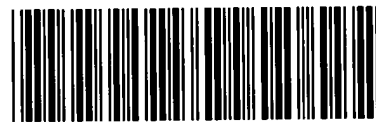


REGISTERED NUMBER: 01326672 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE GOODWOOD HOTEL LIMITED**

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THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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THE GOODWOOD HOTEL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS: The Duke of Richmond and Gordon
Mrs Tracey Greaves
Christopher Edward James Woodgate
Andrew Michael Coggings

SECRETARY: Mrs Katharine Anne Palka

REGISTERED OFFICE: Goodwood House
Goodwood
Chichester
West Sussex
PO18 0PX

REGISTERED NUMBER: 01326672 (England and Wales)

SENIOR STATUTORY AUDITOR: Daniel Chapman

AUDITORS: Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
Pavilion View
19 New Road
Brighton
East Sussex
BN1 1EY

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the year ended 31 December 2020.

OUR OBJECTIVE AND MISSION

The Goodwood Hotel is part of the Goodwood Group. Goodwood's objective is to be the world's leading luxury experience brand and deliver consistently strong financial performance to enable continued investment in the fabric of the Goodwood Estate.

Our mission is to build a progressive customer focussed business and develop Goodwood as a global brand whilst preserving authenticity, creating unique moments and delivering sustainable commercial performance in an exciting and rewarding place.

BUSINESS MODEL

The Company operates The Goodwood Hotel, a 91 bedroom Hotel incorporating two restaurants, meeting and event facilities and a Health Club. Set in the Goodwood Estate on the Sussex Downs, the Hotel offers award-winning dining, stylish refurbished bedrooms and stunning surroundings.

REVIEW OF BUSINESS

The Goodwood Hotel Limited's profit was hugely affected by the Coronavirus pandemic in 2020 with multiple forced closures designed to limit the spread of the virus along with social distancing measures being in place throughout the last 3 quarters of the year resulting in a loss before taxation figure of £1,042k which is £1,162k lower than in 2019. All areas of the Hotel were affected, however, on a positive note, when the business was permitted to trade demand was strong and the government's furlough scheme meant that staff were able to be retained to a large degree.

Due to the forced closures revenue was down 53.2% versus 2019 to £4,008k (2019: £8,566k) with all key streams significantly down on 2019. Accommodation income was down 46.5% on 2019 at £1,696k as the Hotel was shut for 138 days of the year on the orders of government. When the initial lockdown was eased demand was strong and the Hotel managed to beat Room's budget in both August and October despite social distancing measures being in place and thus the total lack of Meeting and Event (M&E) business; normally the highest paying customer segment.

The Food and Beverage revenue total was down 48.3% against 2019 at £1,573k and the facility fees received from M&E business were down 89.4% as the Hotel could only service this sort of business in the first quarter which is the quietest one traditionally. Similarly, the Health Club, a high margin source of income, was down 58.8% versus 2019 at £588k due to both the closures but also a number of lost members concerned about coming into the Club due to health concerns as the demographic of members is skewed towards those most at risk from the virus.

The Hotel made good use of the government's furlough scheme and received £1,055k of grant income in 2020 from the scheme's inception in the March of the initial lockdown. Despite the job retention scheme there was a need to review staff costs and the Hotel was subject to 2 restructures throughout 2020 with around 50 roles removed from the budgeted headcount which totalled an annual salary expense of around £900k. The loss of headcount, combined with the reduced demand of casual staff generated a lower spend on staff costs versus 2019 to £3,111k, down 14.3%. There will be a need to re-recruit some of the lost roles as business levels to return to normality but expectation is that the structure of the Hotel going into 2021 and beyond will be leaner than that of prior years.

The large capital project which was set to increase the number of rooms at the Hotel whilst also improving the aesthetics significantly was started in late 2019 and was meant to have a new bedroom block completed by mid-2020, suffered some ground condition issues and was delayed whilst surveys were undertaken. Fortunately, the enforced delay, which was initially a source of frustration worked out well as the financial instability caused by the pandemic meant that the project could be easily postponed until a more suitable time in the future without having a half-finished building left standing abandoned. The ground conditions have been rectified and the plans retained and it is hoped the Group will be in a position to restart the project in the coming years.

The country continues to make its way through the government's roadmap out of lockdown and so 2021 has also been heavily impacted by the pandemic but the hope remains that with the easing of restrictions a good level of normality will return, the restrictions affecting the M&E business easing and the economic recovery of the country will see some optimism and companies keen to return to this sort of activity.

Going Concern Update

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

All businesses are now open and our first headline event of the year, Festival of Speed has been run at 75% capacity under a Government test status, the event was a great success and has exceeded budget expectations. The forecast for both profit and cash for 2021 are positive and Goodwood expects to continue to grow in all areas of the business in 2022 and beyond. Following the re-financing exercise described above Goodwood is well funded and secure for the future. As a consequence, the Board consider that, at the time of approving the financial statements, the Goodwood Group has adequate resources to continue to trade for the foreseeable future, and not less than one year from the date of approval of the financial statements.

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The Risk Committee meets on a quarterly basis to formally review Goodwood's Health and Safety and Security performance and is responsible for managing Strategic Risk across the Group.

The Strategic Risk Register is now in an approved form, with eleven major areas of Strategic Risk identified. These areas have each been assigned a Goodwood Leadership Team ("GLT") owner and each GLT member has identified and confirmed the frequency of review with the Legal Director for their area.

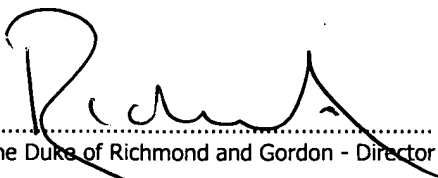
Risk type	Principal risks identified	Controls & mitigations
External development of land that adversely affects the Estate	Possibility of new bypass north of Chichester that impacts Estate businesses, or encroachment of land development north of Chichester up to the Estate boundary. Planning decisions by SDNP or CDC that constrain the Estate's business activities.	Monitor & Review by Estate Committee, and external planning consultant advice. Monitoring of CDC local plan & sites proposed through HELAA call for sites.
Brand Damage / Reputation	Damage to reputation as a consequence of mis-managing the brand or failing to respond properly to potentially damaging circumstances.	Brand guidelines for all key events exist. Closely monitoring IP trademarks, with IP steering group managing our trademarks. General PR and lobbying, with participation in industry groups. Regular customer research and monitoring of satisfaction KPIs.
IT and Data Protection	Interruption of service, corruption or data breaches as a result of cyber attacks or failure of the systems and infrastructure.	Full infrastructure resilience in all areas inc fibre, storage network, telephone lines, firewalls, data connectivity, network servers & core network switches. DP and PCI training for all staff, cyber attack prevention via Darktrace, int and ext penetration tests. Encrypted endpoints with antivirus, 2FA on VPN.
Operations (365 events) and	Major operational incident causing loss of life, serious injuries, significant long-term environmental impairment, serious damage to assets and/or extensive impairment to our commercial activities.	Major event planning is refined and tested through a multi-agency planning process that includes a Safety Advisory Group for each event. Regular liaison with statutory experts such as EHO, Fire Brigade, Police etc. Specialist single insurance policy covering the Group's business risks.
Terrorism	Threat of, or actual deliberate act, to damage the Estate's assets, interrupt a major event and/or damage the reputation of the Goodwood Estate through terrorist activity.	Dedicated 24/7 security team with access to co-ordinated multi-camera CCTV enabled control room. Strong relationship with local and national police agencies to identify specific threat level and risks to the Estate, Events and Family. Extensive on-event control measures and plans in place.
Failure within the Supply Chain or a Significant Customer	An operational or contractual failure within the supply chain that disrupts, financially impacts or stops a Goodwood business from operating on a daily or longer term basis. A significant customer presents a credit risk and therefore does not pay or withdraws from Goodwood.	Approved contracts & standard clauses covering mitigation and escalation. Contract training for employees, ensuring contract awareness & understanding of consequences. Credit Checks are performed in advance of customer contractual commitment, cash collection is proactively managed and key account relationship managers are in place.

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Failure of Estate	The inability of the Estate to supply water, heat and power where and when required.	Establishment of water working group and continued implementation and monitoring of statutory regulations, retention of independent water consultant.
Business Continuity	The inability for one or more business areas to keep operating after adversity.	Estate wide risk assessments to identify the potential issues in advance. Disaster plans in place, including IT and salvage as well as an extensive supply chain back up to provide temporary services. Skilled workforce used to coping with adversity. Ongoing advice from local emergency services. Size of estate allows for relocation of resources if one area off limits.
Family and Heritage Assets	Death, illness, accident of The Duke or Family. Fire, Flooding, explosion at Goodwood House. Kidnap, ransom of The Duke or Family. Burglary / Theft of artwork, furniture, jewellery etc	Physical and Operational security plans in place for protection The Duke and Family. Alarms, CCTV, Access Control, Driving. Salvage Plan in place for Goodwood House. Insurance of property and assets. Vetting of staff procedure. NDA, control of contractors procedures used. Specialist security consultants in place.
People and Development	Failure to comply with employment and GDPR law causing employee claims, government penalties and damage to the Goodwood brand. Failure to recruit, train and retain good staff, causing poor service and standards and high labour turnover, customer complaints & compensation, possibility of being unable to operate areas of the business causing loss of revenue.	Robust recruitment process, employment contracts, employee handbook and security checks, Mandatory and optional training programmes, regular individual employee monitoring processes, external audit on files, Succession planning. Regular Employment law updates for all P&D staff.
Macro-Economic and Legislative Threats to Commercial Activity	A change to legislation (such as Brexit or the Bribery Act) or a downturn in a key business sector (such as the motor industry) that adversely affects our business(es) commercially.	Comprehensive Group Bribery Act Policy is in place. Management focus to ensure corrective actions are taken in timely manner. Relationships with Sponsors and Clients.
Pandemic	National or International pandemic that affects our ability to operate some or all of our businesses, causing commercial damage.	Review availability and affordability of pandemic insurance cover. Ability to react quickly to changing Government regulations and adapt commercial business model to minimise financial impact.

ON BEHALF OF THE BOARD:


.....
The Duke of Richmond and Gordon - Director

Date: 15/09/2021

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

The Duke of Richmond and Gordon
Mrs Tracey Greaves
Christopher Edward James Woodgate
Andrew Michael Coggings

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

There is a third party indemnity provision in place for the benefit of all directors of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

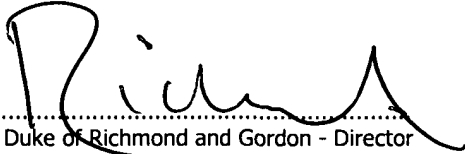
THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

AUDITORS

Hartley Fowler LLP have indicated their willingness to be appointed for another term and appropriate arrangements have been put in place for them to be appointed as auditors in the absence of an Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
The Duke of Richmond and Gordon - Director

Date: 15/09/2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GOODWOOD HOTEL LIMITED

Opinion

We have audited the financial statements of The Goodwood Hotel Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GOODWOOD HOTEL LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GOODWOOD HOTEL LIMITED

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks.

Audit approach to identifying and assessing potential risks related to irregularities

Our procedures for identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiring of management and the audit committee, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company.

The key laws and regulations we considered to have a direct effect on the financial statements included the Financial Reporting Standard FRS 102 "The Financial Reporting applicable in the UK and Republic of Ireland" and the Companies Act 2006, distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Audit approach in response to identified risks

Our procedures to respond to risks identified included the following:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the entity is in compliance with such laws and regulations.
- Inspecting correspondence, if any, with the relevant licensing or regulatory authorities.
- Reviewing the financial statement disclosures and test to supporting documentation to assess compliance with reporting requirements.
- Reviewing meeting minutes where available for any indication of non-compliance.
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. We also communicated relevant identified 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.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GOODWOOD HOTEL LIMITED

Through these procedures, we have not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements. This is particularly true for those laws and regulations far removed from transactions reflected in the financial statements. As with any audit, there remained a higher risk of non-detection of irregularities that result from fraud, due to an implied intent behind this, than from those that result from error. As stated in the audit standards, we are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Hartley Fowler

Daniel Chapman (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
Pavilion View
19 New Road
Brighton
East Sussex
BN1 1EY

Date: *23 September 2021*

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
TURNOVER	3	4,007,995	8,565,654
Cost of sales		711,543	1,388,563
GROSS PROFIT		3,296,452	7,177,091
Administrative expenses		5,412,106	7,089,266
		(2,115,654)	87,825
Other operating income	4	1,074,856	32,680
OPERATING (LOSS)/PROFIT	6	(1,040,798)	120,505
Interest payable and similar expenses	7	922	45
(LOSS)/PROFIT BEFORE TAXATION		(1,041,720)	120,460
Tax on (loss)/profit	8	(67,200)	35,680
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(974,520)	84,780
OTHER COMPREHENSIVE INCOME			
Unrealised loss on property revaluation		-	(1,201,077)
Income tax relating to other comprehensive income		51,900	198,700
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		51,900	(1,002,377)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(922,620)</u>	<u>(917,597)</u>

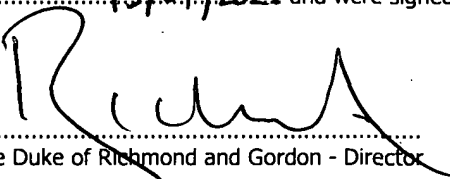
The notes form part of these financial statements

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

BALANCE SHEET
31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		17,634,814		16,170,544
CURRENT ASSETS					
Stocks	10	54,129		73,775	
Debtors	11	259,409		287,408	
Cash in hand		3,650		3,650	
		317,188		364,833	
CREDITORS					
Amounts falling due within one year	12	6,711,231		4,292,486	
NET CURRENT LIABILITIES			(6,394,043)		(3,927,653)
TOTAL ASSETS LESS CURRENT LIABILITIES			11,240,771		12,242,891
PROVISIONS FOR LIABILITIES	16		39,600		119,100
NET ASSETS			11,201,171		12,123,791
CAPITAL AND RESERVES					
Called up share capital	17		100,000		100,000
Revaluation reserve			5,152,084		5,100,184
Retained earnings			5,949,087		6,923,607
SHAREHOLDERS' FUNDS			11,201,171		12,123,791

The financial statements were approved by the Board of Directors and authorised for issue on 15/09/2021 and were signed on its behalf by:


The Duke of Richmond and Gordon - Director

The notes form part of these financial statements

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2019	100,000	6,838,827	6,102,561	13,041,388
Changes in equity				
Total comprehensive income	-	84,780	(1,002,377)	(917,597)
Balance at 31 December 2019	100,000	6,923,607	5,100,184	12,123,791
Changes in equity				
Total comprehensive income	-	(974,520)	51,900	(922,620)
Balance at 31 December 2020	100,000	5,949,087	5,152,084	11,201,171

The notes form part of these financial statements

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020 £	2019 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	(293,428)	1,177,051
Interest paid		(922)	-
Interest element of hire purchase or finance lease rental payments paid		-	(45)
Tax paid		(88,580)	(93,750)
Net cash from operating activities		<u>(382,930)</u>	<u>1,083,256</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(1,798,692)</u>	<u>(1,503,900)</u>
Net cash from investing activities		<u>(1,798,692)</u>	<u>(1,503,900)</u>
Cash flows from financing activities			
Capital repayments in year		<u>-</u>	<u>(3,447)</u>
Net cash from financing activities		<u>-</u>	<u>(3,447)</u>
Decrease in cash and cash equivalents		<u>(2,181,622)</u>	<u>(424,091)</u>
Cash and cash equivalents at beginning of year	2	<u>(1,592,334)</u>	<u>(1,168,243)</u>
Cash and cash equivalents at end of year	2	<u><u>(3,773,956)</u></u>	<u><u>(1,592,334)</u></u>

The notes form part of these financial statements

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
(Loss)/profit before taxation	(1,041,720)	120,460
Depreciation charges	334,174	340,616
Loss on disposal of fixed assets	248	2,145
Finance costs	922	45
	(706,376)	463,266
Decrease/(increase) in stocks	19,646	(3,523)
Decrease in trade and other debtors	107,200	192,597
Increase in trade and other creditors	286,102	524,711
Cash generated from operations	(293,428)	1,177,051

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	3,650	3,650
Bank overdrafts	(3,777,606)	(1,595,984)
	(3,773,956)	(1,592,334)

Year ended 31 December 2019

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	3,650	3,650
Bank overdrafts	(1,595,984)	(1,171,893)
	(1,592,334)	(1,168,243)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
Net cash			
Cash at bank and in hand	3,650	-	3,650
Bank overdrafts	(1,595,984)	(2,181,622)	(3,777,606)
	(1,592,334)	(2,181,622)	(3,773,956)
Total	(1,592,334)	(2,181,622)	(3,773,956)

The notes form part of these financial statements

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. STATUTORY INFORMATION

The Goodwood Hotel Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The Company's principal activities are that of Hotels and similar accommodation.

Monetary amounts in these financial statements are rounded to the nearest whole £1. The financial statements are presented in sterling which is also the functional currency of the Company.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The Company's principal activities and nature of operations are disclosed under the Strategic Report.

All businesses are now open. The Group's first headline event of the year, Festival of Speed has been run at 75% capacity under a Government test status, the event was a great success and has exceeded budget expectations. The forecast for both profits and cash for 2021 are positive and the Group expects to continue to grow in all areas of the business in 2022 and beyond. Following the re-financing exercise described above the Group is well funded and secure for the future. As a consequence, the Board consider that, at the time of approving the financial statements, the Goodwood Group has adequate resources to continue to trade for the foreseeable future, and not less than one year from the date of approval of the financial statements. The directors have received confirmation from the directors of the holding company that the holding company will continue its support of the company for a minimum period of twelve months from the date on which these accounts have been approved and therefore consider that the going concern basis is the appropriate basis for the preparation of the accounts.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been considered.

The areas for which estimation has been applied are considered to be in calculating depreciation and the useful economic lives of assets, determining the fair values of long leasehold land and buildings, bad debt provision, stock provision, deferred tax and accrued and prepaid expenditure.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are determining the fair value of freehold land and buildings. Leasehold land and buildings have been valued at fair value by the directors, taking into account a previous valuation undertaken by Savills (UK) Limited, Chartered Surveyors, and subsequent additions and disposals.

Turnover

Turnover represents the value of services provided excluding VAT, including sales of accommodation, food and beverages, conference and other facility fees and gym membership fees. Hotel events income is recognised when the events take place. Hotel club membership income is recognised evenly over the term of the membership. All other income is recognised at the point of sale. Turnover is adjusted for accrued and deferred membership income.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Long leasehold land and buildings are stated at fair value at the balance sheet date. Unrealised surpluses or deficits on revaluation of the land and buildings are recognised through the Statement of Comprehensive Income unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease. Realised surpluses and deficits are recognised through the income statement. Depreciation is not charge on land and buildings. This represents a departure from the Companies Act requirements concerning the depreciation of fixed assets, however the director consider that the adoption of this policy is necessary to give a true and fair view.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Annual reviews are made of estimated useful lives and material residual values. Depreciation rates used to write off cost less residual value on a straight line basis are:

Fixtures, fittings and equipment - Over 4 to 10 years

Government grants

Government grants received in respect of the Coronavirus Job Retention Scheme are recognised in the Statement of Comprehensive Income over the period in which the related costs are incurred in accordance with the accruals model under Financial Reporting Standard 102.

Stocks

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

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and investments in commercial paper, are initially recognised at transaction price.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same components of comprehensive income or equity as the transaction or other events that resulted in the tax expense or income.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contributions pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****3. TURNOVER**

The turnover and loss (2019 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2020 £	2019 £
Hotel and restaurant	4,007,995	8,565,654
	<u>4,007,995</u>	<u>8,565,654</u>

4. OTHER OPERATING INCOME

	2020 £	2019 £
Sundry income	20,221	32,680
Coronavirus job retention scheme	1,054,635	-
	<u>1,074,856</u>	<u>32,680</u>

5. EMPLOYEES AND DIRECTORS

	2020 £	2019 £
Wages and salaries	2,766,259	3,286,330
Termination benefits	59,672	-
Social security costs	195,276	252,978
Pension costs	89,441	93,130
	<u>3,110,648</u>	<u>3,632,438</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Management and administration	17	16
Operational	181	202
	<u>198</u>	<u>218</u>

	2020 £	2019 £
Directors' remuneration	<u>159,536</u>	<u>238,600</u>

The number of directors to whom retirement benefits were accruing was as follows:

	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. OPERATING (LOSS)/PROFIT

The operating loss (2019 - operating profit) is stated after charging:

	2020	2019
	£	£
Hire of plant and machinery	29,296	95,620
Depreciation - owned assets	334,174	340,616
Loss on disposal of fixed assets	248	2,145
Auditors' remuneration	12,935	10,660
Auditors' remuneration for non audit work	965	1,000
	<u> </u>	<u> </u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Interest paid to HMRC	922	-
Leasing	-	45
	<u> </u>	<u> </u>
	922	45
	<u> </u>	<u> </u>

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	-	48,980
Deferred tax	(67,200)	(13,300)
Tax on (loss)/profit	<u>(67,200)</u>	<u>35,680</u>

UK corporation tax has been charged at 19% (2019 - 19%).

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
(Loss)/profit before tax	<u>(1,041,720)</u>	<u>120,460</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(197,927)	22,887
Effects of:		
Expenses not deductible for tax purposes	1,248	3,583
Capital allowances in excess of depreciation	(79)	-
Depreciation in excess of capital allowances	-	8,994
Short term timing differences	(307)	219
Other tax adjustments	-	(3)
Losses carried forward	<u>129,865</u>	<u>-</u>
Total tax (credit)/charge	<u>(67,200)</u>	<u>35,680</u>

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	2020 Tax £	Net £
Unrealised loss on property revaluation	-	51,900	51,900
	Gross £	2019 Tax £	Net £
Unrealised loss on property revaluation	(1,201,077)	198,700	(1,002,377)

Deferred tax relating to property is measured using the revaluation model by using the enacted tax rates.

The main rate of corporation tax for 2020 is 19%. Going forward, the UK Government has confirmed the corporation tax rate is to remain at 19% until 2022. The proposed rate announced in the Finance Bill 2021 on 11th March 2021 will be 25% from 1st April 2023. The company is not aware of any factors that would materially affect the future tax charge apart from the proposed change in corporation tax rates.

9. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 January 2020	14,800,000	-	3,799,378	18,599,378
Additions	54,214	1,684,151	60,327	1,798,692
Disposals	-	-	(246,758)	(246,758)
At 31 December 2020	14,854,214	1,684,151	3,612,947	20,151,312
DEPRECIATION				
At 1 January 2020	-	-	2,428,834	2,428,834
Charge for year	-	-	334,174	334,174
Eliminated on disposal	-	-	(246,510)	(246,510)
At 31 December 2020	-	-	2,516,498	2,516,498
NET BOOK VALUE				
At 31 December 2020	14,854,214	1,684,151	1,096,449	17,634,814
At 31 December 2019	14,800,000	-	1,370,544	16,170,544

The leasehold land and buildings was professionally valued by Savills (UK) Limited, Chartered Surveyors at fair value of £14,800,000 at 31 December 2019 based on the fair maintainable profit that the company was expected to generate. The 2019 valuation was undertaken in accordance with 'Royal Institution of Chartered Surveyors' ("RICS") Valuation - Global Standards' and the RICS Valuation - Professional Standards ("The Red Book"). The directors consider the fair value of the property at 31 December 2020 to be Savills' 2019 valuation plus the cost of those subsequent significant additions that are considered to have further increased the fair value.

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

9. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2020 is represented by:

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Totals £
Valuation in 2013	4,227,805	-	-	4,227,805
Valuation in 2014	780,399	-	-	780,399
Valuation in 2015	99,573	-	-	99,573
Valuation in 2016	10,275	-	-	10,275
Valuation in 2017	6,401	-	-	6,401
Valuation in 2018	(254,535)	-	-	(254,535)
Valuation in 2019	(1,201,077)	-	-	(1,201,077)
Cost	11,185,373	1,684,151	3,612,947	16,482,471
	<u>14,854,214</u>	<u>1,684,151</u>	<u>3,612,947</u>	<u>20,151,312</u>

10. STOCKS

	2020 £	2019 £
Stocks	<u>54,129</u>	<u>73,775</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	113,799	162,670
Amounts owed by group undertakings	11,818	183
Other debtors	63,297	3,424
Deferred tax asset	39,600	-
Prepayments and accrued income	30,895	121,131
	<u>259,409</u>	<u>287,408</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts (see note 13)	3,777,606	1,595,984
Trade creditors	92,240	672,620
Amounts owed to group undertakings	1,883,603	569,634
Tax	-	48,980
Social security and other taxes	76,200	259,130
Other creditors	620,399	806,111
Accruals and deferred income	261,183	340,027
	<u>6,711,231</u>	<u>4,292,486</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>3,777,606</u>	<u>1,595,984</u>

THE GOODWOOD HOTEL LIMITED (REGISTERED NUMBER: 01326672)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****14. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	18,609	22,373
Between one and five years	6,760	21,849
In more than five years	-	520
	<u>25,369</u>	<u>44,742</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank overdrafts	<u>3,777,606</u>	<u>1,595,984</u>

The company has given an unlimited cross guarantee to the group's bankers in respect of the revolving credit facility and overdraft facility provided to the parent company, The Goodwood Estate Company Limited. The group has a credit facility limit of £18,000,000 and an overdraft limit of £5,000,000.

The £18,000,000 facility agreement, amended on 11 November 2020, is secured by the lender via fixed and floating charges across all property and contains a negative pledge. The charge was registered with the parent company on 11 November 2020.

The bank overdraft is secured under the group loan arrangements by a fixed charge over certain freehold land, which includes the land occupied under long leasehold by the company.

16. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	<u>39,600</u>	<u>119,100</u>
		Deferred tax
		£
Balance at 1 January 2020		119,100
Credit to Statement of Comprehensive Income during year		(79,500)
Accelerated capital allowances		
Unrealised revaluation gains		
Balance at 31 December 2020		<u>39,600</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
100,000	Ordinary shares	£1	<u>100,000</u>	<u>100,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. CALLED UP SHARE CAPITAL - continued

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Retained earnings

Cumulative profit and loss net of distributions to owners.

Revaluation reserve (in respect of the leasehold property per note 9)

Cumulative revaluation gains and losses in respect of the leasehold property, except revaluation gains and losses recognised in the profit and loss statement.

18. PENSION COMMITMENTS

Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme on behalf of current employees. Contributions of 6 - 10% are payable by the company and 4% by the employee and are charged to profit and loss account in the period to which they relate. For the year ended 31 December 2020 the company made total employer contributions of £108,354 (2019: £112,636). There were outstanding contributions of £7,816 as at 31 December 2020 (2019: £9,435).

19. ULTIMATE PARENT COMPANY

The ultimate parent company is The Goodwood Estate Company Limited, registered in England and Wales. The smallest and largest group in which the Company accounts are consolidated is that of The Goodwood Estate Limited, the consolidated company accounts are available from Goodwood House, Goodwood, Chichester, West Sussex, PO18 0PX.

20. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Key management personnel include all directors and a number of senior managers who together have authority and responsibility for planning, directing and controlling the activities of the company. The total remuneration including benefits in kind paid to key management personnel for services was £159,536 (2019: £238,600).

21. POST BALANCE SHEET EVENTS

Following the year end, but prior to the approval of these Financial Statements, the UK government substantively enacted legislation to increase the corporation tax rate from 19% to 25% from 1 April 2023. This results in an estimated increase in the company's deferred tax provision, deferred tax asset and charges to the Statement of Comprehensive Income of £12,500 at 31 December 2020. The financial effects of this event have not been recognised in these Financial Statements, since the recognition criteria were not met at the balance sheet date.

22. ULTIMATE CONTROLLING PARTY

The Directors regard the Trustees acting on behalf of Trusts for the Gordon-Lennox family to be the ultimate controlling party of the Group.