

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
STONEHENGE HOTELS LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Income Statement</b>	<b>9</b>
<b>Other Comprehensive Income</b>	<b>10</b>
<b>Balance Sheet</b>	<b>11</b>
<b>Statement of Changes in Equity</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>13</b>

**STONEHENGE HOTELS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS:**

J P Levy  
N S Rubin  
M D Rubin  
J D Levy

**REGISTERED OFFICE:**

Greenhill House  
90/93 Cowcross Street  
London  
EC1M 6BF

**REGISTERED NUMBER:**

04044477 (England and Wales)

**AUDITORS:**

Goldwyns Limited  
Statutory Auditors and Chartered Accountants  
Rutland House  
90-92 Baxter Avenue  
Southend on Sea  
Essex  
SS2 6HZ

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**PRINCIPAL ACTIVITY**

The principal activity of the company during the year under review was a hotel operating under the IHG Holiday Inn franchise.

**REVIEW OF BUSINESS**

The results for the year show revenues generated of £2,774,394 (2020 - £1,452,513) and a resultant profit before tax of £55,763 (2020 - profit of £(657,616)). Full details of the company's financial performance can be found in the annexed financial statements.

During March 2020 the spread of Covid-19 (Coronavirus) led to a period of national and local lockdowns, restrictions on the free movement of individuals and enforced closures of premises such as the company's. Many of these restrictions continued into the year ended 31 December 2021 (and to a lesser extent beyond), hampering the company's ability to trade normally in both the current and preceding year. The initial effects on the company's business were, of course, severe.

The directors acted quickly to mitigate the damage but of course the company (and the country) faced unprecedented difficulties. Enforced closures, severe restrictions on the travel industry and a loss of consumer confidence obviously hampered revenue, profitability and hence net reserves.

Government support was utilised and helped the company maintain some of its workforce in the interim, through the Coronavirus Job Retention Scheme. Reliefs from rates, one of the company's biggest single expenses, was also invaluable. However, the directors are also appreciative for the plentiful support they received from their staff, suppliers and financiers without whom navigating the pandemic would have been impossible.

The advancement of the UK's vaccination programme, the progression through the Governments "Roadmap out of lockdown" and ultimately the "end" of the UK pandemic in April 2022 have allowed a gradual return to ordinary trading. However, consumer confidence, wider barriers to international travel and other economic factors (including the war in Ukraine and rising costs of living) have remained factors into early 2022. Nonetheless, recent bookings have been encouraging and consistently exceeding forecasts.

Indeed, although a number of liabilities were deferred and payment plans taken up during the preceding year, through 2021's improving activity the company has managed to mostly pay down or eradicate those deferrals. That puts the business onto much stronger foundations, as it advances into 2022 and beyond.

Having navigated an extremely difficult two years already, the directors remain hopeful of overcoming the final challenges and returning to normal trading.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk to the business is inadequate occupancy of its available rooms and therefore an inability to generate sufficient revenues to service operations. The directors closely monitor the company's performance against similar businesses operating in comparable markets and respond accordingly.

Similarly, the company carefully monitors its compliance with brand standards, and regularly compares its performance against other (local and national) hotels to ensure it remains competitive.

The company is also susceptible to any loss in key members of operational staff and therefore operates a number of performance reward and incentive programmes to mitigate these risks

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**SECTION 172(1) STATEMENT**

**Stakeholder engagement**

The board of directors have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a board handle this responsibility.

**Decision making**

Regular operational and strategic meetings are held by the directors and general managers. This ensures the board has access to the key factors affecting all areas of the business' decision making, shorter term or longer.

Furthermore, the company is in constant communication with IHG and various industry specific news sources. This enables the directors to keep abreast of, and address, all longer-term shifts in the company's operating markets.

**Employee engagement**

The company maintains a diverse workforce of local employees spanning all aspects of the hotel delivery, supplemented by outsourced staff and suppliers where necessary. Staff are rewarded in line with comparable local markets, provided with specific training relevant to their needs and have access to wider industry opportunities as a result of the same.

**Business relationships**

The company actively maintains strong relationships with its key suppliers and support functions, to ensure it has access to the resources it needs to operate effectively.

The wider franchise ensures the company has access to a broad array of customers, visiting for various purposes. The company monitors compliance with brand standards to ensure all customers' expectations are satisfied and deliver the best possible service it can achieve.

**Community and environmental impact**

The directors remain ever conscious of the impact their business has on the local community and environment. As well as being a supportive local employer, the company also complies with all franchise environmental incentives.

**Business conduct**

The directors closely monitor the company's service delivery to ensure at all times the business is honest, fair and professional in its conduct with all stakeholders.

**Shareholder engagement**

The company is actively managed by its shareholders, who are all represented on the board of directors.

**ON BEHALF OF THE BOARD:**

J D Levy - Director

29 September 2022

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2021.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

J P Levy  
N S Rubin  
M D Rubin  
J D Levy

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**AUDITORS**

The auditors, Goldwyns Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

J D Levy - Director

29 September 2022

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STONEHENGE HOTELS LIMITED**

### **Opinion**

We have audited the financial statements of Stonehenge Hotels Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STONEHENGE HOTELS LIMITED**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STONEHENGE HOTELS LIMITED**

### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In order to address the risks of misstatements in respect of irregularities, including fraud, we have:

- obtained an understanding of the key laws and regulations applicable to the company, including the Companies Act 2006, and applicable taxation legislation;
- assessed the company's own internal controls and systems for the prevention and detection of irregularities and particularly the control environment within which they operate;
- determined a materiality level and audit approach sufficient to identify most irregularities, including fraud, that may occur;
- considered our own involvement in the preparation of the company's statutory financial statements and taxation returns;
- conducted audit verification work, on a sample basis, on the key audit areas and risks we have identified; and
- reflected on the outcome of our work, and the likelihood that conclusions drawn may be indicative of other areas of potential irregularity.

We therefore consider our audit approach has been sufficient to detect material irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

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

S T Blundell FCA (Senior Statutory Auditor)  
for and on behalf of Goldwyns Limited  
Statutory Auditors and Chartered Accountants  
Rutland House  
90-92 Baxter Avenue  
Southend on Sea  
Essex  
SS2 6HZ

29 September 2022

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>		2,774,394	1,452,513
Cost of sales		<u>1,425,544</u>	<u>1,071,973</u>
<b>GROSS PROFIT</b>		1,348,850	380,540
Administrative expenses		<u>1,159,937</u>	<u>1,012,795</u>
		188,913	(632,255)
Other operating income		<u>126,931</u>	<u>230,719</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	315,844	(401,536)
Interest receivable and similar income		<u>7</u>	<u>-</u>
		315,851	(401,536)
Interest payable and similar expenses	6	<u>260,088</u>	<u>256,080</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		55,763	(657,616)
Tax on profit/(loss)	7	<u>31,800</u>	<u>(105,400)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>23,963</u>	<u>(552,216)</u>

The notes form part of these financial statements

**STONEHENGE HOTELS LIMITED (REGISTERED NUMBER: 04044477)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>PROFIT/(LOSS) FOR THE YEAR</b>		23,963	(552,216)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>23,963</u>	<u>(552,216)</u>

The notes form part of these financial statements

**BALANCE SHEET**  
**31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		8,699,406		8,905,386
<b>CURRENT ASSETS</b>					
Stocks	10	10,680		9,084	
Debtors	11	4,154,097		3,757,312	
Cash at bank and in hand		<u>16,217</u>		<u>2,014</u>	
		4,180,994		3,768,410	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,296,404</u>		<u>1,108,054</u>	
<b>NET CURRENT ASSETS</b>			<u>2,884,590</u>		<u>2,660,356</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			11,583,996		11,565,742
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(12,059,267)		(12,072,896)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(7,920)</u>		<u>-</u>
<b>NET LIABILITIES</b>			<u>(483,191)</u>		<u>(507,154)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100		100
Share premium	19		199,901		199,901
Retained earnings	19		<u>(683,192)</u>		<u>(707,155)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(483,191)</u>		<u>(507,154)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by:

J D Levy - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 January 2020</b>	2	(154,939)	-	(154,937)
<b>Changes in equity</b>				
Issue of share capital	98	-	199,901	199,999
Total comprehensive income	-	(552,216)	-	(552,216)
<b>Balance at 31 December 2020</b>	<u>100</u>	<u>(707,155)</u>	<u>199,901</u>	<u>(507,154)</u>
<b>Changes in equity</b>				
Total comprehensive income	-	23,963	-	23,963
<b>Balance at 31 December 2021</b>	<u>100</u>	<u>(683,192)</u>	<u>199,901</u>	<u>(483,191)</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

1. **STATUTORY INFORMATION**

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

The company trades from its leased property in Amesbury, Wiltshire.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Turnover**

Turnover represents the income receivable by the company from its trading activities as a hotel. Sales encompass room hire, food and beverage income and all other associated ancillary hotel and guest services. Turnover is recognised in the period in which the physical goods are sold, as services are performed or otherwise as entitlement accrues to the company.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

- Leasehold property - in accordance with the property
- Equipment - 20% on reducing balance and over remaining period of the lease

**Stocks**

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

3. **EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	825,178	750,853
Social security costs	58,200	52,212
Other pension costs	16,544	15,961
	<u>899,922</u>	<u>819,026</u>

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

	2021	2020
Staff	56	66
Directors	4	4
	<u>60</u>	<u>70</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

3. **EMPLOYEES AND DIRECTORS - continued**

	2021 £	2020 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. **OPERATING PROFIT/(LOSS)**

The operating profit (2020 - operating loss) is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	104,473	130,340
Depreciation - assets on hire purchase contracts and finance leases	<u>102,667</u>	<u>116,757</u>

5. **AUDITORS' REMUNERATION**

	2021 £	2020 £
Fees payable to the company's auditors for the audit of the company's financial statements	10,500	10,000
Auditors' remuneration for non audit work	<u>8,250</u>	<u>-</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021 £	2020 £
Leasing interest	<u>260,088</u>	<u>256,080</u>

7. **TAXATION**

**Analysis of the tax charge/(credit)**

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

	2021 £	2020 £
Deferred tax	31,800	(105,400)
Tax on profit/(loss)	<u>31,800</u>	<u>(105,400)</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

7. **TAXATION - continued**

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

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

	2021 £	2020 £
Profit/(loss) before tax	<u>55,763</u>	<u>(657,616)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	10,595	(124,947)
Effects of:		
Expenses not deductible for tax purposes recognised	21,205	19,547
Total tax charge/(credit)	<u>31,800</u>	<u>(105,400)</u>

8. **GOVERNMENT GRANTS**

During the year the company was in receipt of Government support, specifically in relation to the Covid-19 pandemic. Within other operating income is £85,080 (2020 - £230,719) in respect of the Coronavirus Job Retention Scheme.

9. **TANGIBLE FIXED ASSETS**

	Leasehold property £	Equipment £	Totals £
<b>COST</b>			
At 1 January 2021	8,862,436	1,787,497	10,649,933
Additions	-	1,160	1,160
At 31 December 2021	<u>8,862,436</u>	<u>1,788,657</u>	<u>10,651,093</u>
<b>DEPRECIATION</b>			
At 1 January 2021	478,992	1,265,555	1,744,547
Charge for year	102,667	104,473	207,140
At 31 December 2021	<u>581,659</u>	<u>1,370,028</u>	<u>1,951,687</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>8,280,777</u>	<u>418,629</u>	<u>8,699,406</u>
At 31 December 2020	<u>8,383,444</u>	<u>521,942</u>	<u>8,905,386</u>

On 13 December 2017, the company entered into an agreement to lease the property from which it trades for a period of 150 years. This lease therefore amounts to a financing lease, as the company will derive benefit from the property throughout its useful life, and has been recognised accordingly.

The property interest is being depreciated over 75 years.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Leasehold property £	Equipment £	Totals £
<b>COST</b>			
At 1 January 2021	8,700,000	46,114	8,746,114
Transfer to ownership	-	(46,114)	(46,114)
At 31 December 2021	<u>8,700,000</u>	<u>-</u>	<u>8,700,000</u>
<b>DEPRECIATION</b>			
At 1 January 2021	316,556	46,114	362,670
Charge for year	102,667	-	102,667
Transfer to ownership	-	(46,114)	(46,114)
At 31 December 2021	<u>419,223</u>	<u>-</u>	<u>419,223</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>8,280,777</u>	<u>-</u>	<u>8,280,777</u>
At 31 December 2020	<u>8,383,444</u>	<u>-</u>	<u>8,383,444</u>

10. STOCKS

	2021 £	2020 £
Stocks	<u>10,680</u>	<u>9,084</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	13,739	8,839
Amounts owed by group undertakings	3,252,659	3,184,202
Other debtors	777,407	436,003
Deferred tax asset	-	23,880
Prepayments	110,292	104,388
	<u>4,154,097</u>	<u>3,757,312</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 14)	136,596	103,915
Other loans (see note 14)	76,253	85,571
Hire purchase contracts and finance leases (see note 15)	-	3,048
Trade creditors	190,079	158,380
Amounts owed to group undertakings	501,173	510,026
Social security and other taxes	263,261	135,630
Other creditors	90,795	66,671
Accruals and deferred income	38,247	44,813
	<u>1,296,404</u>	<u>1,108,054</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans (see note 14)	2,914,492	2,945,972
Other loans (see note 14)	-	66,303
Hire purchase contracts and finance leases (see note 15)	9,144,775	9,060,621
	<u>12,059,267</u>	<u>12,072,896</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank overdrafts	66,117	33,437
Bank loans	70,479	70,478
Other loans	76,253	85,571
	<u>212,849</u>	<u>189,486</u>
Amounts falling due between one and two years:		
Bank loans	70,479	70,479
Other loans	-	66,303
	<u>70,479</u>	<u>136,782</u>
Amounts falling due between two and five years:		
Bank loans	<u>2,844,013</u>	<u>2,875,493</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts		Finance leases	
	2021	2020	2021	2020
	£	£	£	£
Gross obligations repayable:				
Within one year	-	3,153	262,446	259,983
Between one and five years	-	-	1,073,420	1,063,586
In more than five years	-	-	69,215,817	68,995,600
	-	3,153	70,551,683	70,319,169
Finance charges repayable:				
Within one year	-	105	262,446	259,983
Between one and five years	-	-	1,073,420	1,063,586
In more than five years	-	-	60,071,042	59,934,979
	-	105	61,406,908	61,258,548
Net obligations repayable:				
Within one year	-	3,048	-	-
In more than five years	-	-	9,144,775	9,060,621
	-	3,048	9,144,775	9,060,621

On 13 December 2017, the company entered into an agreement to lease the property from which it trades for a period of 150 years. This transaction amounts to a finance lease and has been recognised accordingly. The company is liable for an annual rent of £170,000 per annum, subject to an annual increase as determined by any changes in the retail price index but subject to a minimum of 1% and a maximum of 4%.

Throughout the initial period of the lease the annual interest arising will exceed the rental repayments due and therefore the company's recognised finance liability will continue to increase.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

16. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank overdrafts	66,117	33,437
Bank loans	2,984,971	3,016,450
Other loans	76,253	151,874
Hire purchase contracts and finance leases	9,144,775	9,063,669
	<u>12,272,116</u>	<u>12,265,430</u>

The company had also given cross-guarantees in respect of other associated companies' debts. At the balance sheet date, those companies' liabilities to the bank totalled £11,671,706 (2020 - £11,931,908).

The company has given fixed and floating charges over all of its interests in the property (and any proceeds arising therefrom) as security for its bank loans, and its cross-guarantee.

Hire purchase contracts and finance lease liabilities are secured on the assets to which they relate.

Other loans consists of a Coronavirus Business Interruption Loan, which the company drew in November 2020. The loan is backed by a partial guarantee from the UK Government.

Bank overdraft is guaranteed by the other associated companies

17. PROVISIONS FOR LIABILITIES

	2021 £	
Deferred tax	<u>7,920</u>	
		Deferred tax £
Balance at 1 January 2021		(23,880)
Accelerated capital allowance		(13,880)
Losses utilised in year		45,845
Other movements		<u>(165)</u>
Balance at 31 December 2021		<u>7,920</u>

Deferred tax provisions primarily represent the timing differences arising on accelerated capital allowance reliefs available in excess of accounting depreciation, less cumulative losses carried forward.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

18. **CALLED UP SHARE CAPITAL - continued**

19. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	(707,155)	199,901	(507,254)
Profit for the year	23,963		23,963
At 31 December 2021	<u>(683,192)</u>	<u>199,901</u>	<u>(483,291)</u>

20. **PENSION COMMITMENTS**

The company operates a defined contribution scheme in respect of its eligible employees. During the year, total contributions to this scheme amounted to £16,544 (2020 - £15,961). At the balance sheet date the total contributions outstanding amounted to £4,047 (2020 - £3,180).

21. **RELATED PARTY DISCLOSURES**

The company works closely with a portfolio of four other hotels and their respective companies, all under similar (but not identical) control. Further, the whole portfolio is managed by BGAM Limited, a hotel management enterprise, again with ownership similarities and common directors. These close working relationships enables all businesses to access necessary trading expertise when needed, negotiate beneficial relationships with suppliers and leverage various economies of scale for mutual benefit.

During the course of the year, the company incurred management costs totalling £163,133 (2020 - £148,109) to BGAM Limited.

In aggregate at the balance sheet date, the company was owed £769,852 by these associated companies (2020 - £427,633).

During the year the company's total compensation to key management personnel (including directors) amounted to £61,452 (2020 - £68,007).

BGAM Hotels (SH) Limited is regarded by the directors as being the company's ultimate parent company with 98% of the issued share capital.

The remaining issued share capital was owned by Lilac Limited, a company registered in Guernsey.

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