It is considered that this risk increases the more that compliance with a law or regulation is removed from the events and transactions that are reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. It is also noted that the risk is greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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.

Robert Tindle BA FCA (Senior Statutory Auditor)

For and on behalf of Robson Laidler Accountants Limited, Statutory Auditor
and Chartered Accountants

Medway House

Fudan Way

Thornaby

Stockton-on-Tees

TS17 6EN

18 December 2025

STOCKTON HOTELS COMPANY LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£
Turnover	3,969,075	3,947,357
Cost of sales	(1,347,243)	(1,261,704)
	<hr/>	<hr/>
Gross profit	2,621,832	2,685,653
Administrative expenses	(2,139,046)	(2,148,875)
	<hr/>	<hr/>
Operating profit	482,786	536,778
Interest payable and similar expenses	-	(21,600)
	<hr/>	<hr/>
Profit before taxation	482,786	515,178
Tax on profit	(116,883)	(126,891)
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Profit for the financial year	<u>365,903</u>	<u>388,287</u>

STOCKTON HOTELS COMPANY LTD

BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		21,537		6,280
Current assets					
Stocks		8,750		10,467	
Debtors	4	412,085		463,012	
Cash at bank and in hand		955,480		875,160	
		<u>1,376,315</u>		<u>1,348,639</u>	
Creditors: amounts falling due within one year	5	<u>(599,885)</u>		<u>(655,876)</u>	
Net current assets			<u>776,430</u>		<u>692,763</u>
Net assets			<u><u>797,967</u></u>		<u><u>699,043</u></u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves			<u>797,966</u>		<u>699,042</u>
Total equity			<u><u>797,967</u></u>		<u><u>699,043</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 17 December 2025 and are signed on its behalf by:

Mr Reuben Kench
Director

Company registration number 10525068 (England and Wales)

STOCKTON HOTELS COMPANY LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2023		1	500,755	500,756
Year ended 31 March 2024:				
Profit and total comprehensive income		-	388,287	388,287
Dividends		-	(190,000)	(190,000)
Balance at 31 March 2024		1	699,042	699,043
Year ended 31 March 2025:				
Profit and total comprehensive income		-	365,903	365,903
Dividends		-	(266,979)	(266,979)
Balance at 31 March 2025		1	797,966	797,967

STOCKTON HOTELS COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Company information

Stockton Hotels Company Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Dunedin House, Columbia Drive, Thornaby, Stockton-On-Tees, England, TS17 6BJ.

1.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

1.2 Turnover

Revenue recognised at the point of sale is the fair value of bar, food and hotel room sales, after deducting discounts and sales-based taxes. Revenue from hotel rooms is recognised when rooms are occupied and as services are provided after deducting discounts and sales-based taxes.

1.3 Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life.

Plant and equipment	20% on cost
Fixtures and fittings	20% on cost
Computers	20% on cost

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.5 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.

1.6 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 profit and loss account 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.

STOCKTON HOTELS COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, 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.

1.7 Leases

As lessee

Rentals payable under operating leases are generally charged to profit or loss on a straight-line basis over the lease term. However, when rental payments are structured to increase in line with expected general inflation in a known manner from commencement then expenses are recognised equal to the amounts owed to the lessor for the relevant period.

2 Employees

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

	2025	2024
	Number	Number
Total	3	4
	<u> </u>	<u> </u>

STOCKTON HOTELS COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2024	8,934
Additions	17,044
	<hr/>
At 31 March 2025	25,978
	<hr/>
Depreciation and impairment	
At 1 April 2024	2,654
Depreciation charged in the year	1,787
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At 31 March 2025	4,441
	<hr/>
Carrying amount	
At 31 March 2025	21,537
	<hr/> <hr/>
At 31 March 2024	6,280
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4 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	17,956	38,756
Amounts owed by group undertakings	251,352	251,352
Other debtors	142,777	172,904
	<hr/>	<hr/>
	412,085	463,012
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by group undertakings of £251,352 (2024: £251,352) reflect FF&E account contributions that are held by Stockton on Tees Borough Council.

5 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	216,607	225,908
Taxation and social security	153,176	167,364
Other creditors	230,102	262,604
	<hr/>	<hr/>
	599,885	655,876
	<hr/> <hr/>	<hr/> <hr/>

STOCKTON HOTELS COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

6 Called up share capital

	2025	2024	2025	2024
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

7 Financial commitments, guarantees and contingent liabilities

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £13,108,936 (2024: £13,230,000). These relate to future payments that are due to be made under a property operating lease with the expense incurred in the year to 31 March 2025 being circa £690,000.

8 Parent company

The company is a wholly owned subsidiary undertaking of Stockton Borough Holding Company Limited.

The ultimate parent company and controlling party is Stockton on Tees Borough Council.

The parent of the smallest group of which Stockton Hotels Company Ltd is a member and for which consolidated financial statements are drawn up is Stockton on Tees Borough Council, whose principal place of business is Dunedin House, Columbia Drive, Thornaby, Stockton-on-Tees, TS17 6BJ.