Stoke Park Limited

Annual Report and Financial Statements

Registered number 02732069
For the year ended 31 December 2021

Contents

Directors and Officers

Directors

S Banerji	Appointed 22nd April 2021
S Varghese	Appointed 22nd April 2021
CM King	Appointed 15th September 1995
RM King	Resigned 22nd April 2021
WM King	Resigned 22nd April 2021

Registered Office

Stoke Park
Park Road
Stoke Poges
Buckinghamshire
SL2 4PG

Auditor

PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes
Middlesex
UB4 0NN

Bankers

HSBC Bank Plc
Rms Dept, Level 2,
62-76 Park Street,
London,
SE1 9DZ

Strategic Report

The directors present their strategic report on the Company for the year ended 31 December 2021.

Review of the business

The Company till 21st April 2021 was a wholly owned subsidiary of International Group Limited and operated as part of International Group Limited's leisure division. On the 22nd April 2021, the Company was acquired by Reliance Industrial Investments and Holdings Limited, a company incorporated in India.

The Company's principal activities are operating and managing luxury country clubs and hotels in the UK. There have not been any significant changes in the Company's principal activities in the year under review.

Post-acquisition, the Company has undertaken a refurbishment of the property. The initial phase of refurbishment was completed in July 2021 followed by another phase of refurbishment commencing in December 2021 expected to last for 6 months. The next phase of refurbishment is planned to commence by end of 2022 and to last for the period commensurate to the approved scope. During the refurbishment period, the entire facility will remain closed to the members / public.

Impact of COVID

The Company was forced to close it's operations at times during the year, in line with Government guidance. As a result of this the turnover and profitability of the business was severely impacted in the first half of the financial year. However, the revenue has increased during the year due to utilisation of facilities by group companies.

Impact of Brexit

The Company has not been affected by Brexit during the year ended 31st December 2021.

Key mitigations

Appropriate P&L expenditures were eliminated.. Due to closure of facilities for refurbishment, a significant number of work force was made redundant.

Results and performance

As shown in the Company's profit and loss account on page 8 the Company's turnover has increased by 321% over the prior year and the Company reported total comprehensive profit in the current year of £17k (2020: loss of £2,892k).

The balance sheet on page 9 of the financial statements shows the Company's financial position at the year-end.

Key performance indicators

The Company's directors believe that further key performance indicators (other than total comprehensive profit stated above) for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

Competitive pressure in the UK is a continuing risk for the Company, which could result in it losing sales to its key competitors. To manage this risk, the Company strives to provide added-value services to its customers; prompt response times in the supply of products and services and in the handling of customer queries; and through the maintenance of strong relationships with customers.

The Company's business may be affected by fluctuations in the price and supply of key services and materials, although purchasing policies and practices seek to mitigate, where practicable, such risks..

The Company continues to invest in Stoke Park and is developing further value-added services to increase revenue and profit after tax.

By order of the board

S Banerji
Director

Stoke Park, Park Road, Stoke Poges
Buckinghamshire, SL2 4PG

20 April 2022

Directors' Report

The report constitutes a Director's Report as per Section 415 of the Companies Act 2006 (the Company Law). The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Proposed dividend
The Company made a profit after tax of £17k during the year ended 31st December 2021 (2020 : loss of £2,892k). The directors do not recommend the payment of a dividend during the reporting year (2020: £nil).

Directors
The directors who held office during the year were as follows:

S Banerji	Appointed 22nd April 2021
S Varghese	Appointed 22nd April 2021
CM King	Appointed 15th September 1995
RM King	Resigned 22nd April 2021
WM King	Resigned 22nd April 2021

Employees
It is the Company's policy to provide employees with information concerning their roles and responsibilities. This policy is to ensure opportunities are available at every level to improve employees' and corporate performance. Regular meetings are held which involve directors, managers and staff.

Employee development and equal opportunities
The Company is committed to ensuring it recruits and promotes the right people regardless of gender, disability, age, sexual orientation or race, and is committed to a culture of meritocracy whereby career progression is based on ability. It facilitates opportunity for all employees to progress and regularly reviews policies and practices. It regards its people as its most valuable asset and is committed to investing in them to achieve their full potential, without discrimination.

People with disabilities are given equal opportunity wherever they can fulfil the requirements of the job. If an employee becomes disabled during their employment with the Company every reasonable effort is made to enable them to continue their career within the Company.

Political and charitable contributions
The Company has made charitable contributions of £26k *(2020: Nil)* and Nil political donations *(2020: Nil)* during the year.

Disclosure of information to auditor
The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
The auditor, PBG Associates Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Financial instruments
It is the Company's policy not to enter into trading of a speculative nature in respect of financial instruments.

By order of the board

S Banerji
Director

Stoke Park
Park Road, Stoke Poges
Buckinghamshire SL2 4PG
20 April 2022

DIRECTORS RESPONSIBILITY 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK.

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 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;
- prepared the financial statements on the going concern basis unless it is in appropriate 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and are responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOKE PARK LIMITED

Opinion

We have audited the financial statements of Stoke Park Limited ("the company") for the year ended 31 December 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of changes in equity and related notes, including the accounting policies in note 1. 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* (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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 entity'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.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Matters on which we are required to report by exception

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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:

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the Company. Our approach was as follows:

We obtained a general understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are direct laws and regulations those have effect on the determination of material mounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation. We obtained a general understanding of how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the Company.

For both direct and other laws and regulations, our procedures involved: making enquiry of the directors of the Company for their awareness of any noncompliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees.

Our audit procedures included:

- examining the supporting documents for all material balances, transactions and disclosures
- enquiry of management and review and inspection of relevant correspondence
- evaluation of the selection and application of accounting policies
- analytical procedures to identify any unusual or unexpected relationship
- review of accounting estimates for biases

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.

The purpose of our audit work and to whom we owe our responsibilities

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.

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Ltd.
Chartered Accountants and Statutory Auditor
65 Delamere Road
Hayes, Middlesex
UB4 0NN

Date: 20 April 2022

Profit and Loss Account and Other Comprehensive Income

For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover	2	32,009	7,602
Cost of sales		(21,400)	(1,098)
Gross profit		10,609	6,504
Administrative expenses		(9,953)	(9,824)
Operating profit/(loss)		656	(3,320)
Loss on sale of fixed asset		-	(62)
Other income	3	-	1,277
Interest payable and similar expenses	6	(639)	(787)
Profit/(loss) before tax	3	17	(2,892)
Taxation	7	-	-
Profit/(loss) after tax for the financial year		17	(2,892)
Other comprehensive loss			
Revaluation loss		-	-
Total other comprehensive loss for the financial year, net of income tax		-	-
Total Comprehensive loss for the financial year		17	(2,892)

The above results were derived solely from continuing operations.

Notes from pages 11 to 24 form a part of these financial statements

Balance Sheet
At 31 December 2021

	Note	2021		2020	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	8		30		43
Tangible assets	9		64,938		56,358
Capital work-in-progress			8,000		-
			72,968		56,401
Current assets					
Stocks	10	10		226	
Debtors	11	4,688		595	
Cash at bank and in hand		3,693		96	
		8,391		917	
Creditors: amounts falling due within one year	12	(49,413)		(38,527)	
Net current liabilities			(41,022)		(37,610)
Total assets less current liabilities			31,946		18,791
Creditors: amounts falling due after more than one year	13		(167)		(250)
Net assets			31,779		18,541
Capital and reserves					
Called up share capital	15		1		1
Revaluation reserve			31,230		31,230
Capital contribution reserve			13,221		-
Retained earnings			(12,673)		(12,690)
Shareholder's funds			31,779		18,541

Notes from pages 11 to 24 form a part of these financial statements

There financial statements were approved by the board of directors on 20 April 2022and were signed on behalf by:

S Banerji
Director

Registered number 2732069

Statement of Changes in Equity
For the year ended 31 December 2021

	Called up share capital	Revaluation reserve	Capital contribution reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	1	31,230	-	(9,798)	21,433
Loss for the year	-	-	-	(2,892)	(2,892)
At 31 December 2020	1	31,230	-	(12,690)	18,541
Profit for the year	-	-	-	17	17
Capital contribution reserve	-	-	13,221	-	13,221
At 31 December 2021	1	31,230	13,221	(12,673)	31,779

Revaluation reserve
Revaluation reserve represents tangible fixed assets revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of revaluation in excess of any previous impairment losses is included in the revaluation reserve.

Capital contribution reserve
Capital contribution reserve represents amount paid by the parent company as a part of acquisition which is not repayable.

Retained earnings
Retained earnings represents accumulated profits and losses over the years

Notes from pages 11 to 24 form a part of these financial statements

Notes
(forming part of the financial statements)

1 Accounting policies

Stoke Park Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK' ('FRS 102') as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise stated.

The Company's ultimate parent undertaking, at the time of the balance sheet was Reliance Industries Limited which has included the Company in its consolidated financial statements. The consolidated financial statements of Reliance Industries Limited are prepared in accordance with FRS 102 and are available to the public and can be obtained from the address given in note 17. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

Cash flow

The company, being a member of the group wherein the parent prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

Related party exemption

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

Going concern

Notwithstanding the company's net current liabilities of £41.02m as at 31 December 2021, these financial statements have been prepared on a going concern basis as the Company has received assurances from its ultimate parent Company that they will continue to make funds available as required.

In April 2021, the company was acquired by Reliance Industrial Investments and Holdings Limited ("immediate parent company"), a company wholly owned by Reliance Industries Limited ("ultimate parent company"). Pursuant to the change in ownership, the company has embarked on a plan for the refurbishment of Stoke Park

Notes *(continued)*

1 Accounting policies *(continued)*

Hotel which is in progress at the date of approval of these financial statements. The company further plans to redevelop and redesign the golf course attached to the Stoke Park Hotel. The works on the golf course are expected to commence by end of the year 2022 with an estimated completion around summer of 2024 during which period the hotel is expected to be closed for customers.

The net current liabilities at the balance sheet date largely relate to a term loan from a financial institution with a face value of £46.12m at the balance sheet date which is due for maturity in December 2022.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts are dependent on the ultimate parent company providing continued financial support. The ultimate parent company has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Measurement convention

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings.

Foreign currencies

Transactions in foreign currencies are translated into the Company's functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the rate of exchange ruling at that date and the gains or losses on translation are included in the profit and loss account.

Intangible fixed assets and amortisation

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit and loss account to write off the cost on a straight-line basis over their estimated useful economic lives as follows:

Computer software - 5 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

Tangible fixed assets and depreciation

Tangible fixed assets, other than long leasehold property and land are stated at cost less accumulated depreciation and accumulated impairment losses. Long leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses.

Notes *(continued)*

1 Accounting policies *(continued)*

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is charged to the profit and loss account to write off the cost less the estimated residual value of each part of an item of tangible fixed assets on a straight-line basis over their estimated usefil economic lives as follows:

Long leasehold property and leasehold improvements	-	20 to 100 years (dependent upon the type of improvement)
Plant and machinery	-	5 to 25 years (dependent on type of machinery)
Fixtures and fittings	-	5 to 20 years (dependent on type of fixtures)
Motor vehicles	-	4 years

No depreciation is provided on freehold land. No depreciation is provided on fine art works included within fixtures and fittings as it is considered that the residual value of these items will be greater than cost.

Included within long leasehold property and leasehold improvements is leasehold land and buildings on which no depreciation is provided as the leases all have 100 years and over left to run as at the balance sheet date. It is the Company's practice to maintain these assets in a continual state of sound repair and make improvements thereto from time to time and accordingly the directors consider that the lives of these assets are so long and residual values, based on prices prevailing at the time of acquisition or subsequent valuation, are so high that their depreciation is insignificant. Any permanent diminution in value of such properties is charged to profit and loss account as appropriate. On an annual basis the directors consider the appropriateness of the assumed useful economic lives for assets which have a useful economic life of greater than 50 years.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Capital work in progress

Costs incurred prior to the capital project's completion (not ready for the intended use on the date of the Statement of Financial Position) are reflected as capital-work-in progress, which is transferred to property, plant, and equipment or intangible assets at the date the project is complete and/or assets are ready for the intended use. Capital-work-in-progress is stated at cost

Capital-work-in-progress are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Revaluation

As stated above, long leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in a revaluation reserve within equity. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

Leases
Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease, or if it cannot be determined, by using the lessee's incremental borrowing rate.

Stocks and work in progress
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents, comprises cash in hand and call deposits.

Other financial instruments
Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship are accounted for in accordance with paragraphs 12.23 or 12.24 of chapter 12 of FRS 102.

Derivative financial instruments
Derivative financial instruments, including interest rate swaps and forward foreign exchange contracts are not Basic Financial Instruments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into. These are remeasured to fair value at each reporting date with the gain or loss on remeasurement recognised immediately in profit or loss in finance income or finance costs as appropriate, unless they are included in a hedging arrangement.

The Company has not entered into any hedging arrangements.

Notes *(continued)*

1 Accounting policies *(continued)*

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Notes *(continued)*

1 Accounting policies *(continued)*

Financial guarantee contracts
Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

The company has not given any financial guarantee.

Turnover
Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. Turnover is recognised when goods and services have been supplied to and accepted by the Company's clients.

Fees are recognised over the period of the relevant assignments or agreements.

Turnover from transactions where goods or services are sold in exchange for dissimilar goods or services are measured at the fair value of the goods and services received, adjusted by any cash or cash equivalent paid. These transactions are described within these accounts as Barter Transactions.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease, or if it cannot be determined, by using the lessee's incremental borrowing rate. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable
Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are expensed as incurred.

Other interest receivable and similar income include interest receivable on deposits repayable on demand and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Notes *(continued)*

1 Accounting policies *(continued)*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Government Grants

Government grants are credited to the profit and loss account on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. These have been presented in the profit and loss account as other income.

Accounting estimate and judgement

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.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates 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 amounts of assets and liabilities within the next financial year are addressed below:

- Valuation of freehold and leasehold property

2 Turnover

In the opinion of the directors, turnover and the (loss) before taxation arose in the same class of business and geographical market for the current and preceding year. All income is derived solely in the United Kingdom.

Notes *(continued)*

3 Expenses, other income and auditor's remuneration

	2021	2020
	£000	£000
Profit/loss before taxation is stated after charging/(crediting):		
Audit of these financial statements	15	65
Amortisation of intangible assets	13	13
Depreciation of owned tangible assets	676	570
Depreciation of leased assets	660	562
Loss/(Profit) on sale of fixed asset	-	264

Other income for current year is Nil (2020: £ 1,277k) comprising of government grants received under the Coronavirus Job Retention Scheme, of which £Nil remains outstanding at the year-end within other debtors)

4 Remuneration of directors

The Directors didn't receive any remuneration from the Company during the year (2020: Nil).

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2021	2020
Management	**3**	7
Administration	**5**	38
Operational	**126**	165
	134	210

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£000	£000
Wages and salaries	**3,856**	4,655
Social security costs	**392**	430
Other pension costs	**11**	107
	4,259	5,192

6 Interest payable and similar expenses

	2021	2020
	£000	£000
Interest on bank loans and overdrafts	**603**	750
Interest payable on finance leases	**36**	33
Other interest payable	**-**	4
	639	787

Notes *(continued)*

7 Taxation

	2021 £000	2020 £000
Current tax		
Current UK tax on income for the year	-	-
Total current tax	-	-
Deferred tax		
- current year		
- prior year	-	-
	-	-
Total deferred tax	-	-
Total tax	-	-

Reconciliation of effective tax rate

The total tax expense for the year is lower *(2020: higher)* than the standard rate of corporation tax in the UK: 19.00% *(2020: 19.00%)*. The differences are explained below:

Total tax reconciliation	**2021 £000**	2020 £000
Profit/(loss) before tax	**17**	(2,892)
Tax using the UK Corporation tax of 19.00% *(2020: 19.00%)*	**3**	(549)
Effects of:		
Difference between depreciation and capital allowances	13	291
Effect of change in tax rate	(47)	21
Tax losses and other timing difference for which deferred tax asset has not been recognised	31	237
Total tax expense (see above)	-	-

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1st April 2020) was substantively enacted on 6th September 2016. The March 2020 budget announced that a rate of 19% would continue to apply with effect from April 2020 and this change was substantively enacted on 17th March 2020. The UK deferred tax asset/(liability) as at 31st December 2021 was calculated at 19% (2020: 19%).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The impact of the announced future rate change on the financial statements is not considered material. Deferred taxes at the balance sheet date have been measured using this tax rate and reflected in these financial statements.

Notes *(continued)*

8 Intangible assets

	Computer software	Total
	£000	£000
Cost		
At beginning of the year	133	133
Additions	-	-
At end of the year	133	133
Amortisation		
At beginning of the year	90	90
Charge for the year	13	13
At end of the year	103	103
Net book value		
At 31 December 2021	30	30
At 31 December 2020	43	43

All amortisation is recognised through the profit and loss account in administrative expenses.

Notes *(continued)*

9 Tangible fixed assets

	Free hold land £000	Long leasehold property and leasehold improvement £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost or valuation						
At beginning of the year	-	53,826	5,537	5,177	76	64,616
Additions	5,000	764	1,176	2,323	653	9,916
Disposals	-	-	-	-	-	-
At end of the year	5,000	54,590	6,713	7,500	729	74,532
Depreciation						
At beginning of the year	-	1,119	4,406	2,670	63	8,258
Charge for year	-	541	397	335	63	1,336
On disposals	-	-	-	-	-	-
At end of the year	-	1,660	4,803	3,005	126	9,594
Net Book Value						
At 31 December 2021	5,000	52,930	1,910	4,495	603	64,938
At 31 December 2020	-	52,707	1,131	2,507	13	56,358

The cost of fixtures and fittings includes £1,465k *(2020: £1,437k)* of assets which are not subjected to depreciation. Included within long leasehold property and leasehold improvements is long leasehold land of £401k (2020: £401k) which is not subject to depreciation.

Included within plant and machinery are assets held under finance leases with a cost of £755k *(2020: £480k)* and a net book value of £535k *(2020: £381k)*. Depreciation of £119k *(2020: £67k)* was charged on these assets during the year.

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS 102, Section 18, and in respect of historical cost, paragraph 34 of Schedule 1 of the Regulations.

Notes *(continued)*

9 Tangible fixed assets *(continued)*

Class of assets – Long leasehold property and leasehold improvement

	2021 £000	2020 £000
At existing use value		
11 January 2019 Full valuation	55,000	55,000
Less: non-leasehold assets included within revaluation, remaining at cost	(1,780)	(1,780)
Additions thereon	1,370	606
Aggregate depreciation thereon	(1,660)	(1,119)
Net book value	52,930	52,707
Historical cost of revalued assets	30.636	29,872
Aggregate depreciation thereon	(8,952)	(8,411)
Historical cost net book value	21,684	21,461

The long leasehold land and buildings (comprising Stoke Park, Park Road, Stoke Poges, Buckinghamshire, SL2 4PG) together with certain other assets based at Stoke Park were professionally valued by an independent valuer on 11 January 2019 at £55 million. The fair value was measured using the discounted cash flow method. Key assumptions of this calculation include sustainable EBITDA for the next five years, exit yield and appropriate discount rate.

The directors have assessed that the fair value of the long leasehold property and leasehold improvement at the balance sheet date is materially consistent with the net book value above taking into account informal discussions with valuation advisors, maintenance, upkeep and improvements carried out since the previous full revaluation and other publicly available market data.

The tax liability that would arise if these property assets were realised at the revalued amounts included above is shown in note 14.

10 Stocks

	2019 £000	2020 £000
Finished goods and goods for resale	10	226
	10	226

11 Debtors: amounts falling due within one year

	2021 £000	2020 £000
Amount owed by group undertakings	901	-
Advances	1,010	182
Trade debtors	163	275
Prepayments and accrued income*	2,614	138
	4,688	595

*Accrued income includes amount £2,345k from group undertakings (2020: Nil)

Notes *(continued)*

12 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Bank loan and overdrafts	46,141	26,700
Obligations under finance leases	210	155
Trade creditors	1,168	541
Taxation and Social Security	266	190
Amount owed to group undertakings	-	8,357
Other creditors	106	326
Accruals and deferred income	1,522	2,258
	49,413	38,527

13 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Bank loan	-	66
Obligations under finance leases	167	184
	167	250

Analysis of debt:

	2021 £000	2020 £000
Debt can be analysed as falling due (based on original maturity):		
Within one year	46,141	26,700
Within two years	-	66

On 30th December 2021, the Company entered into a £60million Term Loan facility with HSBC, due for repayment on the expiry date of 30th December 2022. The loan carries interest at Sterling Compounded Reference Rate for the day plus 1.10 percent. At the date of reporting period, an amount of £46.12million has been drawn down from this facility.

The bank loans are secured by a company debenture, a fixed and floating charge over leasehold and freehold land and property, a fixed charge over book and other debts and a composite multilateral guarantee.

The maturity of obligations under finance leases is as follows:

	2021 £000	2020 £000
Within one year	210	155
Within two to five years	167	184
	377	339

Notes *(continued)*

14 Deferred taxation

As at the balance sheet date a deferred tax asset of £196k *(2020: asset £166k)* has arisen from the normal trading activities of the Company. The directors do not feel that it is appropriate to recognise this deferred tax asset in light of current trading conditions.

The elements of deferred taxation are as follows:

	2021	2020
	£000	£000
Difference between accumulated depreciation and capital allowances	(3,970)	(2,277)
Tax losses carried forward	4,166	2,443
	196	166

Deferred tax has not been provided in respect of the potential liability on the disposal of the Company's long leasehold property as it is not anticipated that the property will be disposed of in the foreseeable future.

15 Capital and reserves

Called up share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
1000 ordinary shares of £1 each	1	1
Shares classified as shareholder's equity	1	1

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

16 Pension scheme

The pension cost charge for the period represents contributions payable by the Company to the fund and amounted to £111k *(2020: £107k)*. There were outstanding contributions at the end of the financial year of £9.6k *(2020: nil)*.

17 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The company's immediate parent undertaking at the time of the balance sheet was Reliance Industrial Investments and Holdings Limited and the ultimate parent undertaking was Reliance Industries Limited, both of which are incorporated in India.

The results of the Company are consolidated in Reliance Industries Limited. The consolidated financial statements of Reliance Industries Limited, within which this Company is included can be obtained from 3rd floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400 021, India

18 Contingent liabilities and Commitments

At the end of the financial year the Company had no unprovided capital commitments *(2020: nil)*.

19 Subsequent events

There have been no significant events after the reporting period that required disclosure.