

Financial Statements

Chamberlain Hotels Limited

For the year ended 31 December 2022



Registered number: 02307261

Company Information

Directors	Daniel Roger (resigned 10 June 2022) Darren Guy (appointed 10 June 2022) Ronen Nissenbaum (appointed 10 June 2022)
Company secretary	Michelle Mullins (appointed 10 June 2022)
Registered number	02307261
Registered office	245 Broad Street Birmingham England B1 2HQ
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor 30 Old Bailey London EC4M 7AU
Bankers	Royal Bank of Scotland Kirkstane House 139 St Vincent House Glasgow G2 5JF
Solicitors	Squire Patton Boggs LLP Rutland House Cutlers Gardens London EC2M 4YH

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Strategic report

For the year ended 31 December 2022

Principal activities and Business review

The main activity of Chamberlain Hotels Limited (“the Company”) continues to be the operation of a hotel in the United Kingdom.

The Company achieved a turnover of £12.9 million in the year ended 31 December 2022 (2021: £5.44 million) which is an increase of 137% on the year ended 31 December 2022 (2021: increase of 44.04%).

The large increase in turnover versus prior year represents the huge rebound in business on the back of the Covid pandemic in the two previous years as customers began to travel and stay away from home once again – whilst there still remained challenges in the first quarter of 2022 regarding Covid, the Company ensured that confidence was built with customers which allowed for a successful year in terms of both rates achieved and occupancy levels as the market recovered.

The Company produced an operating profit of £0.69 million (2021: operating loss of £1.63 million) in the year ended 31 December 2022 – whilst turnover has increased dramatically, operating costs increased substantially as inflation reached record high levels and the impact of the war in the Ukraine led to energy costs rising.

During 2022 the hotels were rebranded from Jurys Inn to the Leonardo brand, aligning the branding with the global platform of hotels across Europe.

The key performance indicators for the Company are highlighted in the below table:

	2022	2021
Gross profit/(loss) %	6.9%	(28.88%)
Operating profit/(loss) %	5.33%	(30.06%)
Customer satisfaction	79.4%	79.3%

Strategic report (continued)

For the year ended 31 December 2022

Business risks and uncertainties

The Company is directly exposed to the risks associated with the hotel industry – entering into the current financial year, there was still great uncertainty surrounding the future of the hospitality industry and how quickly the market would recover from this period – however it was clear that the lifting of travel restrictions allowed for a high level of leisure customers to travel and stay in hotels. The Company remains vigilant to the possibility of future unforeseen global events.

The Company is also exposed to interest rate and inflation risk, something which has become apparent during the current year with high inflation affecting the core costs of the Company. However through various monitoring mechanisms this risk has been managed as best as possible.

The Company's exposure to credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts. The Company seeks to mitigate credit risk through central and hotel level credit checking and, where customers pay on departure, Company policy is to obtain a preauthorised credit card for payment. In certain circumstances customers pay all or part of their stay in advance.

The Company's exposure to liquidity and cash flow risk is mitigated by the trade receivables procedures described above and by negotiating commercial payment terms with suppliers. The Company aims to mitigate liquidity risk by managing cash generation and its use through its operations.

Cash flows are monitored closely; cash flow forecasts are prepared and presented to the management team to determine future cash flow requirements and sources.

In 2022, the war in Ukraine began – whilst as of yet has had no direct impact upon the Company or the industry in the UK, the Company closely monitors these events and strives to help in all possible ways to assist those affected

From a political perspective, whilst the UK left the EU on the 31 December 2020, due to the occurrence of the Covid pandemic since then, it is still not yet clear the impact Brexit has had on the performance of the hotels or the Company.

Future developments

The Directors expect to see improved results for 2023 and throughout future years as the Company and wider hospitality industry continue to recover from the impact of the pandemic.

The first quarter of 2022 has seen challenging conditions as the hotel operations continued to face into the Covid Pandemic and customer uncertainty led to lower than expected business levels. Thankfully a strong rebound in the industry was witnessed as guests, specifically leisure customers, decided to travel as restrictions were lifted and backed-up demand for travel meant strong occupancy and rates achieved. This has continued through 2022 and Directors expect to continue to see this strong demand going forward.

The Directors are confident that taking this into consideration along with the continued tight cost controls in place, the future of the Company will show increasing growth in future years.

This report was approved by the board on 27 July 2023 and signed on its behalf.



Darren Guy
Director

Directors' report

For the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 director has 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 101 'Reduced Disclosure Framework'. Under company law, the director must not approve the financial statements unless he is 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Principal activities

The Company is part of a leading hotel group and operates a premium budget hotel in the United Kingdom.

Directors' report (continued)

For the year ended 31 December 2022

Statement of corporate governance arrangements

The Company aligns its business to ensure its framework is abiding by the six Wates principles for large private companies.

The Company has used these principles under the following areas (which are detailed further through the Directors Report and Strategic Report) and there have been no instances of explicit departure from the below:

- Clear purpose and leadership – the Company strategy for growth and development is communicated throughout the organisation, ensuring transparency of goals, policies and direction for the Company and promoting a healthy corporate culture;
- High quality board and Senior Management team composition and a focus on diversity and a wealth of experience in the sector;
Positive relationships between the Company, shareholders and stakeholders – this is completed through frequent communication/meetings with the shareholder whereby company policies/practices, future developments and agreement on strategy is completed. Along with this, key suppliers and customers are also in communication with the various internal teams to foster this relationship and continue to provide/receive a high level of service;
- Remuneration which is proportionate and supports long-term success;
- The Board is comprised of two directors, who are highly experienced in the sector in which the Company operates. The Directors also delegate elements of governance of the Company to the highly skilled Senior Management team, whom oversee the various divisions within the Company and are responsible for reporting to the Directors frequently on any issues which arise. This is done via the occurrence of at least quarterly meetings;
- Risk is managed by ensuring that there is transparency throughout the organisation on historical performance, current activities and future strategic direction. Open communication between the Company and stakeholders ensure that future risks are foreseen to the most extent possible, and mitigated via reasonable measures which are decided upon between the directors and Senior Management team.

The Company is subject to the review of each of the relevant committees established in its Parent Company “Fattal Holdings (1998) Limited”, there are also frequent executive meetings held which cover areas such as audit and corporate responsibility.

The Company remains committed to maintaining high standards of corporate governance led by and directed by the Board of Directors.

Results and dividends

The results of the Company for the year are set out in the Statement of comprehensive income on page 13 and in the related notes.

The Company recommended and paid dividends of £nil (2021: £nil).

Directors' report (continued)

For the year ended 31 December 2022

Directors and secretary and their interests

The directors who served during the year were:

Daniel Roger (resigned 10 June 2022)
Darren Guy (appointed 10 June 2022)
Ronen Nissenbaum (appointed 10 June 2022)

The directors who held office at 31 December 2022 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

Duty to promote the success of the Company

The Company and its director ensure that exceptional hospitality is at the core of the business, as this is what will drive future success and growth in line with the overall business strategy.

The Company culture is imperative to uphold; the director and the Senior Leadership team are in direct contact with employees on a regular basis to ensure all objectives are aligned and a good working environment exists within the Company. The director, via Senior Leadership, ensures the setting and maintaining of core Company values, and ensures ethical business behaviours.

The Company culture also includes a focus on building and maintaining relationships with key suppliers and customers, whose support is paramount to the ongoing success of the business. Key suppliers are kept up to date with business developments and offered opportunities as they arise for continued and growing business. Key customers have built a strong relationship with the Company which allows for a joint beneficial relationship with increased business and a common trust on the level of service provided.

This point is also discussed in the Strategic Report.

Future developments

The directors expect to see improved results for 2023 and throughout future years as the Company and wider hospitality industry continue to recover from the impact of the pandemic. Please see additional future developments narrative in the Strategic report.

Disabled persons

It is the policy of the Company to give fair and full consideration to registered disabled persons applying for employment and to the continuing employment and appropriate training of staff who become disabled having regard to their particular aptitudes and abilities.

Directors' report (continued)

For the year ended 31 December 2022

Employee participation

The Company engages with employees on an ongoing basis to ensure sufficient training, development and promotion opportunities are being presented to them. Open communication channels within the Company allow for employees to excel in specific areas which they are strongest/most interested in – for example there are various management programmes which seek to develop high potential candidates into future leaders.

The Company also ensures that the wellbeing of employees is being considered throughout the year, particularly in the recent pandemic times – a web-based application was launched so that the Company could keep in contact with employees whilst they were not working during the pandemic.

The Company is committed to providing equal opportunities from recruitment and appointment, training and development to appraisal and promotion opportunities for a wide range of people, free from discrimination or harassment and in which all decisions are based on work criteria and individual performance.

The Company recognises that employees are at the heart of the delivery of service, and hence crucial to the future success of the Company.

Statement on business relationships

The directors are satisfied that business relationships are managed, maintained and fostered through the relevant management teams – key supplier contracts are consistently reviewed by the procurement team, and customer relationships are upheld through the delivery of a high standard of service.

During the current year, in light of the challenging times which arose due to the Covid-19 pandemic, key short, medium and long term contracts were reviewed and re-negotiated where possible. Business relationships are also discussed above within the Duty to promote the success of the Company section.

Subsequent events

There were no events subsequent to the balance sheet date that required adjustment or disclosure in the financial statements.

Political donations

The Company made £Nil political donations during the year (2021: £Nil).

Directors' report (continued)

For the year ended 31 December 2022

Going concern

The directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis for the Company.

This is based on a review of the performance of the Company as it has emerged from the challenges of the Covid-19 pandemic, along with a review of future forecasts for the Company for a period of 12 months from signing date.

Overall 2022 was a very strong year for the Company with substantial growth in turnover to pre-Covid levels and a new hotel opening. Costs have been challenging to control during the year due to high inflation rates driving up costs across all areas – however the Company is confident that with cashflow monitoring and forecasting, negotiations with suppliers, and continued growth in revenues, there are great opportunities for the Company to continue to grow to outperform pre-Covid activity levels.

Revenue forecasts are strong and most recent forecasts suggest that the Company will be generating a positive EBITDA in 2023.

As at the 31 December 2022, the Company is in a net liability position. The Company has been and will continue to be supported by the ultimate parent Fattal Holdings (1998) Limited which has sufficient resources to support the Company in the future.

Based on most recent forecasts the Company will return to operational profitability in the next year however it is evident that group support is current the main contributor to the going concern of the Company.

The Directors are satisfied that due to the actions described above together with the cash flow forecast and support confirmation from the ultimate parent Fattal Holdings (1998) Limited it is appropriate to prepare accounts on a going concern basis.

Statement as to disclosure of information to auditor

In the case of each person who was a director at the time this report was approved:

- so far as that directors are aware there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that the director ought to have taken as directors to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Auditor

It is proposed that Mazars LLP will continue in office in accordance with the Companies act 2006 section 487(2).

This report was approved by the board on 27 July 2023 and signed on its behalf.



Darren Guy
Director

Independent auditor's report to the members of Chamberlain Hotels Limited

Opinion

We have audited the financial statements of Chamberlain Hotel Limited (the 'company') for the year ended 31 December 2022 which comprise Statement of Comprehensive Income, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (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 2022 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

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 director with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

Other information

The other information comprises the information included in the Financial Statements other than the financial statements and our auditor's report thereon. The director is 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 the audit:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

Responsibilities of the Director

As explained more fully in the directors' responsibilities statement set out on page 4, the director is 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 director determines 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 director is 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 director either intends 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 the financial statements.

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

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, general data protection regulation (GDPR), modern slavery, food and beverage legislation, anti-bribery, corruption and fraud, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to accounting estimates, revenue recognition (which we pinpointed to the completeness and cut off), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the director and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

Use of the audit 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.



Richard Metcalfe (Aug 3, 2023 11:20 GMT+1)

Richard Metcalfe (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
30 Old Bailey
London
ECM 7AU

Date: 03 August 2023

Statement of comprehensive income

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover	4	12,871	5,436
Cost of sales		(11,983)	(7,006)
Gross profit/(loss)		888	(1,570)
Administrative expenses		(201)	(108)
Other operating income	5	-	44
Operating profit/(loss)	6	687	(1,634)
Interest payable and similar expenses	9	(2,631)	(2,626)
Loss before tax		(1,944)	(4,260)
Tax on loss	10	(174)	1,397
Loss for the financial year		(2,118)	(2,863)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2,118)	(2,863)

All amounts relate to continuing operations.

The notes on pages 16 to 33 form part of these financial statements.

Balance sheet

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	11	47,531	46,959
		<u>47,531</u>	<u>46,959</u>
Current assets			
Stocks	12	53	26
Debtors: amounts falling due within one year	13	2,991	2,993
Cash at bank and in hand	14	1	1
		<u>3,045</u>	<u>3,020</u>
Creditors: amounts falling due within one year	15	(13,775)	(9,907)
Net current liabilities		<u>(10,730)</u>	<u>(6,887)</u>
Total assets less current liabilities		<u>36,801</u>	<u>40,072</u>
Creditors: amounts falling due after more than one year	16	(45,247)	(46,400)
Net liabilities		<u>(8,446)</u>	<u>(6,328)</u>
Capital and reserves			
Called up share capital	19	1,501	1,501
Profit and loss account	20	(9,947)	(7,829)
Total shareholder's (deficit) - equity		<u>(8,446)</u>	<u>(6,328)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2023.



Darren Guy
Director

The notes on pages 16 to 33 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2022

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
At 1 January 2022	1,501	(7,829)	(6,328)
Loss for the year	-	(2,118)	(2,118)
Total comprehensive loss for the year	-	(2,118)	(2,118)
At 31 December 2022	1,501	(9,947)	(8,446)

The notes on pages 16 to 33 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2021

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
At 1 January 2021	1,501	(4,966)	(3,465)
Loss for the year	-	(2,863)	(2,863)
Total comprehensive loss for the year	-	(2,863)	(2,863)
At 31 December 2021	1,501	(7,829)	(6,328)

The notes on pages 16 to 33 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2022

1. Reporting entity

Chamberlain Hotels Limited is a Company incorporated in the United Kingdom. The Company's registered office is 245 Broad Street, Birmingham, England, B1 2HQ. The registered number is 02307261.

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 Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("UK IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

As the consolidated financial statements of Fattal Holding (1998) Ltd include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost convention, unless otherwise stated in the following accounting policies.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Company used market observable data as far as possible.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.5 Going concern

The directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis for the Company.

This is based on a review of the performance of the Company as it has emerged from the challenges of the Covid-19 pandemic, along with a review of future forecasts for the Company for a period of 12 months from signing date.

Overall 2022 was a very strong year for the Company with substantial growth in turnover to pre-Covid levels and a new hotel opening. Costs have been challenging to control during the year due to high inflation rates driving up costs across all areas – however the Company is confident that with cashflow monitoring and forecasting, negotiations with suppliers, and continued growth in revenues, there are great opportunities for the Company to continue to grow to outperform pre-Covid activity levels. Revenue forecasts are strong and most recent forecasts suggest that the Company will be generating a positive EBITDA in 2023.

As at the 31 December 2022, the Company is in a net liability position. The Company has been and will continue to be supported by the ultimate parent Fattal Holdings (1998) Limited which has sufficient resources to support the Company in the future.

Based on most recent forecasts the Company will return to operational profitability in the next year however it is evident that group support is current the main contributor to the going concern of the Company.

The Directors are satisfied that due to the actions described above together with the cash flow forecast and support confirmation from the ultimate parent Fattal Holdings (1998) Limited it is appropriate to prepare accounts on a going concern basis.

2.6 Functional currency

These financial statements are presented in Sterling, being the functional currency of the Company. All financial information presented in Sterling has been rounded to the nearest thousand, except where otherwise stated.

2.7 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non monetary items that are measured based on historical cost in a foreign currency are not translated.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.8 Turnover

Revenue represents sales (excluding VAT and similar taxes) of goods and services net of trade discounts provided in the normal course of business.

Revenue is derived from hotel operations and includes the rental of rooms, food and beverage sales, and other revenue. Revenue is recognised when rooms are occupied and food and beverages are sold.

The Company operates a loyalty programme. Revenue is allocated between the loyalty programme and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Company has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

Due to the nature of the business the turnover is recognised when the service is provided.

2.9 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Balance sheet and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

Government grants received in the prior year have been netted off against the relevant expense rather than being recognised as other income.

Government grants received in the prior year in relation to Covid-19 restart have been recognised as other operating income.

2.10 Finance income and finance costs

The Company's finance income and finance costs include:

- interest expense on leases and liabilities; and
- foreign exchange on intercompany amount.

Interest income or expenses are recognised using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.12 Tangible fixed assets

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and impairment. Impairment losses are recognised in profit and loss.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation

No depreciation is provided on land. Other tangible fixed assets are depreciated to a residual value over the estimated useful lives which are as follows:

Buildings Core	- 30 to 125 years
Buildings Non Core	- 10 years
Plant	- 20 years
Fixtures, fittings and equipment	- 5 years

Depreciation is charged to the income statement on a straight line basis over the estimated useful life. Residual value is reassessed annually.

The Right of use assets are depreciated over the shorter of the lease term and the assets useful life. In this instance, the lease term is shorter.

2.13 Impairment

Individual items of tangible fixed assets are reviewed for impairment annually and tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that do not generate independent cash flows are combined into cash generating units. If carrying amounts exceed estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

2.14 Pension

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company is a participating employer in group defined benefit schemes operated by Jurys Hotel Management (UK) Limited, providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by IAS 19 Employee benefits, accounts for the schemes as if they were defined contribution schemes. As a result the amount charged to profit or loss account represents the contributions payable to the schemes in respect of the accounting year.

2.15 Inventories

Inventories are measured at the lower of cost and net realisable value.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

A provision is measured at the amount that the Company would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. Risks and uncertainties are taken into account in measuring a provision. The provision is discounted to its present value.

2.18 Provisions and contingent liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.19 Financial Instruments

Financial assets are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income or amortised costs as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of instruments not at fair value through profit or loss, directly attributable transactions costs.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or amortised cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, which in the case of loans and borrowings, is net of directly attributable transactions costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs, when the Company becomes party to the contractual provisions of the instrument. The Company recognises an allowance for expected credit losses for customers and other receivables and the impairment provision to be recognised on origination of the customer balance based on its estimated credit loss and assessed throughout the life of the balance. Any changes in their value through impairment or reversal of impairment is recognised in the Statement of Comprehensive Income.

Trade payables

Trade payables are initially recognised at fair value through profit and loss and subsequently measured at amortised cost less settlement payments.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.20 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and lease of low value. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability are the fixed lease payments less any incentives receivable.

The lease liability is presented as a separate line on the balance sheet the lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

3. Critical Accounting Estimates and Judgements

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to: depreciation of tangible fixed assets and impairment of receivables.

4. Turnover

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom. Turnover analysis is not presented due to its commercial sensitivity.

Due to the nature of the business the turnover is recognised when the service is provided.

Notes to the financial statements

For the year ended 31 December 2022

5. Other operating income

	2022 £'000	2021 £'000
Other income	-	44
	<u>-</u>	<u>44</u>

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £'000	2021 £'000
Depreciation	5,304	2,804
Defined benefit pension cost	47	-
Government grants	-	(44)
	<u>-</u>	<u>(44)</u>

The Director's remuneration is borne by another Group Company.

7. Auditor's remuneration

The Auditor's remuneration is borne by another Group Company.

8. Employees

The average monthly number of persons, including the executive director, employed by the Company, during the year was 128 (2021: 98).

Staff costs were as follows:

	2022 £'000	2021 £'000
Wages and salaries	2,320	1,116
Social security costs	165	90
Pension costs (note 22)	47	32
	<u>2,532</u>	<u>1,238</u>

The Director did not receive any remuneration from the Company during the year in respect of services to the Company (2021: £Nil).

The above salary costs are net of government grants received in the year in relation to the Coronavirus Job Retention Scheme. The total grants received were £nil million. (2021: £0.45 million)

Notes to the financial statements

For the year ended 31 December 2022

9. Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest expense on lease liabilities	2,596	2,626
Foreign exchange loss	35	-
	<u>2,631</u>	<u>2,626</u>

10. Taxation

	2022 £'000	2021 £'000
Total current tax	-	-
Deferred tax		
Tangible fixed assets - allowances	174	(1,397)
Total deferred tax - (note 18)	<u>174</u>	<u>(1,397)</u>
Taxation on profit/(loss) on ordinary activities	<u>174</u>	<u>(1,397)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £'000	2021 £'000
Loss on ordinary activities before tax	<u>(1,944)</u>	<u>(4,260)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(370)	(809)
Effects of:		
Fixed asset differences	62	12
Expenses not deductible for tax purposes	171	1
Remeasurement of deferred tax for changes in tax rates	51	(591)
Deferred tax not recognised	260	(10)
Total tax charge/(credit) for the year	<u>174</u>	<u>(1,397)</u>

Notes to the financial statements

For the year ended 31 December 2022

10. Taxation (continued)

Factors that may affect future tax charges

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which increases the U.K. corporate tax main rate from 19.0% to 25.0% from April 1, 2023, was substantively enacted in May 2021. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds. Deferred tax assets and liabilities have been recognised at using the tax rates applicable for the date the assets and liabilities are expected to reverse.

The Company had unrecognised deferred tax assets on losses of £1.23 million at 31 December 2022 (2021:£0.89 million).

Deferred tax on losses in 2022 is recognised to the extent that it has been forecast that probable future taxable profits will arise which can be offset against these losses. Management are satisfied that the most probable future projections are available and have based the assessment on these amounts.

11. Tangible fixed assets

	Plant, fixtures, fittings and equipment £'000	Land and buildings £'000	Total £'000
Cost or valuation			
At 1 January 2022	16,476	50,668	67,144
Additions	5,876	-	5,876
At 31 December 2022	22,352	50,668	73,020
Depreciation			
At 1 January 2022	14,026	6,159	20,185
Charge for the year	961	4,343	5,304
At 31 December 2022	14,987	10,502	25,489
Net book value			
At 31 December 2022	7,365	40,166	47,531
At 31 December 2021	2,450	44,509	46,959

The Company leases a hotel and the lease term is 21 years remaining. The Company has taken the exemption to apply IFRS 16 to low level leases and short term leases.

Notes to the financial statements

For the year ended 31 December 2022

11. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance sheet is as follows:

	2022 £'000	2021 £'000
Tangible fixed assets owned	7,365	2,450
Right-of-use tangible fixed assets	40,166	44,509
	<u>47,531</u>	<u>46,959</u>

Information about right-of-use assets is summarised below:

Net book value

	2022 £'000	2021 £'000
Land and Buildings	40,166	44,509
	<u>40,166</u>	<u>44,509</u>

The property lease in which the Company is the lessee contains a variable additional rental linked to sales generated from the leased hotel.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised in the statement of financial position:

Right-of-use asset	No of right-of-use assets leased	Remaining term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Land and Buildings	1	21 years	-	-	-	-

Notes to the financial statements

For the year ended 31 December 2022

11. Tangible fixed assets (continued)

	2022 £'000	2021 £'000
Amounts recognised in the profit and loss		
Deprecation expense on right of use asset	2,053	2,053
Interest expense on lease liabilities	2,596	2,626
Expense relating to variable lease payments not included in the measurement of the lease liability	890	-
Expense accounted for on a straight lines basis in relation to low value and short term leases	-	-
	<u>5,539</u>	<u>4,679</u>

The property lease in which the Company is the lessee contains variable additional rentals linked to sales generated from the leased hotel.

12. Stocks

	2022 £'000	2021 £'000
Consumables	53	26
	<u>53</u>	<u>26</u>

In 2022, a total of £0.57 million (2021: £0.27 million) of consumables was included in the profit or loss as an expense.

13. Debtors

	2022 £'000	2021 £'000
Trade debtors	406	261
Amounts owed by group undertakings	1,070	1,079
Other debtors	77	-
Prepayments	44	85
Deferred taxation - (note 18)	1,394	1,568
	<u>2,991</u>	<u>2,993</u>

Amounts owed by group undertakings are unsecured, repayable on demand and non-interest bearing.

Notes to the financial statements

For the year ended 31 December 2022

14. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	1	1
	<u>1</u>	<u>1</u>

15. Creditors: Amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	359	29
Amounts owed to group undertakings	10,498	6,808
Lease liabilities (note 17)	1,154	1,154
Accruals	1,764	1,916
	<u>13,775</u>	<u>9,907</u>

Amounts due to group undertakings relates to amounts, which are unsecured, interest-free and repayable on demand.

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

	2022 £'000	2021 £'000
Lease liabilities (note 17)	45,247	46,400
	<u>45,247</u>	<u>46,400</u>

Notes to the financial statements

For the year ended 31 December 2022

17. Leases

Company as a lessee

The Company does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

Lease liabilities are due as follows:

	2022 £'000	2021 £'000
Within one year	1,154	1,154
Within 2-5 years	5,265	5,265
Over 5 years	39,982	41,135
	<u>46,401</u>	<u>47,554</u>

The undiscounted future cash flows on leases were as follows:

	2022 £'000	2021 £'000
Within one year	3,750	3,750
Within 2-5 years	15,000	15,000
Over 5 years	58,798	62,548
	<u>77,548</u>	<u>81,298</u>

The company has taken the exemption to apply IFRS 16 to low level leases and short term leases.

Notes to the financial statements

For the year ended 31 December 2022

18. Deferred taxation

	2022 £'000	2021 £'000
At beginning of year	1,568	171
Charged to profit or loss	(174)	1,397
At end of year	<u>1,394</u>	<u>1,568</u>

The deferred tax asset is made up as follows:

	2022 £'000	2021 £'000
Losses and other deductions	1,150	1,131
Fixed asset timing differences	244	437
	<u>1,394</u>	<u>1,568</u>

The Director has completed forecast projections for the Company until December 2026 to support the recoverability of the deferred tax asset in respect of losses.

19. Share capital

	2022 £'000	2021 £'000
Authorised		
2,000,000 (2021 - 2,000,000) Ordinary shares of £1.00 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
1,500,900 (2021 - 1,500,900) Ordinary shares of £1.00 each	<u>1,501</u>	<u>1,501</u>

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Non-voting shareholders are not entitled to request, attend or vote at any general meeting. Neither are they entitled to receive more than the amount paid up. In all other respects, non-voting shares rank pari passu with ordinary shares.

20. Reserves

Profit and loss account

This account includes all current and prior period profit and losses.

Notes to the financial statements

For the year ended 31 December 2022

21. Capital commitments

At 31 December 2022, the Company had capital commitments of £Nil (2021: £Nil).

22. Pension commitments

The Company participates in a group defined benefit scheme operated by Leonardo Hotel Management (UK) Limited (formerly known as Jurys Hotel Management (UK) Limited), which is the legal sponsor of the scheme. The UK defined benefit scheme was closed to future accrual in 2011.

The Company participates in a defined contribution scheme operated by Leonardo Hotel Management (UK) Limited (formerly known as Jurys Hotel Management (UK) Limited). Full details of the schemes are disclosed in the financial statements of the Company's immediate parent, Leonardo Hotel Management (UK) Limited (formerly known as Jurys Hotel Management (UK) Limited).

The total defined contribution pension charge for the year amounted to £0.04 million (2021: £0.03 million).

23. Related party transactions

The Company has taken advantage of the exemption under FRS 101 paragraph 8(K), "Related Party Disclosures", not to disclose transactions with group undertakings as it is a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking.

There are no related party transactions requiring disclosure.

24. Subsequent events

There were no events subsequent to the balance sheet date that required adjustment or disclosure in the financial statements.

25. Controlling party

The Company's immediate parent is Leonardo Hotel Management (UK) Limited (formerly known as Jurys Hotel Management (UK) Limited). The largest Company in the group is Fattal Holdings (1998) Limited, a Company incorporated in Israel with a registered office at Triangular Building, 35th Floor, Azrieli Center, Tel Aviv, Israel. The consolidated accounts can be obtained from Israeli Securities Authority's website.

The directors consider David Fattal to be the ultimate controlling party.

Registered number: 02307261

Chamberlain Hotels Limited

Management information - The following information does not form part of the financial statements and has not been audited

For the year ended 31 December 2022

Detailed profit and loss account

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover		12,871	5,436
Cost of sales		(11,983)	(7,006)
Gross profit/(loss)		888	(1,570)
Gross profit/(loss) %		6.9 %	(28.9)%
Other operating income		-	44
Less: overheads			
Administration expenses		(201)	(108)
Operating profit/(loss)		687	(1,634)
Interest payable		(2,631)	(2,626)
Tax on loss on ordinary activities		(174)	1,397
Loss for the year		(2,118)	(2,863)

Schedule to the detailed accounts

For the year ended 31 December 2022

	2022 £'000	2021 £'000
Turnover		
Rooms	10,378	4,394
F&B	1,671	696
Other	822	346
	<u>12,871</u>	<u>5,436</u>
	2022 £'000	2021 £'000
Cost of sales		
F&B	566	266
Other	67	44
Salaries	2,320	1,116
National insurance	165	90
Staff pension costs	47	32
Rooms	566	338
Marketing	219	127
MTTO	273	226
Admin other	134	75
Professional services	641	446
Insurance	55	53
Rent & rates	622	359
Hotel rental	-	3,750
Commissions payable	1,231	641
Light, heat and power	1,173	387
Depreciation of plant and equipment	961	751
Rennes fees	-	2
IFRS 16 - Right of Use Asset movement	2,943	(1,697)
	<u>11,983</u>	<u>7,006</u>
	2022 £'000	2021 £'000
Other operating income		
Other income	-	44
	<u>-</u>	<u>44</u>

Schedule to the detailed accounts

For the year ended 31 December 2022

	2022 £'000	2021 £'000
Administration expenses		
General office expenses	63	35
Reorganisation costs	-	15
Card commissions	136	58
Admin - other	2	-
	<u>201</u>	<u>108</u>
	<u><u>201</u></u>	<u><u>108</u></u>
	2022 £'000	2021 £'000
Interest payable		
Other interest - on factored debts	35	-
Hire purchase interest payable	2,596	2,626
	<u>2,631</u>	<u>2,626</u>
	<u><u>2,631</u></u>	<u><u>2,626</u></u>