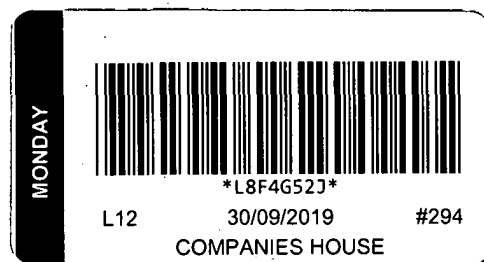


THE GREAT HOUSE AT SONNING LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



THE GREAT HOUSE AT SONNING LIMITED

COMPANY INFORMATION

Directors	A P Bradshaw M G Westenbrink
Registered number	00767681
Registered office	47-57 (2nd Floor) Marylebone Lane London W1U 2NT
Independent auditor	Nexia Smith & Williamson Statutory Auditor & Chartered Accountants 25 Moorgate London EC2R 6AY

THE GREAT HOUSE AT SONNING LIMITED

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THE GREAT HOUSE AT SONNING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the entity is the ownership and operation of the Great House hotel and restaurant in Sonning-on-Thames.

Directors

The Directors who served during the year were:

J R L B Mount (resigned 1 September 2018)
R C Hicks (resigned 16 April 2018)
A P Bradshaw (appointed 1 September 2018)
M G Westenbrink (appointed 1 December 2018)

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post Balance Sheet events

On 5 June 2019 the Company renegotiated their loan facility with their lenders, which was due to be repaid within a year of the Balance Sheet date. The new facility is repayable in full by June 2024.

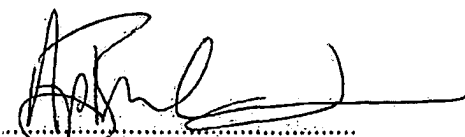
Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies' exemption

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A P Bradshaw
Director

Date: 30/9/19

THE GREAT HOUSE AT SONNING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GREAT HOUSE AT SONNING LIMITED

Opinion

We have audited the financial statements of The Great House At Sonning Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, Balance sheet and the 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 FRS 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 December 2018 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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GREAT HOUSE AT SONNING LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 set out on page 2, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GREAT HOUSE AT SONNING LIMITED (CONTINUED)

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.

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.

Nexia Smith & Williamson

Jacqueline Oakes (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Date: 30/9/19

THE GREAT HOUSE AT SONNING LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	2,872,473	2,335,917
Cost of sales		(1,270,219)	(1,035,835)
Gross profit		1,602,254	1,300,082
Administrative expenses		(1,227,325)	(1,233,812)
Operating profit		374,929	66,270
Interest receivable and similar income		93	69
Interest payable and expenses	5	(792,692)	(745,036)
Loss before tax		(417,670)	(678,697)
Taxation	6	-	-
Loss after tax		(417,670)	(678,697)
Retained earnings at the beginning of the year		(2,557,631)	(1,878,934)
		(2,557,631)	(1,878,934)
Loss for the year		(417,670)	(678,697)
Retained earnings at the end of the year		(2,975,301)	(2,557,631)

The notes on pages 8 to 16 form part of these financial statements.

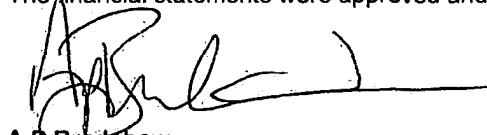
THE GREAT HOUSE AT SONNING LIMITED
REGISTERED NUMBER:00767681

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	7	10,612,911	10,641,046
		<u>10,612,911</u>	<u>10,641,046</u>
Current assets			
Stocks		13,112	9,330
Debtors: amounts falling due within one year	8	429,949	461,491
Bank and cash balances		202,962	4,774
		<u>646,023</u>	<u>475,595</u>
Creditors: amounts falling due within one year	10	(13,408,735)	(12,662,734)
Net current liabilities		<u>(12,762,712)</u>	<u>(12,187,139)</u>
Total assets less current liabilities		<u>(2,149,801)</u>	<u>(1,546,093)</u>
Creditors: amounts falling due after more than one year	11	(325,500)	(511,538)
Net liabilities		<u><u>(2,475,301)</u></u>	<u><u>(2,057,631)</u></u>
Capital and reserves			
Called up share capital	13	500,000	500,000
Profit and loss account	14	(2,975,301)	(2,557,631)
		<u><u>(2,475,301)</u></u>	<u><u>(2,057,631)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A P Bradshaw
Director

Date: 30/9/19

The notes on pages 8 to 16 form part of these financial statements.

THE GREAT HOUSE AT SONNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Great House at Sonning Limited is a private limited company, limited by shares, domiciled and incorporated in England and Wales. The registered office address and registered number can be found on the Company Information page.

The Company's functional and presentational currency is GBP.

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.

The following principal accounting policies have been applied:

2.2 Going concern

As at 31 December 2018, the Company had net liabilities of £2,457,301 (2017 - £2,057,631) and a loss after taxation of £417,670 (2017 - £678,697). The Company is currently making operating profits (before intercompany interest which is rolled up into the loan) and the Directors have prepared forecasts that anticipate that the business will continue to be profitable and cash generative going forward.

On 5 June 2019 the Company renegotiated their loan facility with their lenders, which was due to be repaid within a year of the Balance Sheet date. The new facility is repayable in full by June 2024.

The parent company, Mudlark Hotels Limited, has confirmed, in writing, that it will not call in its intercompany loan within 12 months from the date of approval of the financial statements unless there are sufficient funds to be able to do so.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for at least 12 months from the date of approval of the financial statements and continue to adopt the going concern basis in preparing the financial statements.

THE GREAT HOUSE AT SONNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue is recognised at the point at which accommodation and related services are provided and when the amount of revenue can be measured reliably and it is probable that the Company will receive the consideration due under the contract.

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.

Depreciation 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	- Straight-line over 50 years
Plant and machinery	- Straight-line over 7 years
Fixtures and fittings	- Straight-line over 7 years
Computer equipment	- Straight-line over 10 years

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 the Statement of Income and Retained Earnings.

2.5 Stocks

Stocks are valued at the lower of cost and net realisable value.

THE GREAT HOUSE AT SONNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.6 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.

2.7 Financial instruments

The Company's financial instruments comprise trade and other debtors, cash and cash equivalents, bank overdrafts, trade and other creditors, loans from banks and other third parties, loans to and from related parties, investments in non puttable ordinary shares and preference shares classified as debt.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction. A financing transaction may arise where payment is deferred beyond normal business terms or financed at a rate of interest that is not at market rate. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when:

- (a) the contractual rights to the cash flows from the financial asset expire or are settled,
- (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or
- (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

THE GREAT HOUSE AT SONNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.8 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

THE GREAT HOUSE AT SONNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if:

- (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. Turnover

The whole of the turnover is attributable to the Company's principal activity and arose within the United Kingdom.

4. Employees

The average monthly number of employees, including directors, during the year was 46 (2017 - 43).

THE GREAT HOUSE AT SONNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	131,495	139,996
Loans from group undertakings	661,197	605,040
	<u>792,692</u>	<u>745,036</u>

6. Taxation

Factors that may affect future tax charges

At the year end, The Great House at Sonning Limited had estimated tax losses of £4,614,915 (2017 - £5,439,171) available to carry forward. The tax losses gave rise to a deferred tax asset of £708,275 (2017 - £658,360) which has not been recognised as the period over which the asset will be recognised cannot be reliably determined.

7. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2018	10,696,981	22,230	738,887	139,181	11,597,279
Additions	199,157	-	2,365	7,870	209,392
At 31 December 2018	<u>10,896,138</u>	<u>22,230</u>	<u>741,252</u>	<u>147,051</u>	<u>11,806,671</u>
Depreciation					
At 1 January 2018	278,604	19,420	618,626	39,583	956,233
Charge for the year on owned assets	217,923	1,192	6,426	11,986	237,527
At 31 December 2018	<u>496,527</u>	<u>20,612</u>	<u>625,052</u>	<u>51,569</u>	<u>1,193,760</u>
Net book value					
At 31 December 2018	<u>10,399,611</u>	<u>1,618</u>	<u>116,200</u>	<u>95,482</u>	<u>10,612,911</u>
At 31 December 2017	<u>10,418,377</u>	<u>2,810</u>	<u>120,261</u>	<u>99,598</u>	<u>10,641,046</u>

THE GREAT HOUSE AT SONNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Debtors

	2018 £	2017 £
Trade debtors	12,095	66,770
Amounts owed by group undertakings	226,282	153,132
Other debtors	93,076	167,388
Prepayments and accrued income	98,496	74,201
	<u>429,949</u>	<u>461,491</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	202,962	4,774
	<u>202,962</u>	<u>4,774</u>

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	2,918,375	3,004,419
Trade creditors	248,635	84,572
Amounts owed to group undertakings	9,818,605	9,184,852
Other taxation and social security	55,673	61,647
Other creditors	2,829	24,915
Accruals and deferred income	364,618	302,329
	<u>13,408,735</u>	<u>12,662,734</u>

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

	2018 £	2017 £
Bank loans	325,500	511,538
	<u>325,500</u>	<u>511,538</u>

THE GREAT HOUSE AT SONNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	2,918,375	3,004,419
	<u>2,918,375</u>	<u>3,004,419</u>
Amounts falling due 1-2 years		
Bank loans	325,500	511,537
	<u>325,500</u>	<u>511,537</u>
	<u>3,243,875</u>	<u>3,515,956</u>

The above loans are secured on the leasehold and freehold properties of the Company.

13. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
450,000 (2017 - 450,000) ordinary shares of £1.00 each	450,000	450,000
50,000 (2017 - 50,000) preference shares of £1.00 each	50,000	50,000
	<u>500,000</u>	<u>500,000</u>

The preference shares carry no dividend or voting rights but take priority over the ordinary shares in the event of winding up.

14. Reserves

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

THE GREAT HOUSE AT SONNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

15. Related party transactions

Sun Capital Partners Limited

The Great House at Sonning Limited owed £Nil (2017 - £Nil) to Sun Capital Partners Limited at the year end, and processed £Nil (2017 - £1,309) worth of purchase invoices in the year. Sun Capital Partners Limited is a related party of The Great House at Sonning Limited by virtue of common control and directors in common.

Strada Trading Limited

The Great House at Sonning Limited received income of £603,658 (2017 - £713,820) during the year from Strada Trading Limited, a related party through common control and directors in common, and was owed £Nil (2017 - £67,409) at the year end. It also incurred expenses of £350,925 (2017 - £519,177) and owed Strada Trading Limited £150,164 (2017 - £56,280).

16. Post Balance Sheet events

On 5 June 2019 the Company renegotiated their loan facility with their lenders, which due to be repaid within a year of the Balance Sheet date. The new facility is repayable in full by June 2024.

17. Controlling party

The Company's immediate parent company is Mudlark Hotels Limited, a company registered in England and Wales.

The ultimate parent undertaking is Xercise 2 Limited, a company registered in England and Wales.

The ultimate controlling party of Xercise 2 Limited is H E M Osmond.