

**Company Registration No. 02965452 (England and Wales)**

**The Bath Priory Limited**

**Annual report and  
group financial statements  
for the period ended 1 January 2023**

## **The Bath Priory Limited**

### **Company information**

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|                            |   |                        |
|----------------------------|---|------------------------|
| <b>Directors</b>           | Andrew Brownsword<br>Jeremy Hancock<br>Christina Brownsword<br>Peter Tyrrell<br>Alessandra Brownsword-Matthews<br>David Matthews<br>John Badley | (Appointed 9 May 2023) |
| <b>Secretary</b>           | Peter Tyrrell   |                        |
| <b>Company number</b>      | 02965452  |                        |
| <b>Registered office</b>   | 4 Queen Square<br>Bath<br>BA1 2HA   |                        |
| <b>Independent auditor</b> | Saffery LLP<br>St Catherine's Court<br>Berkeley Place<br>Clifton<br>Bristol<br>BS8 1BQ  |                        |

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## **The Bath Priory Limited**

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## **The Bath Priory Limited**

### **Strategic report**

**For the period ended 1 January 2023**

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The directors present the strategic report for the period ended 1 January 2023.

#### **Fair review of the business**

The profit for the period ended 1 January 2023, after taxation, amounted to £1,587,479 (period ended 2 January 2022: profit of £2,938,859).

Net assets at the end of the period were £107,134,336 (period ended 2 January 2022: £59,579,541).

On the 29 April 2022, The Bath Priory Ltd acquired a 100% shareholding in Andrew Brownsword Hotels Ltd via a share for share exchange. The board are satisfied with the overall trading performance throughout an extremely mixed trading period.

#### **Principal risks and uncertainties**

The group manages competitive trading risk by providing high quality services and maintaining strong relationships with its customers.

In line with the hotel and restaurant industry generally, the business is exposed to normal economic and market factors which ultimately reflect the strength of the economy and the strength of local conditions. This is affected by business usage and tourism as well as normal seasonal factors and weather conditions. The war in Ukraine and the subsequent increase in the cost of utilities has impacted the economy significantly, slowing down customer demand, suppliers increased cost of goods to off-set increasing utility costs whilst at the same time increasing the hotels own utility costs. Whilst actively seeking the best contracted prices in advance the business saw large increases in relation to gas and electricity of circa 350%.

The directors believe the group is well placed to compete in the market despite challenging market conditions.

#### **Development and performance**

It is the group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the group and its suppliers, provided that all trading terms and conditions have been complied with.

In April 2021 – the group received planning consent to change the use at Kelston Park, as an addition to the hotel group. Kelston Park is a grade two listed building in parkland 3 miles from Bath City Centre.

#### **Key performance indicators**

To enable review of performance and benchmarking within the group, the following KPI's are regularly used: Average Room Rate, Occupancy %, Yield, Food and Bev COS %, Cost per occupied room for certain Rooms Costs / Payroll. Wage Cost %, Utility cost per occupied room, EBITDA %

## **The Bath Priory Limited**

### **Strategic report (continued)**

**For the period ended 1 January 2023**

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#### **Promoting the success of the company**

The Group is a family owned and managed business with the shareholding directors acting in the way to promote the success of the Group and benefit its stake holders.

The Group is managed to build the business for the future, always considering ways to enhance and improve operations and their guests experience.

#### **Employees**

Family First is our people brand and is here to represent the people who make up our family across all of our hotels and restaurants. Communication is encouraged, through numerous channels such as the company website, regular company updates and management briefings. Risks are kept to a minimum through health and safety and regular training.

#### **Relationships with suppliers**

Suppliers are continually communicated with to ensure the best product offering for the customer.

#### **Relationships with customers**

Our hotels are built on Originality (all the hotels have their own stories and heritage), Personality (being different is a badge of honour) and Quality (Quality is at the heart of everything we do, take pride in every little detail)

#### **Community and environment**

The Group is invested in minimising its carbon footprint by ensuring all employees have an increased energy awareness across all its sites / behavioural change initiatives.

Wherever possible the continued re-investment in smarter, more energy efficient lighting, machinery and technology whenever possible.

#### **Maintain high standards**

The Group's reputation for outstanding service, knowledge and experience is the result of an energy and ambition that is shared across every hotel.

#### **Section 172 statement**

The directors have had due regard for their duties under section 172 of the UK Companies Act 2006 and consider the interest of the Group's main stakeholders in their decisions. Regular dialogue is held with these parties to understand their needs and all decisions are taken with the view that they will result in long term benefit.

On behalf of the board

Peter Tyrrell  
**Director**

28 September 2023

## **The Bath Priory Limited**

### **Directors' report**

**For the period ended 1 January 2023**

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The directors present their annual report and financial statements for the period ended 1 January 2023.

#### **Principal activities**

The principal activity of the company and group continued to be that of the provision of accommodation and restaurant services.

#### **Results and dividends**

The results for the period are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Directors**

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

Andrew Brownsword

Jeremy Hancock

Christina Brownsword

Stephanie Hocking

(Resigned 31 May 2023)

Peter Tyrrell

Alessandra Brownsword-Matthews

David Matthews

John Badley

(Appointed 9 May 2023)

#### **Financial instruments**

##### ***Liquidity risk***

The Group has significant cash resources to meet its financial obligations and has the ongoing support of its shareholder. The Group has no requirement for debt finance maintaining sufficient cash funds for operations, thus mitigating liquidity risk.

##### ***Interest rate risk***

The company has outstanding loan balances at the period end and so is exposed to interest rate risk on the variable element, being the Bank of England base rate. The loan is due from a related party, rather than an external lender.

##### ***Foreign currency risk***

The Group makes its sales and purchases in sterling and so is not exposed to foreign currency risk.

##### ***Credit risk***

Credit risk is considered low for the Group as credit terms are not provided to the majority of customers.

## The Bath Priory Limited

### Directors' report (continued)

For the period ended 1 January 2023

#### Disabled persons

The Bath Priory Limited is an equal opportunities employer and gives disabled people full and fair consideration for vacancies for which they apply, having regard for their particular aptitudes and abilities. It is the company's policy to offer training and career development to disabled employees that is, as far as possible, the same as that offered to other employees.

#### Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

#### Auditor

Saffery LLP have expressed their willingness to continue in office.

#### Energy and carbon report

As a Group, The Bath Priory Limited is attempting to increase its efficiency every year.

|  | 2023       | 2022      |
|--|------------|-----------|
|  | kWh        | kWh       |
| <i>Energy consumption</i>                      |            |           |
| Aggregate of energy consumption in the year    | 12,049,868 | 8,788,710 |
|  |            |           |
|  | 2023       | 2022      |
|  | metric     | metric    |
| <i>Emissions of CO2 equivalent</i>             | tonnes     | tonnes    |
| Scope 1 - direct emissions                     |            |           |
| - Gas combustion                               | 1,132.00   | 720.00    |
| - Fuel consumed for owned transport            | -          | -         |
|  | 1,132.00   | 720.00    |
| Scope 2 - indirect emissions                   |            |           |
| - Electricity purchased                        | 1,131.00   | 582.00    |
| Scope 3 - other indirect emissions             |            |           |
| - Fuel consumed for transport not owned by the | 1,272.00   | 747.00    |
|  | 3,535.00   | 2,049.00  |
| Total gross emissions                          |            |           |
|  |            |           |
| <i>Intensity ratio</i>                         |            |           |
| Tonnes CO2e per £1m of revenue                 | 0.00010    | 0.00011   |

## **The Bath Priory Limited**

### **Directors' report (continued)**

**For the period ended 1 January 2023**

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#### *Quantification and reporting methodology*

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

#### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per £1m of revenue, the recommended ratio for the sector.

#### *Measures taken to improve energy efficiency*

- Increased energy awareness across all sites / behavioural change initiatives
- Monitoring usage on a regular basis and reducing wastage
- Greater video conferencing to reduce business travel
- Efficient LED lighting wherever possible
- Energy efficient boilers / pumps etc installed when replacements are required

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.



**The Bath Priory Limited**

**Directors' report (continued)**  
**For the period ended 1 January 2023**

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**Strategic Report s414C**

The Group has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the fair review of the business, principal risks and uncertainties and development and performance.

On behalf of the board

Peter Tyrrell  
**Director**

28 September 2023

## **The Bath Priory Limited**

### **Independent auditor's report**

#### **To the members of The Bath Priory Limited**

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#### **Opinion**

We have audited the financial statements of The Bath Priory Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 1 January 2023 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the parent company's affairs as at 1 January 2023 and of the group's profit for the period 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 group and parent 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **The Bath Priory Limited**

### **Independent auditor's report (continued) To the members of The Bath Priory Limited**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

## **The Bath Priory Limited**

### **Independent auditor's report (continued)**

#### **To the members of The Bath Priory Limited**

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operates.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006 and UK Tax legislation.

#### **Audit response to risks identified**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

**The Bath Priory Limited**

**Independent auditor's report (continued)**  
**To the members of The Bath Priory Limited**

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As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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.

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

**Use of our report**

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditors 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Michael Strong (Senior Statutory Auditor)**  
**For and on behalf of Saffery LLP**

28 September 2023

**Chartered Accountants**  
**Statutory Auditors**

St Catherine's Court  
Berkeley Place  
Clifton  
Bristol  
BS8 1BQ

**The Bath Priory Limited**

**Group statement of comprehensive income  
For the period ended 1 January 2023**

|  |           | Period<br>ended<br>1 January<br>2023<br>£ | Period<br>ended<br>2 January<br>2022<br>£ |
|--|-----------|---|---|
|  | Notes     |   |   |
| <b>Turnover</b>                        | <b>3</b>  | 32,180,508                                | 22,436,292                                |
| Cost of sales                          |           | (16,412,456)                              | (10,261,096)                              |
| <b>Gross profit</b>                    |           | <b>15,768,052</b>                         | <b>12,175,196</b>                         |
| Administrative expenses                |           | (14,726,420)                              | (8,998,702)                               |
| Other operating income                 |           | 2,205,400                                 | 1,530,294                                 |
| <b>Operating profit</b>                | <b>4</b>  | <b>3,247,032</b>                          | <b>4,706,788</b>                          |
| Interest receivable and similar income | <b>8</b>  | 76,530                                    | 3,619                                     |
| Interest payable and similar expenses  | <b>9</b>  | (620,288)                                 | (399,607)                                 |
| <b>Profit before taxation</b>          |           | <b>2,703,274</b>                          | <b>4,310,800</b>                          |
| Tax on profit                          | <b>10</b> | (1,115,795)                               | (1,371,941)                               |
| <b>Profit for the financial period</b> |           | <b>1,587,479</b>                          | <b>2,938,859</b>                          |

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

**The Bath Priory Limited**

**Group statement of financial position**

**As at 1 January 2023**

|   |              | <b>1 January 2023</b> |                           | <b>2 January 2022</b> |                          |
|---|--------------|-----------------------|---------------------------|-----------------------|--------------------------|
|   | <b>Notes</b> | <b>£</b>              | <b>£</b>                  | <b>£</b>              | <b>£</b>                 |
| <b>Fixed assets</b>                                   |              |                       |                           |                       |                          |
| Negative goodwill                                     | <b>13</b>    |                       | (575,360)                 |                       | -                        |
| Tangible assets                                       | <b>14</b>    |                       | 106,960,346               |                       | 79,033,024               |
| <b>Current assets</b>                                 |              |                       |                           |                       |                          |
| Stocks  | <b>17</b>    | 491,894               |                           | 413,868               |                          |
| Debtors   | <b>18</b>    | 4,495,466             |                           | 1,271,980             |                          |
| Cash at bank and in hand                              |              | 22,235,875            |                           | 8,677,296             |                          |
|   |              |                       | <u>27,223,235</u>         |                       | <u>10,363,144</u>        |
| <b>Creditors: amounts falling due within one year</b> | <b>19</b>    | (24,365,399)          |                           | (27,709,363)          |                          |
| <b>Net current assets/(liabilities)</b>               |              |                       | <u>2,857,836</u>          |                       | <u>(17,346,219)</u>      |
| <b>Total assets less current liabilities</b>          |              |                       | <u>109,242,822</u>        |                       | <u>61,686,805</u>        |
| <b>Provisions for liabilities</b>                     |              |                       |                           |                       |                          |
| Deferred tax liability                                | <b>21</b>    | 2,108,486             |                           | 2,107,264             |                          |
|   |              |                       | <u>(2,108,486)</u>        |                       | <u>(2,107,264)</u>       |
| <b>Net assets</b>                                     |              |                       | <u><u>107,134,336</u></u> |                       | <u><u>59,579,541</u></u> |
| <b>Capital and reserves</b>                           |              |                       |                           |                       |                          |
| Called up share capital                               | <b>23</b>    |                       | 82,050,493                |                       | 44,850,280               |
| Other reserves  | <b>24</b>    |                       | 8,767,103                 |                       | -                        |
| Profit and loss reserves                              |              |                       | 16,316,740                |                       | 14,729,261               |
| <b>Total equity</b>                                   |              |                       | <u><u>107,134,336</u></u> |                       | <u><u>59,579,541</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

Peter Tyrrell  
Director

Company Registration No. 02965452 (England and Wales)

**The Bath Priory Limited**

**Company statement of financial position**

**As at 1 January 2023**

|   |              | <b>1 January 2023</b> |          | <b>2 January 2022</b> |          |
|---|--------------|-----------------------|----------|-----------------------|----------|
|   | <b>Notes</b> | <b>£</b>              | <b>£</b> | <b>£</b>              | <b>£</b> |
| <b>Fixed assets</b>                                   |              |                       |          |                       |          |
| Tangible assets                                       | <b>14</b>    | 77,829,776            |          | 79,033,024            |          |
| Investments   | <b>15</b>    | 46,268,145            |          | -                     |          |
|   |              |                       |          |                       |          |
|   |              | 124,097,921           |          | 79,033,024            |          |
| <b>Current assets</b>                                 |              |                       |          |                       |          |
| Stocks  | <b>17</b>    | 402,249               |          | 413,868               |          |
| Debtors   | <b>18</b>    | 2,616,070             |          | 1,271,980             |          |
| Cash at bank and in hand                              |              | 4,641,498             |          | 8,677,296             |          |
|   |              |                       |          |                       |          |
|   |              | 7,659,817             |          | 10,363,144            |          |
| <b>Creditors: amounts falling due within one year</b> | <b>19</b>    | (22,691,086)          |          | (27,709,363)          |          |
|   |              |                       |          |                       |          |
| <b>Net current liabilities</b>                        |              | (15,031,269)          |          | (17,346,219)          |          |
|   |              |                       |          |                       |          |
| <b>Total assets less current liabilities</b>          |              | 109,066,652           |          | 61,686,805            |          |
|   |              |                       |          |                       |          |
| <b>Provisions for liabilities</b>                     |              |                       |          |                       |          |
| Deferred tax liability                                | <b>21</b>    | 2,108,486             |          | 2,107,264             |          |
|   |              |                       |          |                       |          |
|   |              | (2,108,486)           |          | (2,107,264)           |          |
| <b>Net assets</b>                                     |              | 106,958,166           |          | 59,579,541            |          |
|   |              |                       |          |                       |          |
| <b>Capital and reserves</b>                           |              |                       |          |                       |          |
| Called up share capital                               | <b>23</b>    | 82,050,493            |          | 44,850,280            |          |
| Other reserves  | <b>24</b>    | 8,767,103             |          | -                     |          |
| Profit and loss reserves                              |              | 16,140,570            |          | 14,729,261            |          |
|   |              |                       |          |                       |          |
| <b>Total equity</b>                                   |              | 106,958,166           |          | 59,579,541            |          |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,411,309 (2022 - £2,938,859 profit).



**The Bath Priory Limited**

**Company statement of financial position (continued)**

**As at 1 January 2023**

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The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

Peter Tyrrell

**Director**

**Company Registration No. 02965452 (England and Wales)**

**The Bath Priory Limited**

**Group statement of changes in equity  
For the period ended 1 January 2023**

|  |           | Share capital | Merge     | Profit and loss | Total       |
|--|-----------|---------------|-----------|-----------------|-------------|
|  | Notes     | £             | reserve   | reserves        | £           |
| <b>Balance at 4 January 2021</b>                     |           | 44,850,280    | -         | 11,790,402      | 56,640,682  |
| <b>Period ended 2 January 2022:</b>                  |           |               |           |                 |             |
| Profit and total comprehensive income for the period |           | -             | -         | 2,938,859       | 2,938,859   |
| <b>Balance at 2 January 2022</b>                     |           | 44,850,280    | -         | 14,729,261      | 59,579,541  |
| <b>Period ended 1 January 2023:</b>                  |           |               |           |                 |             |
| Profit and total comprehensive income for the period |           | -             | -         | 1,587,479       | 1,587,479   |
| Issue of share capital                               | <b>23</b> | 37,200,213    | -         | -               | 37,200,213  |
| Acquisition of subsidiary                            |           | -             | 8,767,103 | -               | 8,767,103   |
| <b>Balance at 1 January 2023</b>                     |           | 82,050,493    | 8,767,103 | 16,316,740      | 107,134,336 |

**The Bath Priory Limited**

**Company statement of changes in equity  
For the period ended 1 January 2023**

|  |           | Share capital | Merger reserve | Profit and loss reserves | Total       |
|--|-----------|---------------|----------------|--------------------------|-------------|
|  | Notes     | £             | £              | £                        | £           |
| <b>Balance at 4 January 2021</b>                     |           | 44,850,280    | -              | 11,790,402               | 56,640,682  |
| <b>Period ended 2 January 2022:</b>                  |           |               |                |                          |             |
| Profit and total comprehensive income for the period |           | -             | -              | 2,938,859                | 2,938,859   |
| <b>Balance at 2 January 2022</b>                     |           | 44,850,280    | -              | 14,729,261               | 59,579,541  |
| <b>Period ended 1 January 2023:</b>                  |           |               |                |                          |             |
| Profit and total comprehensive income                |           | -             | -              | 1,411,309                | 1,411,309   |
| Issue of share capital                               | <b>23</b> | 37,200,213    | -              | -                        | 37,200,213  |
| Transfers  |           | -             | 8,767,103      | -                        | 8,767,103   |
| <b>Balance at 1 January 2023</b>                     |           | 82,050,493    | 8,767,103      | 16,140,570               | 106,958,166 |

**The Bath Priory Limited**

**Group statement of cash flows**  
**For the period ended 1 January 2023**

|   |       | 2023                     | 2022                    |
|---|-------|--------------------------|-------------------------|
|   | Notes | £                        | £                       |
| <b>Cash flows from operating activities</b>                   |       |                          |                         |
| Cash generated from operations                                | 30    | 2,750,111                | 7,149,564               |
| Interest paid   |       | (620,288)                | (399,607)               |
| Income taxes (paid)/refunded                                  |       | (557,606)                | 322,284                 |
| <b>Net cash inflow from operating activities</b>              |       | <u>1,572,217</u>         | <u>7,072,241</u>        |
| <b>Investing activities</b>                                   |       |                          |                         |
| Cash acquired with business combination                       |       | 17,296,261               | -                       |
| Purchase of tangible fixed assets                             |       | (387,439)                | (308,999)               |
| Proceeds from disposal of tangible fixed assets               |       | 1,010                    | -                       |
| Interest received   |       | 76,530                   | 3,619                   |
| <b>Net cash generated from/(used in) investing activities</b> |       | <u>16,986,362</u>        | <u>(305,380)</u>        |
| <b>Financing activities</b>                                   |       |                          |                         |
| Repayment of borrowings                                       |       | (5,000,000)              | (3,000,000)             |
| <b>Net cash used in financing activities</b>                  |       | <u>(5,000,000)</u>       | <u>(3,000,000)</u>      |
| <b>Net increase in cash and cash equivalents</b>              |       | <u>13,558,579</u>        | <u>3,766,861</u>        |
| Cash and cash equivalents at beginning of period              |       | 8,677,296                | 4,910,435               |
| <b>Cash and cash equivalents at end of period</b>             |       | <u><u>22,235,875</u></u> | <u><u>8,677,296</u></u> |

## **The Bath Priory Limited**

### **Notes to the group financial statements For the period ended 1 January 2023**

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#### **1 Accounting policies**

##### **Company information**

The Bath Priory Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is 4 Queen Square, Bath, BA1 2HA.

The group consists of The Bath Priory Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

## **The Bath Priory Limited**

### **Notes to the group financial statements (continued)**

**For the period ended 1 January 2023**

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#### **1 Accounting policies (continued)**

##### **1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment, where cost has been assessed as the fair value on acquisition.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

##### **1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company The Bath Priory Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 1 January 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

##### **1.4 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.5 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

## **The Bath Priory Limited**

### **Notes to the group financial statements (continued)** **For the period ended 1 January 2023**

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#### **1 Accounting policies (continued)**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.6 Intangible fixed assets - goodwill**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset as follows:

|          |                   |
|----------|-------------------|
| Goodwill | 10% straight line |
|----------|-------------------|

#### **1.7 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                              |                         |
|------------------------------|-------------------------|
| Land and buildings freehold  | Nil - 20% straight line |
| Land and buildings leasehold | Nil - 20% straight line |
| Plant and machinery          | 5 - 20% straight line   |
| Fixtures and fittings        | 10 - 25% straight line  |
| Computer equipment           | 25 - 33% straight line  |
| Motor vehicles               | 25% straight line       |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

In accordance with normal practice in the UK hotel industry, no depreciation is provided on the group's freehold property acquired at cost. It is the group's practice to maintain its property in a continual state of sound repair and to make improvements thereto from time to time. Accordingly, the directors consider that the life of the asset and residual value, based on the price prevailing at the time of acquisition, is such that its depreciation would be insignificant.

The group has undertaken refurbishment to its property. This expenditure is split between work to the core of the buildings, with nil depreciation, and work to building surfaces and services, with a finite useful economic life and depreciated at rates between 5% and 10% accordingly.

**1 Accounting policies (continued)**

**1.8 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.9 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.10 Stocks**

Stocks comprise raw materials and finished goods which are food and beverages respectively. Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.



**1 Accounting policies (continued)**

**1.11 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.12 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**1 Accounting policies (continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**1.13 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

**1.14 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**1 Accounting policies (continued)**

***Deferred tax***

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.16 Retirement benefits**

Contributions in respect of the group's defined contribution pension scheme are charged to the profit and loss account for the period in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the period are shown either as accruals or prepayments at the period end.

**1.17 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

During the prior year the company received money through the Coronavirus job retention scheme (CJRS). This has been recognised in other income and can be identified in the turnover note. Wages continue to be recognised at their gross value. The recognition point for this income is the month in which the wage cost is recognised.

## The Bath Priory Limited

### Notes to the group financial statements (continued) For the period ended 1 January 2023

#### 1 Accounting policies (continued)

##### 1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

#### 2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### *Impairment of fixed asset investments*

In assessing the impairment charge to be made to the company's fixed asset investments (see note 15), management have reviewed the net asset position of each subsidiary alongside its future earnings to assess whether these amounts fall below the carrying value of each subsidiary.

#### 3 Turnover and other revenue

|   | 2023              | 2022              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Turnover analysed by class of business</b> |                   |                   |
| Hotel accommodation                           | 19,374,535        | 13,342,331        |
| Food and beverage                             | 11,170,108        | 8,204,116         |
| Sundry and other revenue                      | 1,635,865         | 889,845           |
|   | <u>32,180,508</u> | <u>22,436,292</u> |

**The Bath Priory Limited****Notes to the group financial statements (continued)****For the period ended 1 January 2023****3 Turnover and other revenue (continued)**

|   | <b>2023</b>       | <b>2022</b>       |
|---|-------------------|-------------------|
|   | <b>£</b>          | <b>£</b>          |
| <b>Other significant operating income</b> |                   |                   |
| Furlough income received                  | -                 | 1,150,993         |
| Other government grants                   | 183,370           | 358,808           |
| Insurance claims receivable               | 2,000,000         | -                 |
|   | <u>          </u> | <u>          </u> |

Other operating income includes insurance proceeds considered further in note 12.

**4 Operating profit**

|   | <b>2023</b>       | <b>2022</b>       |
|---|-------------------|-------------------|
|   | <b>£</b>          | <b>£</b>          |
| Operating profit for the period is stated after charging/(crediting): |                   |                   |
| Exchange losses   | 35                | -                 |
| Government grants   | (183,370)         | (1,150,993)       |
| Depreciation of owned tangible fixed assets                           | 1,947,834         | 1,665,370         |
| Loss on disposal of tangible fixed assets                             | 886               | 4,078             |
| Release of negative goodwill  | (41,097)          | -                 |
|   | <u>          </u> | <u>          </u> |

**5 Auditor's remuneration**

|   | <b>2023</b>       | <b>2022</b>       |
|---|-------------------|-------------------|
|   | <b>£</b>          | <b>£</b>          |
| Fees payable to the company's auditor and associates:           |                   |                   |
| <b>For audit services</b>                                       |                   |                   |
| Audit of the financial statements of the group and company      | 36,000            | 40,625            |
| Audit of the financial statements of the company's subsidiaries | 53,000            | -                 |
|   | <u>          </u> | <u>          </u> |
|   | 89,000            | 40,625            |
|   | <u>          </u> | <u>          </u> |

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**

**For the period ended 1 January 2023**

**6 Employees**

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

|           | <b>Group</b>  |               | <b>Company</b> |               |
|-----------|---------------|---------------|----------------|---------------|
|           | <b>2023</b>   | <b>2022</b>   | <b>2023</b>    | <b>2022</b>   |
|           | <b>Number</b> | <b>Number</b> | <b>Number</b>  | <b>Number</b> |
| Employees | 573           | 351           | 380            | 351           |

Their aggregate remuneration comprised:

|                       | <b>Group</b> |             | <b>Company</b> |             |
|-----------------------|--------------|-------------|----------------|-------------|
|                       | <b>2023</b>  | <b>2022</b> | <b>2023</b>    | <b>2022</b> |
|                       | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| Wages and salaries    | 11,659,046   | 7,491,138   | 8,805,752      | 7,491,138   |
| Social security costs | 1,026,102    | 577,168     | 686,561        | 577,168     |
| Pension costs         | 276,096      | 114,764     | 126,206        | 114,764     |
|                       | 12,961,244   | 8,183,070   | 9,618,519      | 8,183,070   |

**7 Directors' remuneration**

|   | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Remuneration for qualifying services                          | 350,805     | 409,263     |
| Company pension contributions to defined contribution schemes | 45,889      | 36,259      |
|   | 396,694     | 445,522     |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (Period ended 2 January 2022 - 3).

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**  
**For the period ended 1 January 2023**

**7 Directors' remuneration (continued)**

Remuneration disclosed above includes the following amounts paid to the highest paid director:

|   | <b>2023</b>  | <b>2022</b>  |
|---|--------------|--------------|
|   | <b>£</b>     | <b>£</b>     |
| Remuneration for qualifying services                          | 171,500      | 211,167      |
| Company pension contributions to defined contribution schemes | 26,673       | 21,006       |
|   | <b>=====</b> | <b>=====</b> |

**8 Interest receivable and similar income**

|                           | <b>2023</b>  | <b>2022</b>  |
|---------------------------|--------------|--------------|
|                           | <b>£</b>     | <b>£</b>     |
| <b>Interest income</b>    |              |              |
| Interest on bank deposits | 76,530       | 3,619        |
|                           | <b>=====</b> | <b>=====</b> |

**9 Interest payable and similar expenses**

|                | <b>2023</b>  | <b>2022</b>  |
|----------------|--------------|--------------|
|                | <b>£</b>     | <b>£</b>     |
| Other interest | 620,288      | 399,607      |
|                | <b>=====</b> | <b>=====</b> |

**10 Taxation**

|  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| <b>Current tax</b>   |               |               |
| UK corporation tax on profits for the current period       | 283,626       | 558,896       |
| Adjustments in respect of prior periods                    | (1,263)       | 306,688       |
|  | <b>=====</b>  | <b>=====</b>  |
| Total current tax  | 282,363       | 865,584       |
|  | <b>=====</b>  | <b>=====</b>  |
| <b>Deferred tax</b>  |               |               |
| Origination and reversal of timing differences             | (41,514)      | 307,431       |
| Changes in tax rates                                       | 249           | 505,743       |
| Write down or reversal of write down of deferred tax asset | 874,000       | -             |
| Adjustment in respect of prior periods                     | 697           | (306,817)     |
|  | <b>=====</b>  | <b>=====</b>  |
| Total deferred tax   | 833,432       | 506,357       |
|  | <b>=====</b>  | <b>=====</b>  |
| <br>Total tax charge                                       | <br>1,115,795 | <br>1,371,941 |
|  | <b>=====</b>  | <b>=====</b>  |

**The Bath Priory Limited****Notes to the group financial statements (continued)****For the period ended 1 January 2023****10 Taxation (continued)**

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

|  | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Profit before taxation   | 2,703,274   | 4,310,800   |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%) | 513,622     | 819,052     |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 11,052      | 47,275      |
| Change in unrecognised deferred tax assets   | 603,178     | -           |
| Adjustments in respect of prior years  | (566)       | (129)       |
| Effect of change in corporation tax rate   | (9,770)     | 505,743     |
| Transfer pricing adjustments   | (1,721)     | -           |
| Taxation charge  | 1,115,795   | 1,371,941   |

**11 Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

|                         | <b>Notes</b> | <b>2023</b> | <b>2022</b> |
|-------------------------|--------------|-------------|-------------|
|                         |              | <b>£</b>    | <b>£</b>    |
| In respect of:          |              |             |             |
| Fixed asset investments | <b>15</b>    | 17,878,561  | -           |
| Recognised in:          |              |             |             |
| Other gains and losses  |              | 17,878,561  | -           |



**The Bath Priory Limited**

**Notes to the group financial statements (continued)**

**For the period ended 1 January 2023**

**12 Exceptional income**

|                    | <b>Group</b>                           |  | <b>Company</b>                             |  |
|--------------------|--|--|--|--|
|                    | <b>Period ended 1<br/>January 2023</b> | <b>Period ended 2<br/>January 2022</b> | <b>Period ended<br/>1 January<br/>2023</b> | <b>Period ended 2<br/>January 2022</b> |
|                    | <b>£</b>                               | <b>£</b>                               | <b>£</b>                                   | <b>£</b>                               |
| Insurance proceeds | 2,000,000                              | -                                      | 1,000,000                                  | -                                      |
|                    | <b>==</b>                              | <b>==</b>                              | <b>==</b>                                  | <b>==</b>                              |

During the year, the group reached a settlement agreement for business interruption losses suffered as a result of the effects of restrictions placed on their premises in response to COVID-19. An amount of £2m across the group (£1m for the company) was payable by the insurance provider QBE.

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**  
**For the period ended 1 January 2023**

**13 Intangible fixed assets**

| <b>Group</b>                         | <b>Goodwill</b>  | <b>Negative goodwill</b> | <b>Total</b>     |
|--------------------------------------|------------------|--------------------------|------------------|
|                                      | <b>£</b>         | <b>£</b>                 | <b>£</b>         |
| <b>Cost</b>                          |                  |                          |                  |
| At 3 January 2022                    | 615,013          | -                        | 615,013          |
| Additions - separately acquired      | -                | (616,457)                | (616,457)        |
| Additions - business combinations    | 653,908          | -                        | 653,908          |
|                                      | <u>1,268,921</u> | <u>(616,457)</u>         | <u>652,464</u>   |
| At 1 January 2023                    | 1,268,921        | (616,457)                | 652,464          |
| <b>Amortisation and impairment</b>   |                  |                          |                  |
| At 3 January 2022                    | 615,013          | -                        | 615,013          |
| Amortisation charged for the period  | -                | (41,097)                 | (41,097)         |
| Business combinations                | 653,908          | -                        | 653,908          |
|                                      | <u>1,268,921</u> | <u>(41,097)</u>          | <u>1,227,824</u> |
| At 1 January 2023                    | 1,268,921        | (41,097)                 | 1,227,824        |
| <b>Carrying amount</b>               |                  |                          |                  |
| At 1 January 2023                    | -                | (575,360)                | (575,360)        |
|                                      | <u>-</u>         | <u>(575,360)</u>         | <u>(575,360)</u> |
| At 2 January 2022                    | -                | -                        | -                |
|                                      | <u>-</u>         | <u>-</u>                 | <u>-</u>         |
| <b>Company</b>                       |                  |                          | <b>Goodwill</b>  |
|                                      |                  |                          | <b>£</b>         |
| <b>Cost</b>                          |                  |                          |                  |
| At 3 January 2022 and 1 January 2023 |                  |                          | 615,013          |
|                                      |                  |                          | <u>615,013</u>   |
| <b>Amortisation and impairment</b>   |                  |                          |                  |
| At 3 January 2022 and 1 January 2023 |                  |                          | 615,013          |
|                                      |                  |                          | <u>615,013</u>   |
| <b>Carrying amount</b>               |                  |                          |                  |
| At 1 January 2023                    |                  |                          | -                |
|                                      |                  |                          | <u>-</u>         |
| At 2 January 2022                    |                  |                          | -                |
|                                      |                  |                          | <u>-</u>         |

The Bath Priority Limited

Notes to the group financial statements (continued)  
For the period ended 1 January 2023

14 Tangible fixed assets

| Group                              | Land and buildings freehold | Land and buildings leasehold | Plant and machinery | Fixtures and fittings | Computer equipment | Motor vehicles | Total       |
|------------------------------------|-----------------------------|------------------------------|---------------------|-----------------------|--------------------|----------------|-------------|
| Cost                               | £                           | £                            | £                   | £                     | £                  | £              | £           |
| At 3 January 2022                  | 78,454,693                  | -                            | 5,785,976           | 6,280,792             | 955,069            | 17,953         | 91,494,483  |
| Additions                          | 21,458                      | -                            | 149,230             | 121,464               | 95,287             | -              | 387,439     |
| Business combinations              | 24,670,791                  | 9,293,762                    | 8,968,783           | 5,943,431             | 1,126,176          | -              | 50,002,943  |
| Disposals                          | -                           | -                            | (78,937)            | (203,033)             | (135,362)          | -              | (417,332)   |
| At 1 January 2023                  | 103,146,942                 | 9,293,762                    | 14,825,052          | 12,142,654            | 2,041,170          | 17,953         | 141,467,533 |
| Depreciation and impairment        |                             |                              |                     |                       |                    |                |             |
| At 3 January 2022                  | 2,380,051                   | -                            | 4,096,307           | 5,051,716             | 915,432            | 17,953         | 12,461,459  |
| Depreciation charged in the period | 835,113                     | 23,299                       | 798,694             | 241,678               | 49,050             | -              | 1,947,834   |
| Eliminated in respect of disposals | -                           | -                            | (77,708)            | (202,701)             | (135,027)          | -              | (415,436)   |
| Business combinations              | 6,169,179                   | 680,253                      | 6,792,035           | 5,759,187             | 1,112,676          | -              | 20,513,330  |
| At 1 January 2023                  | 9,384,343                   | 703,552                      | 11,609,328          | 10,849,880            | 1,942,131          | 17,953         | 34,507,187  |
| Carrying amount                    |                             |                              |                     |                       |                    |                |             |
| At 1 January 2023                  | 93,762,599                  | 8,590,210                    | 3,215,724           | 1,292,774             | 99,039             | -              | 106,960,346 |
| At 2 January 2022                  | 76,074,642                  | -                            | 1,689,669           | 1,229,076             | 39,637             | -              | 79,033,024  |

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**

**For the period ended 1 January 2023**

| <b>Company</b>                         | <b>Land and<br/>buildings<br/>freehold</b> | <b>Plant and<br/>machinery</b> | <b>Fixtures and<br/>fittings</b> | <b>Computer<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b> |
|--|--|--------------------------------|----------------------------------|-------------------------------|---------------------------|--------------|
|  | <b>£</b>                                   | <b>£</b>                       | <b>£</b>                         | <b>£</b>                      | <b>£</b>                  | <b>£</b>     |
| <b>Cost</b>                            |  |                                |                                  |                               |                           |              |
| At 3 January 2022                      | 78,454,693                                 | 5,785,976                      | 6,280,792                        | 955,069                       | 17,953                    | 91,494,483   |
| Additions                              | 21,458                                     | 111,962                        | 104,677                          | 62,382                        | -                         | 300,479      |
| Disposals                              | -  | (39,622)                       | (35,378)                         | (44,864)                      | -                         | (119,864)    |
| At 1 January 2023                      | 78,476,151                                 | 5,858,316                      | 6,350,091                        | 972,587                       | 17,953                    | 91,675,098   |
| <b>Depreciation and<br/>impairment</b> |  |                                |                                  |                               |                           |              |
| At 3 January 2022                      | 2,380,051                                  | 4,096,307                      | 5,051,716                        | 915,432                       | 17,953                    | 12,461,459   |
| Depreciation charged in the<br>period  | 689,151                                    | 470,837                        | 307,661                          | 35,192                        | -                         | 1,502,841    |
| Eliminated in respect of<br>disposals  | -  | (39,403)                       | (35,046)                         | (44,529)                      | -                         | (118,978)    |
| At 1 January 2023                      | 3,069,202                                  | 4,527,741                      | 5,324,331                        | 906,095                       | 17,953                    | 13,845,322   |
| <b>Carrying amount</b>                 |  |                                |                                  |                               |                           |              |
| At 1 January 2023                      | 75,406,949                                 | 1,330,575                      | 1,025,760                        | 66,492                        | -                         | 77,829,776   |
| At 2 January 2022                      | 76,074,642                                 | 1,689,669                      | 1,229,076                        | 39,637                        | -                         | 79,033,024   |

**15 Fixed asset investments**

|                             |              | <b>Group<br/>2023</b> | <b>2022</b> | <b>Company<br/>2023</b> | <b>2022</b> |
|-----------------------------|--------------|-----------------------|-------------|-------------------------|-------------|
|                             | <b>Notes</b> | <b>£</b>              | <b>£</b>    | <b>£</b>                | <b>£</b>    |
| Investments in subsidiaries | <b>16</b>    | -                     | -           | 46,268,145              | -           |



**The Bath Priory Limited**

**Notes to the group financial statements (continued)**  
**For the period ended 1 January 2023**

**17 Stocks**

|                                     | <b>Group</b>          |                       | <b>Company</b>        |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     | <b>2023</b>           | <b>2022</b>           | <b>2023</b>           | <b>2022</b>           |
|                                     | <b>£</b>              | <b>£</b>              | <b>£</b>              | <b>£</b>              |
| Raw materials and consumables       | 80,038                | 72,977                | 72,026                | 72,977                |
| Finished goods and goods for resale | 411,856               | 340,891               | 330,223               | 340,891               |
|                                     | <u>491,894</u>        | <u>413,868</u>        | <u>402,249</u>        | <u>413,868</u>        |
|                                     | <u><u>491,894</u></u> | <u><u>413,868</u></u> | <u><u>402,249</u></u> | <u><u>413,868</u></u> |

**18 Debtors**

|  | <b>Group</b>            |                         | <b>Company</b>          |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | <b>2023</b>             | <b>2022</b>             | <b>2023</b>             | <b>2022</b>             |
|  | <b>£</b>                | <b>£</b>                | <b>£</b>                | <b>£</b>                |
| <b>Amounts falling due within one year:</b>          |                         |                         |                         |                         |
| Trade debtors  | 96,175                  | 58,493                  | 93,028                  | 58,493                  |
| Other debtors  | 764,018                 | 710,940                 | 759,707                 | 710,940                 |
| Prepayments and accrued income                       | 3,248,439               | 502,547                 | 1,763,335               | 502,547                 |
|  | <u>4,108,632</u>        | <u>1,271,980</u>        | <u>2,616,070</u>        | <u>1,271,980</u>        |
|  | <u><u>4,108,632</u></u> | <u><u>1,271,980</u></u> | <u><u>2,616,070</u></u> | <u><u>1,271,980</u></u> |
| <b>Amounts falling due after more than one year:</b> |                         |                         |                         |                         |
| Other debtors  | 345,044                 | -                       | -                       | -                       |
| Deferred tax asset (note 21)                         | 41,790                  | -                       | -                       | -                       |
|  | <u>386,834</u>          | <u>-</u>                | <u>-</u>                | <u>-</u>                |
|  | <u><u>386,834</u></u>   | <u><u>-</u></u>         | <u><u>-</u></u>         | <u><u>-</u></u>         |
| <b>Total debtors</b>                                 | <u><u>4,495,466</u></u> | <u><u>1,271,980</u></u> | <u><u>2,616,070</u></u> | <u><u>1,271,980</u></u> |

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**  
**For the period ended 1 January 2023**

**19 Creditors: amounts falling due within one year**

|                                    |              | <b>Group</b>      |                   | <b>Company</b>    |                   |
|------------------------------------|--------------|-------------------|-------------------|-------------------|-------------------|
|                                    |              | <b>2023</b>       | <b>2022</b>       | <b>2023</b>       | <b>2022</b>       |
|                                    | <b>Notes</b> | <b>£</b>          | <b>£</b>          | <b>£</b>          | <b>£</b>          |
| Other borrowings                   | <b>20</b>    | 18,000,000        | 23,000,000        | 18,000,000        | 23,000,000        |
| Trade creditors                    |              | 1,107,598         | 610,176           | 801,871           | 610,176           |
| Corporation tax payable            |              | 283,660           | 558,903           | 283,660           | 558,903           |
| Other taxation and social security |              | 1,033,474         | 365,986           | 620,519           | 365,986           |
| Other creditors                    |              | 2,087,856         | 2,148,471         | 1,787,596         | 2,148,471         |
| Accruals and deferred income       |              | 1,852,811         | 1,025,827         | 1,197,440         | 1,025,827         |
|                                    |              | <u>24,365,399</u> | <u>27,709,363</u> | <u>22,691,086</u> | <u>27,709,363</u> |

**20 Loans and overdrafts**

|                         |  | <b>Group</b>      |                   | <b>Company</b>    |                   |
|-------------------------|--|-------------------|-------------------|-------------------|-------------------|
|                         |  | <b>2023</b>       | <b>2022</b>       | <b>2023</b>       | <b>2022</b>       |
|                         |  | <b>£</b>          | <b>£</b>          | <b>£</b>          | <b>£</b>          |
| Other loans             |  | <u>18,000,000</u> | <u>23,000,000</u> | <u>18,000,000</u> | <u>23,000,000</u> |
| Payable within one year |  | <u>18,000,000</u> | <u>23,000,000</u> | <u>18,000,000</u> | <u>23,000,000</u> |

The balance due is to Alessandra Brownsword-Matthews, director of The Bath Priory Limited, and is repayable on demand. Interest will accrue on the loan at the rate of 1.5% per annum above the base rate from time to time of National Westminster Bank PLC.

**21 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

|                                | <b>Liabilities</b> | <b>Liabilities</b> | <b>Assets</b> | <b>Assets</b> |
|--------------------------------|--------------------|--------------------|---------------|---------------|
|                                | <b>2023</b>        | <b>2022</b>        | <b>2023</b>   | <b>2022</b>   |
| <b>Group</b>                   | <b>£</b>           | <b>£</b>           | <b>£</b>      | <b>£</b>      |
| Accelerated capital allowances | <u>2,108,486</u>   | <u>2,107,264</u>   | <u>41,790</u> | <u>-</u>      |

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**  
**For the period ended 1 January 2023**

**21 Deferred taxation (continued)**

|   | Liabilities<br>2023<br>£ | Liabilities<br>2022<br>£ | Assets<br>2023<br>£         | Assets<br>2022<br>£           |
|---|--------------------------|--------------------------|-----------------------------|-------------------------------|
| <b>Company</b>                                |                          |                          |                             |                               |
| Accelerated capital allowances                | 2,108,486                | 2,107,264                | -                           | -                             |
|   |                          |                          |                             |                               |
|   |                          |                          | <b>Group<br/>2023<br/>£</b> | <b>Company<br/>2023<br/>£</b> |
| <b>Movements in the period:</b>               |                          |                          |                             |                               |
| Liability at 3 January 2022                   |                          |                          | 2,107,264                   | 2,107,264                     |
| Charge to profit or loss                      |                          |                          | 843,202                     | 973                           |
| Effect of change in tax rate - profit or loss |                          |                          | (9,770)                     | 249                           |
| Other   |                          |                          | (874,000)                   | -                             |
| Liability at 1 January 2023                   |                          |                          | 2,066,696                   | 2,108,486                     |

The deferred tax liability set out above is expected to reverse after 12 months and relates to accelerated capital allowances that are expected to mature within the same period and tax losses.

The company has £nil (period ended 2 January 2022: £nil) losses to carry forward to utilise against future profits.

The group has £5,405,166 (period ended 2 January 2022: £nil) trading losses to carry forward against available future profits and £5,296,474 (period ended 2 January 2022: £nil) capital losses to carry forward to utilise against future chargeable gains.

The Finance Bill 2021 increased the rate of corporation tax from 19% to 25% as of 1 April 2023. As the bill was substantively enacted on 24 May 2021, deferred tax has been recorded at 25%.

**22 Retirement benefit schemes**

|   | 2023<br>£ | 2022<br>£ |
|---|-----------|-----------|
| <b>Defined contribution schemes</b>                                 |           |           |
| Charge to profit or loss in respect of defined contribution schemes | 270,004   | 110,244   |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.



## The Bath Priory Limited

### Notes to the group financial statements (continued) For the period ended 1 January 2023

#### 23 Share capital

| Group and company          | 2023       | 2022       | 2023       | 2022       |
|----------------------------|------------|------------|------------|------------|
| Ordinary share capital     | Number     | Number     | £          | £          |
| Issued and fully paid      |            |            |            |            |
| Ordinary shares of £1 each | 82,050,493 | 44,850,280 | 82,050,493 | 44,850,280 |

Shares rank equally for voting purposes. On a show of hands, each member shall have one vote and on a poll each member shall have one vote per share held.

On 29 April 2022 The Bath Priory Limited acquired 100% shareholding in Andrew Brownsword Hotels Limited via a share for share exchange. Ordinary shares of £37,200,213 were issued in exchange for the Andrew Brownsword Hotels Group.

#### 24 Reserves

##### Merger reserve

On 29 April 2022 The Bath Priory Limited acquired 100% shareholding in Andrew Brownsword Hotels Limited via a share for share exchange. A merger reserve of £8,767,103 was created upon this acquisition.

#### 25 Acquisition of a business

On 29 April 2022 the group acquired 100 percent of the issued capital of Andrew Brownsword Hotels Limited via a share for share exchange. The purchase method of accounting has been applied. 37,200,213 ordinary shares were issued in exchange for the Andrew Brownsword Hotels Group. A merger reserve of £8,767,103 was created upon this acquisition.

|                               | Book Value  | Adjustments | Fair Value  |
|-------------------------------|-------------|-------------|-------------|
|                               | £           | £           | £           |
| <b>Net assets acquired</b>    |             |             |             |
| Property, plant and equipment | 36,345,000  | (6,832,000) | 29,513,000  |
| Inventories                   | 85,000      | -           | 85,000      |
| Trade and other receivables   | 2,331,000   | -           | 2,331,000   |
| Cash and cash equivalents     | 17,296,000  | -           | 17,296,000  |
| Trade and other payables      | (2,341,000) | -           | (2,341,000) |
| Total identifiable net assets | 53,716,000  | (6,832,000) | 46,884,000  |
| Goodwill                      |             |             | (616,000)   |
| Total consideration           |             |             | 46,268,000  |

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**

**For the period ended 1 January 2023**

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**25 Acquisition of a business (continued)**

The consideration was satisfied by: £

Issue of shares 46,268,000

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

£

Turnover 7,764,896

Profit after tax 135,073

**26 Capital commitments**

Amounts contracted for but not provided in the financial statements:

|                                      | Group |        | Company |        |
|--------------------------------------|-------|--------|---------|--------|
|                                      | 2023  | 2022   | 2023    | 2022   |
|                                      | £     | £      | £       | £      |
| Acquisition of tangible fixed assets | -     | 16,921 | -       | 16,921 |

## **The Bath Priory Limited**

### **Notes to the group financial statements (continued) For the period ended 1 January 2023**

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#### **27 Related party transactions**

No guarantees have been given or received.

The group undertakes its transactions on an "arm's length basis" and the following transactions are disclosed in accordance with FRS 102 section 33 "Related Party Transactions". The company has taken advantage of the exemption available in FRS102 section 33 "Related Party Disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

##### **Company**

Directors of the company were invoiced £4,448 during the period (period ended 2 January 2022: £2,678). The company also made purchases from directors of £1,020 during the period (period ended 2 January 2022: £nil). Amounts due to directors at the period end were £1,020 (period ended 2 January 2022: £nil).

Purchases were made from companies under common control during the period of £20,079 (period ended 2 January 2022: £19,655). Amounts due to these companies at the period end were £946 (period ended 2 January 2022: £1,785).

During the period, £77,874 (period ended 2 January 2022: £1,329) was spent on a property owned directly by a director of the company. At the period end, £299,608 (period ended 2 January 2022: £221,734) remained due to the company for expenses incurred.

A loan to the company of £18,000,000 (period ended ended 2 January 2022: £23,000,000) from Alessandra Brownsword-Matthews was outstanding at the period end. Interest on this loan accrued at a rate of 1.5% above the base rate of the company's bankers, Natwest Bank. During the period, interest of £620,288 (period ended ended 2 January 2022: £339,607) accrued on the loan of which £2,466 (period ended ended 2 January 2022: £2,205) was outstanding at the period end. The loan is repayable on demand.

##### **Group**

Directors of the group were invoiced £4,948 during the period (period ended 2 January 2022: £2,678). The group made purchases from directors of £38,994 during the period (period ended 2 January 2022: £nil). Amounts due to directors at the period end were £1,020 (period ended 2 January 2022: £nil).

Purchases were made from companies under common control during the period of £25,104 (period ended 2 January 2022: £19,655). Amounts due to these companies at the period end were £1,240 (period ended 2 January 2022: £1,785).

During the period, £77,874 (period ended 2 January 2022: £1,329) was spent on a property owned directly by a director of the group. At the period end, £299,608 (period ended 2 January 2022: £221,734) remained due to the group for expenses incurred.

A loan to the group of £18,000,000 (period ended ended 2 January 2022: £23,000,000) from a director was outstanding at the period end. Interest on this loan accrued at a rate of 1.5% above the base rate. During the period, interest of £620,288 (period ended ended 2 January 2022: £339,607) accrued on the loan of which £2,466 (period ended ended 2 January 2022: £2,205) was outstanding at the period end. The loan is repayable on demand.

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**

**For the period ended 1 January 2023**

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**27 Related party transactions (continued)**

**28 Controlling party**

The company is owned and controlled by Alessandra Brownsword-Matthews, by virtue of her 94.83% shareholding in the company.

**29 Contingent assets**

As at the date of signing the financial statements, the group is undergoing a claim against various financial institutions in relation to finance charges. Although settlement is considered probable, the expected settlement cannot be reliably estimated at this stage.

**30 Cash generated from group operations**

|  | <b>2023</b>      | <b>2022</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Profit for the period after tax                      | 1,587,479        | 2,938,859        |
| <b>Adjustments for:</b>                              |                  |                  |
| Taxation charged                                     | 1,115,795        | 1,371,941        |
| Finance costs  | 620,288          | 399,607          |
| Investment income                                    | (76,530)         | (3,619)          |
| Loss on disposal of tangible fixed assets            | 886              | 4,078            |
| Amortisation and impairment of intangible assets     | (41,097)         | -                |
| Depreciation and impairment of tangible fixed assets | 1,947,834        | 1,665,370        |
| <b>Movements in working capital:</b>                 |                  |                  |
| Decrease/(increase) in stocks                        | 7,517            | (4,095)          |
| (Increase)/decrease in debtors                       | (653,245)        | 487,399          |
| (Decrease)/increase in creditors                     | (1,758,816)      | 290,024          |
| <b>Cash generated from operations</b>                | <b>2,750,111</b> | <b>7,149,564</b> |

**The Bath Priory Limited**

**Notes to the group financial statements (continued)**

**For the period ended 1 January 2023**

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**31 Analysis of changes in net funds/(debt) - group**

|                                 | <b>3 January 2022</b> | <b>Cash flows 1 January 2023</b> |                  |
|---------------------------------|-----------------------|----------------------------------|------------------|
|                                 | <b>£</b>              | <b>£</b>                         | <b>£</b>         |
| Cash at bank and in hand        | 8,677,296             | 13,558,579                       | 22,235,875       |
| Borrowings excluding overdrafts | (23,000,000)          | 5,000,000                        | (18,000,000)     |
|                                 | <u>(14,322,704)</u>   | <u>18,558,579</u>                | <u>4,235,875</u> |

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