

Company Registration No. 03634552 (England and Wales)

**MADEJSKI STADIUM HOTEL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# MADEJSKI STADIUM HOTEL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	V Srivikorn W Varavarn C Dickens P Srivikorn
<b>Company number</b>	03634552
<b>Registered office</b>	Select Car Leasing Stadium Junction 11 M4 Reading Berkshire RG2 0FL
<b>Auditor</b>	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL
<b>Bankers</b>	Bangkok Bank Exchequer Court 33 St Mary Axe London EC3A 8BY  Barclays Business Banking Leicester LE87 2BB
<b>Solicitors</b>	Field Seymour Parkes 1 London Street Reading Berkshire RG1 4QW

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# MADEJSKI STADIUM HOTEL LIMITED

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# MADEJSKI STADIUM HOTEL LIMITED

## STRATEGIC REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2020*

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

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

The results for the year were:

	<b>12 months ended 31 December 2020</b>	<b>6 months ended 31 December 2019</b>
	<b>£</b>	<b>£</b>
Turnover	1,765,299	3,353,586
Gross profit/ (loss)	(45,756)	1,735,259
Operating loss	(1,427,992)	(34,169)
Retained loss	(1,704,653)	(1,860)
Shareholder's funds	(134,460)	1,570,193

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

The company has established the principal risks and uncertainties as follows:

Intercompany and shareholder loans comprise a major source of funding for the company and management are in regular dialogue with the shareholder and the parent company in order to manage any cash requirements from these parties.

The local hotel market is highly competitive and management are aware of any new entrant to the market place which might adversely affect the company's trading performance.

#### **Key performance indicators**

The key performance indicators are hotel room occupancy and room rates and an analysis of the results for these key performance indicators is provided below:

	<b>12 months ended 31 December 2020</b>	<b>6 months ended 31 December 2019</b>
Average hotel occupancy	20.20%	68.80%
Average rate per room	£79	£93

On behalf of the board

C Dickens  
**Director**

25 February 2022

# MADEJSKI STADIUM HOTEL LIMITED

## DIRECTORS' REPORT

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

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The directors present their annual report and financial statements for the year ended 31 December 2020.

### **Principal activities**

The principal activity of the company continued to be the trading as a hotel and provision of leisure facilities.

### **Directors**

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

V Srivikorn  
W Varavam  
C Dickens  
P Srivikorn

### **Results and dividends**

The results for the year are set out on page 9.

Hospitality has been hit hard by the coronavirus (COVID-19) pandemic and the impact has been uneven; accommodation, bar and restaurant have fared the worst.

Restrictions on trading have significantly impacted hospitality business turnover. Ongoing fixed costs and accumulating debt alongside persistent low revenues and cash reserves are a major concern for the sector. Economic output in the hospitality sector was down 90% in April 2020 compared to February 2020. Output recovered over the Summer of 2020, boosted by easing coronavirus restrictions and the Eat Out to Help Out scheme in August, but was still below pre-pandemic levels. Output declined again from September as COVID-19 cases rose and restrictions were imposed.

### **Future developments**

Consumer spending on hospitality started to increase in May 2021 but remains less than pre-pandemic levels; a similar picture is seen in turnover. Spending by businesses in the hospitality sector has seen smaller increases compared with consumer spending in May 2021. Confidence of business survival in the hospitality sector started to increase in May 2021 but remains below last year's level. Job vacancies in the hospitality sector have seen large increases and are higher than pre-pandemic levels. The hospitality sector may have also been affected by Brexit, but as the end of the transition period coincided with the start of the latest lockdown, it is hard to separate the effects of the two. As we moved through the pandemic the hospitality sector adapted to the changing restrictions.

### **Auditor**

The auditor, Myers Clark, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **MADEJSKI STADIUM HOTEL LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

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

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### **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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

C Dickens

**Director**

25 February 2022

## **MADEJSKI STADIUM HOTEL LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# MADEJSKI STADIUM HOTEL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MADEJSKI STADIUM HOTEL LIMITED

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#### Opinion

We have audited the financial statements of Madejski Stadium Hotel Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, the balance sheet, the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

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 our audit:

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



## **MADEJSKI STADIUM HOTEL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF MADEJSKI STADIUM HOTEL LIMITED**

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##### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# MADEJSKI STADIUM HOTEL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MADEJSKI STADIUM HOTEL 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.

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

#### **Identifying and assessing risks of material misstatements in respect of irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, tax legislation and pension legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employment law and the Health and Safety Act.

## **MADEJSKI STADIUM HOTEL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF MADEJSKI STADIUM HOTEL LIMITED**

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

As a result of performing the above, we identified revenue recognition and the management override of controls as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- testing the completeness of income from outside the accounting system to within;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Paul Windmill (Senior Statutory Auditor)**  
**For and on behalf of Myers Clark**

10 March 2022

**Chartered Accountants**  
**Statutory Auditor**

Egale 1  
80 St Albans Road  
Watford  
Hertfordshire  
WD17 1DL

# MADEJSKI STADIUM HOTEL LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Notes		
<b>Turnover</b>	<b>3</b>	1,765,299	3,353,586
Cost of sales		(1,811,055)	(1,618,327)
<b>Gross (loss)/profit</b>		<b>(45,756)</b>	<b>1,735,259</b>
Administrative expenses		(1,936,097)	(1,769,428)
Other operating income		553,861	-
<b>Operating loss</b>	<b>4</b>	<b>(1,427,992)</b>	<b>(34,169)</b>
Other interest receivable and similar income		-	78
Other interest payable and similar expenses	<b>7</b>	(9,418)	-
<b>Loss before taxation</b>		<b>(1,437,410)</b>	<b>(34,091)</b>
Taxation	<b>8</b>	(267,243)	32,231
<b>Loss for the financial year</b>		<b>(1,704,653)</b>	<b>(1,860)</b>
Retained earnings at 1 January 2020		1,570,193	1,572,053
Retained earnings at 31 December 2020		(134,460)	1,570,193

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# MADEJSKI STADIUM HOTEL LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	9		3,579,501		3,946,056
<b>Current assets</b>					
Stocks	11	29,231		48,246	
Debtors	12	1,516,362		1,612,092	
Cash at bank and in hand		134,325		363,021	
		<u>1,679,918</u>		<u>2,023,359</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(5,393,877)</u>		<u>(4,399,220)</u>	
<b>Net current liabilities</b>			<u>(3,713,959)</u>		<u>(2,375,861)</u>
<b>Net (liabilities)/assets</b>			<u>(134,458)</u>		<u>1,570,195</u>
<b>Capital and reserves</b>					
Called up share capital	16		2		2
Profit and loss reserves			<u>(134,460)</u>		<u>1,570,193</u>
<b>Total equity</b>			<u>(134,458)</u>		<u>1,570,195</u>

The financial statements were approved by the board of directors and authorised for issue on 25 February 2022 and are signed on its behalf by:

C Dickens  
Director

Company Registration No. 03634552

# MADEJSKI STADIUM HOTEL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	20	(181,679)	(134,238)
Interest paid		(9,418)	-
<b>Net cash outflow from operating activities</b>		(191,097)	(134,238)
<b>Investing activities</b>			
Purchase of tangible fixed assets		(37,599)	(41,487)
Interest received		-	78
<b>Net cash used in investing activities</b>		(37,599)	(41,409)
<b>Net decrease in cash and cash equivalents</b>		(228,696)	(175,647)
Cash and cash equivalents at beginning of year		363,021	538,668
<b>Cash and cash equivalents at end of year</b>		134,325	363,021

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

Madejski Stadium Hotel Limited is a private company limited by shares incorporated in England and Wales (company registration number: 03634552). The registered office is Select Car Leasing Stadium, Junction 11, M4, Reading, Berkshire, RG2 0FL.

#### **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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

#### **1.3 Reporting period**

The financial statements are for the 12 months to 31 December 2020 however the comparatives relate to the 6 month period from 1 July 2019 - 31 December 2019. The comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

#### **1.4 Turnover**

The turnover is the total income receivable net of VAT and trade discounts from trading activities of the hotel. This arises primarily from the letting of rooms, sale of food, beverages and other hotel services. Income is recognised as rooms are occupied or goods and services have been delivered or rendered. Amounts received in advance of revenue recognition are deferred as liabilities.

#### **1.5 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 Leasehold	premium - straight line over 125 years buildings - straight line over 50 years
Air conditioning	over 15 years
Fixtures, fittings & equipment	over 5 - 15 years

Assets in the course of construction are not depreciated.

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 credited or charged to profit or loss.

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials. Any damaged stock is not included in the stock valuation.

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.

#### 1.8 Cash at bank and in hand

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.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with 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 and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently measured at cost less impairment.

##### *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 company 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.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Basic financial liabilities*

Basic financial liabilities which include trade and other payables within one year are initially recognised at transaction price including transaction costs and are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid.



# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### I Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

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

#### **1.10 Equity instruments**

Equity instruments issued by the company 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 company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.11 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 profit and loss account 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised if there is sufficient probability that the asset will crystallise.

#### **1.12 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.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.15 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.16 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 in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Room sales	1,174,982	2,367,418
Food and beverage sales	500,999	885,198
Other sales	89,318	100,970
	<u>1,765,299</u>	<u>3,353,586</u>
	<u>2020</u>	<u>2019</u>
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>1,765,299</u>	<u>3,353,586</u>
	<u>2020</u>	<u>2019</u>
	£	£
Other significant revenue		
Interest income	-	78
Grants received	<u>553,861</u>	<u>-</u>

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Operating loss

	2020	2019
	£	£
Operating loss for the period is stated after charging/(crediting):		
Exchange losses	54	-
Government grants	(553,861)	-
Depreciation of owned tangible fixed assets	404,154	202,131
Profit/(loss) on disposal of tangible fixed assets	-	43,642
Operating lease charges	70,055	225,205
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	12,081	5,760
	<u>          </u>	<u>          </u>

### 6 Employees

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

	2020	2019
	Number	Number
Management and administrative staff	9	18
Hotel staff	50	83
	<u>          </u>	<u>          </u>
Total	59	101
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	1,615,037	1,300,830
Social security costs	123,665	71,534
Pension costs	30,059	15,891
	<u>          </u>	<u>          </u>
	1,768,761	1,388,255
	<u>          </u>	<u>          </u>

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Interest payable and similar expenses

	2020 £	2019 £
<b>Interest on financial liabilities:</b>		
Interest on bank overdrafts and loans	9,418	-
	<u>          </u>	<u>          </u>
Disclosed on the profit and loss account as follows:		
Other interest payable and similar expenses	9,418	-
	<u>          </u>	<u>          </u>

### 8 Taxation

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	267,243	(32,231)
	<u>          </u>	<u>          </u>

The enacted rate of corporation tax is currently 19% which is the rate the company's deferred tax asset has been based on (17% in June 2019).

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(1,437,410)	(34,091)
	<u>          </u>	<u>          </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(273,108)	(6,477)
Tax effect of expenses that are not deductible in determining taxable profit	-	1,895
Unutilised tax losses carried forward	572,505	38,887
Change in unrecognised deferred tax assets	(232,322)	-
Depreciation	76,789	38,405
Capital allowances	(143,864)	(87,641)
Deferred tax movement	267,243	(17,300)
	<u>          </u>	<u>          </u>
Taxation charge/(credit) for the period	267,243	(32,231)
	<u>          </u>	<u>          </u>

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Tangible fixed assets

	Land and buildings Leasehold	Air conditioning	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020	4,078,203	481,097	4,161,149	8,720,449
Additions	-	-	37,599	37,599
At 31 December 2020	4,078,203	481,097	4,198,748	8,758,048
<b>Depreciation and impairment</b>				
At 1 January 2020	1,152,440	481,097	3,140,856	4,774,393
Depreciation charged in the year	81,456	-	322,698	404,154
At 31 December 2020	1,233,896	481,097	3,463,554	5,178,547
<b>Carrying amount</b>				
At 31 December 2020	2,844,307	-	735,194	3,579,501
At 31 December 2019	2,925,763	-	1,020,293	3,946,056

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Financial instruments

	2020	2019
	£	£
<b>Carrying amount of financial assets</b>		
Measured at undiscounted amounts receivable	1,428,779	1,176,751
<b>Carrying amount of financial liabilities</b>		
Measured at undiscounted amounts payable	5,367,818	4,220,017

Financial assets measured at undiscounted amounts receivable comprises trade debtors and other debtors,

Financial liabilities measured at undiscounted amounts payable comprises trade creditors and other creditors.

### 11 Stocks

	2020	2019
	£	£
Food, beverage & general hotel stock	29,231	48,246

The amount of stock recognised as an expense in the 12 month period was £156,894 (6 Months Ending December 2019: £237,782 ).

### 12 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	(48,206)	165,916
Other debtors	1,517,818	1,010,835
Prepayments and accrued income	46,750	168,098
	1,516,362	1,344,849
Deferred tax asset (note 14)	-	267,243
	1,516,362	1,612,092

### 13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	780,958	263,109
Amounts owed to group undertakings	3,943,947	2,779,998
Taxation and social security	26,059	179,203
Other creditors	406,047	560,634
Accruals and deferred income	236,866	616,276
	5,393,877	4,399,220

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £	Assets 2019 £
<b>Balances:</b>		
Tax losses	-	217,022
Accelerated depreciation	-	50,221
	<u>-</u>	<u>267,243</u>
	<u><u>-</u></u>	<u><u>267,243</u></u>
<b>Movements in the year:</b>		2020 £
Asset at 1 January 2020		(267,243)
Charge to profit or loss		267,243
		<u>-</u>
Liability at 31 December 2020		<u><u>-</u></u>

### 15 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	30,059	15,891
	<u>30,059</u>	<u>15,891</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 16 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
100,000 Ordinary shares of 1p each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<b>Issued and fully paid</b>		
202 Ordinary shares of 1p each	2	2
	<u>2</u>	<u>2</u>

The company has one class of Ordinary shares. Each share is entitled to one vote in any circumstance. Each share has equal rights to dividends. Each share is entitled to participate in a distribution arising from a winding up of the company. The shares are not redeemable.

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### 17 Operating lease commitments

#### Lessee

Operating lease payments include rentals payable by the company for the use of the land and building that makes up the hotel. The rental charge is £400,000 per annum until 31 December 2123 and is payable to the parent company Darrin Holdings limited. The annual rental amount is subject to review every 5 years, with the next review being in 2020.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	46,073	446,073
Between two and five years	1,607,679	1,653,752
In over five years	39,200,000	39,600,000
	<u>40,853,752</u>	<u>41,699,825</u>
Reduction in rent payments recognised in profit or loss arising from the COVID-19 pandemic	<u>400,000</u>	<u>-</u>

### 18 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	<u>70,000</u>	<u>42,500</u>



## MADEJSKI STADIUM HOTEL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **18 Related party transactions**

**(Continued)**

##### **Transactions with the immediate parent company, Darrin Holdings Limited:**

During the year the company has paid rent to Darrin Holdings Limited of £2 (6 month period ended December 2019: £199,998). There are no amounts outstanding at the period end in relation to these transactions (December 2019: nil).

During the year the company paid a management fee to Darrin Holdings Limited of nil (6 month period ended December 2019: £180,000). There are no amounts outstanding at the year end in relation to these transactions (December 2019: nil).

Included in creditors due within one year is an amount of £3,943,947 (December 2019: £2,799,998) owed to Darrin Holdings Limited. The loan is interest free, unsecured and repayable on demand.

##### **Transactions with entities with joint control:**

During the year the company paid directors fees totalling £536 (6 month period ending December 2019: £39,678) to Alstons Upholstery Limited, a company under common control. There was a balance of £nil (December 2019: £9,684) payable to Alstons Upholstery Limited at the year end included in trade creditors.

During the year the company incurred charges of £27,535 (6 month period ending December 2019: £16,500) with Srivikorn Group Limited, a company under common control. These charges relate to services used while at the hotel. There was a balance of £15,823 (December 2019: £nil) payable to Srivikorn Group Limited at the year end included in trade creditors.

During the year the company bought goods of £917 (6 month period ending December 2019: £nil) with Ashley Manor Upholstery Limited, a company under common control. There was a balance of £nil (December 2019: £nil) outstanding at the year end.

# MADEJSKI STADIUM HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Ultimate controlling party

The company's immediate parent company is Darrin Holdings Limited, a company registered in the Isle of Man, and the ultimate parent company is Markway Asia Limited, a company registered in the British Virgin Islands. There is no individual controlling party of Markway Asia Limited.

These financial statements are not consolidated into the financial statements of any other group member.

### 20 Cash absorbed by operations

	2020 £	2019 £
Loss for the year after tax	(1,704,653)	(1,860)
<b>Adjustments for:</b>		
Taxation charged/(credited)	267,243	(32,231)
Finance costs	9,418	-
Investment income	-	(78)
(Gain)/loss on disposal of tangible fixed assets	-	43,642
Depreciation and impairment of tangible fixed assets	404,154	202,131
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	19,015	(5,625)
Increase in debtors	(171,513)	(859,762)
Increase in creditors	994,657	519,545
<b>Cash absorbed by operations</b>	<b>(181,679)</b>	<b>(134,238)</b>

### 21 Analysis of changes in net funds

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	363,021	(228,696)	134,325

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.