

Registered number: 04448428

HAVANA WEST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



HAVANA WEST LIMITED

COMPANY INFORMATION

DIRECTORS	L L de Savary I D Solkin
COMPANY SECRETARY	J Keefe
REGISTERED NUMBER	04448428
REGISTERED OFFICE	Minerva House Lower Bristol Road Bath BA2 9ER
INDEPENDENT AUDITORS	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
BANKERS	Coutts & Co 440 Strand London WC2R 0QS

HAVANA WEST LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditors' Report	6 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15 - 16
Analysis of Net Debt	17
Notes to the Financial Statements	18 - 38

HAVANA WEST LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL ACTIVITY

The principal activity of the group and company during the year continued to be that of hoteliers and providers of general hospitality services including conference centres and leisure complexes, together with associated property activities.

BUSINESS REVIEW

The directors are satisfied with the performance for the year under review. The board has invested and continues to invest in the fabric of the business and are comfortable that the investment will show positive results for the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are, in common with other hotels in the sector, the general economic activity and perceived health of the economy.

Covid-19 risk

Following the outbreak of the COVID-19 virus in early 2020, the directors have considered the impact this short term disruption could have upon the business. As a hotelier the business has been interrupted by the government restrictions placed on hotel and leisure business, however the directors have taken appropriate steps to mitigate the impact of this interruption and are confident that the group has adequate resources and support from the shareholders to withstand this disruption and resume full hotel and leisure services as soon as is possible.

Liquidity risk

In respect of bank balances, the liquidity risk is managed by maintaining the continuity of funding and regular review of monthly management information, including management accounts and cash flow results and forecasts.

Credit risk

Credit risk is managed through policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Price risk

The price risk is monitored through regular consideration of competitor pricing and occupancy.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straight forward nature of the business the directors are of the opinion that analysis using KPIs is of limited value. However the directors do monitor the hotel occupancy rates, turnover and gross and operating profit.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

The directors of Havana West Limited consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of all stakeholders of the company including its shareholders, employees, customers and the wider community. By managing the business responsibly the directors intend to support a financially stable and rewarding organisation which looks to deliver value for all stakeholders.

HAVANA WEST LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

I D Solkin
Director

Date:

I. D. Solkin
15/12/2021

HAVANA WEST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £451,964 (2019: loss £494,456).

During the year no dividends were paid (2019: £Nil). The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

L L de Savary
I D Solkin

DISABLED EMPLOYEES

The group's policy is to recruit disabled staff for those vacancies that they are able to fill. All necessary assistance with training is given. Once employed, a career plan is developed so as to ensure that there are suitable opportunities within the group for each disabled person. Where employees become disabled, then whenever possible arrangements are made for retraining them to perform work identified as appropriate to their aptitudes and abilities.

MATTERS COVERED IN THE STRATEGIC REPORT

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires a Strategic Report to be prepared. Where mandatory disclosures in the Directors' Report are considered by the directors to be of strategic importance these have been included within the Strategic Report rather than the Directors' Report.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

Subsequent to the year end, in early 2020, the group has been impacted by the outbreak of COVID-19. Although this is a non-adjusting post balance sheet the directors have taken appropriate steps to mitigate the impact of this outbreak on the future of the group.

GOING CONCERN

The directors, despite the group having net current liabilities, have concluded that the group's accounts should be prepared on a going concern basis. The directors have assessed the future trading and funding requirements concluding that all liabilities can be met as required. This assessment has included inquiry of shareholders and related parties to whom money is owed and they have confirmed ongoing support, stating that repayment will not be sought if detrimental to the going concern status of the group.

The directors have assessed the on-going COVID-19 pandemic and have taken appropriate steps to mitigate the impact of this outbreak on the future of the group. The directors have, therefore, concluded that it is appropriate for the accounts to be prepared on a going concern basis.

HAVANA WEST LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

I D Solkin
Director

Date:

Minerva House
Lower Bristol Road
Bath
BA2 9ER

2. D. Solkin
15/12/2021

HAVANA WEST LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the 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 the Group 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAVANA WEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAVANA WEST LIMITED

OPINION

We have audited the financial statements of Havana West Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and company Statements of Financial Position, the Group Statement of Cash Flows, the Group and company Statement of Changes in Equity and the related notes, 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 Group's and of the parent company's affairs as at 31 December 2020 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or the 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.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

HAVANA WEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAVANA WEST LIMITED (CONTINUED)

OPINION 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 Group 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 Group 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 set out on page 5, 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 Group's and 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 an Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the industry and sector, control environment and group performance;
- results of our enquiries of management and the board about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations 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;
- and
- 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, which included incorrect recognition of revenue and management override of controls using manual journal entries, and these were identified as the greatest potential area 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 and tax 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 compliance with Health and Safety regulations; GDPR; Company law; and tax and employment legislation.

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;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management and those charged with governance 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; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

HAVANA WEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAVANA WEST LIMITED (CONTINUED)

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.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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.

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

USE OF OUR REPORT

This report is made solely to the company's directors, 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 directors 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 company and the company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

20/12/2021

HAVANA WEST LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	10,682,149	9,674,552
Cost of sales		(5,801,105)	(3,212,864)
Exceptional cost of sales		-	(257,002)
Gross profit		4,881,044	6,204,686
Administrative expenses		(5,515,543)	(7,147,831)
Other operating income	5	1,150,941	-
Operating profit/(loss)	6	516,442	(943,145)
Interest receivable	9	149,718	640,331
Interest payable	10	(120,240)	(132,883)
Profit/(loss) before taxation		545,920	(435,697)
Tax on profit/(loss)	11	(93,956)	(58,759)
Profit/(loss) for the financial year		451,964	(494,456)

The notes on pages 18 to 38 form part of these financial statements.

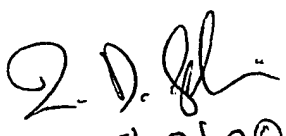
HAVANA WEST LIMITED
REGISTERED NUMBER:04448428

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 (restated) £
Fixed assets			
Intangible assets	14	632,042	828,347
Tangible fixed assets		17,437,144	17,807,125
Investment property	17	2,629,937	1,526,157
		<u>20,699,123</u>	<u>20,161,629</u>
Current assets			
Stocks	18	878,125	4,304,306
Debtors: amounts falling due within one year	19	9,415,734	10,411,470
Cash at bank and in hand	20	1,442,234	1,551,392
		<u>11,736,093</u>	<u>16,267,168</u>
Creditors: amounts falling due within one year	21	(14,094,471)	(20,176,467)
Net current liabilities		<u>(2,358,378)</u>	<u>(3,909,299)</u>
Total assets less current liabilities		<u>18,340,745</u>	<u>16,252,330</u>
Creditors: amounts falling due after more than one year	22	(7,062,954)	(6,420,316)
Provisions for liabilities			
Deferred taxation	24	(270,727)	(228,404)
		<u>(270,727)</u>	<u>(228,404)</u>
Net assets		<u>11,007,064</u>	<u>9,603,610</u>
Capital and reserves			
Called up share capital	25	11,942,332	11,942,332
Revaluation reserve	26	951,490	-
Profit and loss account	26	(1,886,758)	(2,338,722)
		<u>11,007,064</u>	<u>9,603,610</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

I D Solkin
Director
Date:


15/12/2021.

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED
REGISTERED NUMBER:04448428

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 (restated) £
Fixed assets			
Intangible assets	14	-	3,270
Tangible assets	15	3,549,871	3,590,021
Investments	16	6,648,166	6,648,166
Investment property	17	1,379,937	1,227,647
		<u>11,577,974</u>	<u>11,469,104</u>
Current assets			
Stocks	18	583,299	3,214,186
Debtors: amounts falling due within one year	19	17,692,450	19,605,256
Cash at bank and in hand	20	811,408	1,097,412
		<u>19,087,157</u>	<u>23,916,854</u>
Creditors: amounts falling due within one year	21	(13,301,843)	(20,432,426)
Net current assets		<u>5,785,314</u>	<u>3,484,428</u>
Total assets less current liabilities		<u>17,363,288</u>	<u>14,953,532</u>
Creditors: amounts falling due after more than one year	22	(3,749,664)	(2,587,500)
Provisions for liabilities			
Deferred taxation	24	(135,174)	(115,078)
		<u>(135,174)</u>	<u>(115,078)</u>
Net assets		<u><u>13,478,450</u></u>	<u><u>12,250,954</u></u>
Capital and reserves			
Called up share capital	25	11,942,332	11,942,332
Profit and loss account brought forward		308,622	391,571
Profit/(loss) for the year		1,227,496	(382,106)
Other changes in the profit and loss account		-	299,157
		<u>1,536,118</u>	<u>308,622</u>
Profit and loss account carried forward		<u><u>13,478,450</u></u>	<u><u>12,250,954</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

I D Solkin
Director
Date:

2. D. Solkin
15/12/2021

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Revaluation reserve	Profit and loss account (restated)	Total equity (restated)
	£	£	£	£
At 1 January 2020	11,942,332	-	(2,338,722)	9,603,610
Profit for the year	-	-	451,964	451,964
Surplus on revaluation of freehold property	-	951,490	-	951,490
At 31 December 2020	11,942,332	951,490	(1,886,758)	11,007,064

The notes on pages 18 to 38 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account (restated)	Total equity (restated)
	£	£	£
At 1 January 2019	11,942,332	(1,844,266)	10,098,066
Loss for the year	-	(494,456)	(494,456)
At 31 December 2019	11,942,332	(2,338,722)	9,603,610

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account (restated)	Total equity (restated)
	£	£	£
At 1 January 2020	11,942,332	308,622	12,250,954
Profit for the year	-	1,227,496	1,227,496
At 31 December 2020	<u>11,942,332</u>	<u>1,536,118</u>	<u>13,478,450</u>

The notes on pages 18 to 38 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account (restated)	Total equity (restated)
	£	£	£
At 1 January 2019	11,942,332	391,571	12,333,903
Loss for the year	-	(382,106)	(382,106)
Dividends: Equity capital	-	299,157	299,157
At 31 December 2019	<u>11,942,332</u>	<u>308,622</u>	<u>12,250,954</u>

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit/(loss) for the financial year	451,964	(494,456)
Adjustments for:		
Amortisation of intangible assets	196,305	221,649
Depreciation of tangible assets	489,471	546,934
Loss on disposal of tangible assets	-	(489)
Government grants	(1,150,941)	-
Interest paid	120,240	132,883
Interest received	(149,718)	(640,331)
Taxation charge	93,956	58,759
Decrease/(increase) in stocks	3,426,181	(958,403)
(Increase)/decrease in debtors	(3,679,686)	581,180
(Decrease)/increase in creditors	(90,438)	53,375
Increase in amounts owed to participating ints	217,197	115,056
Corporation tax paid	-	(71,409)
Net cash generated from operating activities	(75,469)	(455,252)
Cash flows from investing activities		
Purchase of tangible fixed assets	(119,490)	(494,552)
Sale of tangible fixed assets	-	319,675
Purchase of investment properties	(152,290)	-
Government grants received	1,150,941	-
Interest received	149,718	640,331
Net cash from investing activities	1,028,879	465,454
Cash flows from financing activities		
New secured loans	2,116,473	-
Repayment of loans	(3,068,674)	(199,233)
Other new loans	-	352,627
Interest paid	(120,240)	(132,883)
Net cash used in financing activities	(1,072,441)	20,511

HAVANA WEST LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Net (decrease)/increase in cash and cash equivalents	(119,031)	30,713
Cash and cash equivalents at beginning of year	1,551,392	1,520,679
Cash and cash equivalents at the end of year	1,432,361	1,551,392
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,442,234	1,551,392
Bank overdrafts	(9,873)	-
	1,432,361	1,551,392

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	New loans £	At 31 December 2020 £
Cash at bank and in hand	1,551,392	(109,158)	-	1,442,234
Bank overdrafts	-	-	-	-
Debt due after 1 year	(6,420,316)	(1,842,282)	1,199,644	(7,062,954)
Debt due within 1 year	(17,979,075)	1,461,137	133,602	(16,384,336)
	<u>(22,847,999)</u>	<u>(490,303)</u>	<u>1,333,246</u>	<u>(22,005,056)</u>

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Havana West Limited is a limited liability company incorporated in England and Wales. The registered office is Minerva House, Lower Bristol Road, Bath, BA2 9ER.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 GOING CONCERN

The directors, despite the group having net current liabilities, have concluded that the group's accounts should be prepared on a going concern basis. The directors have assessed the future trading and funding requirements concluding that all liabilities can be met as required. This assessment has included inquiry of shareholders and related parties to whom money is owed and they have confirmed ongoing support, stating that repayment will not be sought if detrimental to the going concern status of the group.

The directors have assessed the on-going COVID-19 pandemic and have taken appropriate steps to mitigate the impact of this outbreak on the future of the group. The directors have, therefore, concluded that it is appropriate for the accounts to be prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.4 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold property	- 2% Straight Line
Plant and machinery	- 20% Straight Line
Motor vehicles	- 20% Straight Line
Fixtures and fittings	- 20% Straight Line
Office equipment	- 20% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.8 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.9 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Development costs are held at cost whilst development is still in progress

2.11 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.15 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.16 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.17 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.18 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.20 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.21 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.22 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these significant judgments and estimates have been made include:

Depreciation

Within each fixed asset class, management allocates an appropriate depreciation rate for each asset based on their assessment of the assets useful economic life and expected residual value. These vary due to the differing nature of the assets.

Goodwill and amortisation

Consolidated goodwill has been recognised on the acquisition of subsidiary companies in both previous and the current accounting period. Consolidated goodwill is capitalised, classified as an asset on the Consolidated Statement of Financial Position and amortised on a straight line bases over the useful life. The amortisation rate is based upon the directors assessment of the assets' useful economic life and expected residual value.

Goodwill has also been recognised by the company on the acquisition of trade and assets of several hotels. Goodwill is capitalised, classified as an asset on the Statement of Financial Position and amortised on a straight line basis over the useful life. The amortisation rate is based upon the directors assessment of the assets useful economic life and expected residual value.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Hotel and Public House	5,437,301	9,674,552
Sale of property	5,244,848	-
	<u>10,682,149</u>	<u>9,674,552</u>

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2020 £	2019 £
Government grants receivable	1,150,941	-
	<u>1,150,941</u>	<u>-</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. OPERATING PROFIT/(LOSS)

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

	2020 £	2019 £
Depreciation of tangible fixed assets	589,764	546,934
Exchange differences	-	221,649
Auditors' remuneration	38,000	36,250
Other operating lease rentals	97,649	82,264
Defined contribution costs	18,291	29,703
	<u> </u>	<u> </u>

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	3,327,044	3,855,557	271,775	268,324
Social security costs	133,179	131,252	2,045	6,309
Cost of defined contribution scheme	19,430	39,703	5,722	11,891
	<u>3,479,653</u>	<u>4,026,512</u>	<u>279,542</u>	<u>286,524</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees	<u>238</u>	<u>278</u>

8. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	68,333	87,000
Company contributions to defined contribution pension schemes	4,583	10,000
	<u>72,916</u>	<u>97,000</u>

During the year retirement benefits were accruing to no directors (2019: 1) in respect of defined contribution pension schemes.

There were no key management other than the directors.

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. INTEREST RECEIVABLE

	2020 £	2019 £
Other interest receivable	149,718	640,331
	<u>149,718</u>	<u>640,331</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Bank interest payable	120,240	132,883
	<u>120,240</u>	<u>132,883</u>

11. TAXATION

	2020 £	2019 £
CORPORATION TAX		
Current tax on profits for the year	51,633	-
TOTAL CURRENT TAX	<u>51,633</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	42,323	58,759
TOTAL DEFERRED TAX	<u>42,323</u>	<u>58,759</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>93,956</u>	<u>58,759</u>

HAVANA WEST LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****11. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	545,920	(435,697)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	103,725	(82,782)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	77,608	42,113
Expenses not deductible for tax purposes	12,894	301
Capital allowances for year in excess of depreciation	-	74,717
Unutilised tax losses carried forward	-	54,141
Income not taxable for tax purposes	(46,583)	-
Other permanent differences	1,719	21,715
Adjustment to changes in deferred tax rates	(89,249)	-
Deferred tax not recognised	33,842	-
Deferred tax charge/(credit)	-	(51,446)
TOTAL TAX CHARGE FOR THE YEAR	93,956	58,759

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has significant trade and capital losses carried forward which could be utilised to offset against future taxable profits.

12. EXCEPTIONAL ITEMS

	2020 £	2019 £
Impairment of property development costs	-	257,002
	-	257,002

13. PARENT COMPANY PROFIT FOR THE YEAR

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £1,227,496 (2019: loss £382,106).

HAVANA WEST LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****14. INTANGIBLE ASSETS****Group**

	Goodwill £
COST	
At 1 January 2020	3,055,051
At 31 December 2020	<u>3,055,051</u>
AMORTISATION	
At 1 January 2020	2,226,704
Charge for the year on owned assets	196,305
At 31 December 2020	<u>2,423,009</u>
NET BOOK VALUE	
At 31 December 2020	<u>632,042</u>
At 31 December 2019	<u>828,347</u>

Company

	Goodwill £
COST	
At 1 January 2020	50,000
At 31 December 2020	<u>50,000</u>
AMORTISATION	
At 1 January 2020	46,730
Charge for the year	3,270
At 31 December 2020	<u>50,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>.</u>
At 31 December 2019	<u>3,270</u>

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION						
At 1 January 2020	12,303,926	5,383,477	1,237,423	2,768,006	27,961	21,720,793
Additions	52,916	-	17,509	49,065	-	119,490
At 31 December 2020	12,356,842	5,383,477	1,254,932	2,817,071	27,961	21,840,283
DEPRECIATION						
At 1 January 2020	755,123	619,123	238,035	2,291,542	9,845	3,913,668
Charge for the year on owned assets	238,897	107,486	62,631	74,609	5,848	489,471
At 31 December 2020	994,020	726,609	300,666	2,366,151	15,693	4,403,139
NET BOOK VALUE						
At 31 December 2020	11,362,822	4,656,868	954,266	450,920	12,268	17,437,144
At 31 December 2019	11,548,803	4,764,354	999,388	476,464	18,116	17,807,125

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 January 2020	3,729,262	47,405	261,810	4,038,477
Additions	360	-	95	455
At 31 December 2020	3,729,622	47,405	261,905	4,038,932
DEPRECIATION				
At 1 January 2020	259,826	46,859	141,771	448,456
Charge for the year on owned assets	34,725	171	5,709	40,605
At 31 December 2020	294,551	47,030	147,480	489,061
NET BOOK VALUE				
At 31 December 2020	3,435,071	375	114,425	3,549,871
At 31 December 2019	3,469,436	546	120,039	3,590,021

HAVANA WEST LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****16. FIXED ASSET INVESTMENTS****Company**

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2020	6,673,167
At 31 December 2020	6,673,167
IMPAIRMENT	
At 1 January 2020	25,001
At 31 December 2020	25,001
NET BOOK VALUE	
At 31 December 2020	6,648,166
At 31 December 2019	6,648,166

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
The Parkway Hotel and Spa Limited	Hotel and leisure complex	Ordinary	100%
Beachcroft Hotels Limited	Hotel	Ordinary	100%
Middlepoint Developments Limited	Property development	Ordinary	100%
Castledrive Developments Limited	Property development	Ordinary	100%
Penzance Maritime Holdings Limited	Dry dock rental and management services	Ordinary	100%
Merry Harriers Limited	Hotel	Ordinary	100%
The Cary Arms Hotel and Spa Limited	Hotel	Ordinary	100%
The Eastbury (Sherborne) Limited	Hotel	Ordinary	100%

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. INVESTMENT PROPERTY

Group

	Freehold investment property £
VALUATION	
At 1 January 2020	1,526,157
Additions at cost	1,103,780
AT 31 DECEMBER 2020	2,629,937

The 2020 valuations were made by the directors, on an open market value for existing use basis.

If the investment properties were sold at the values shown in the financial statements at the Statement of Financial Position date, there would be no tax liabilities. Currently the directors consider the future utilisation of any capital loss to be remote and as such have not recognised an associated deferred tax asset.

Company

	Freehold investment property £
VALUATION	
At 1 January 2020	1,227,647
Additions at cost	152,290
AT 31 DECEMBER 2020	1,379,937

The 2020 valuations were made by the directors, on an open market value for existing use basis.

18. STOCKS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Development costs	816,817	4,204,393	582,935	3,213,669
Finished goods and goods for resale	61,308	99,913	364	517
	878,125	4,304,306	583,299	3,214,186

The difference between purchase price or production cost of stocks and their replacement cost is not material.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. DEBTORS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	40,009	102,507	-	44,159
Amounts owed by group undertakings	-	-	9,100,640	9,867,866
Amounts owed by related undertakings	534,472	357,068	-	-
Other debtors	8,613,668	9,717,348	8,538,950	9,652,289
Prepayments and accrued income	227,585	234,547	52,860	40,942
	<u>9,415,734</u>	<u>10,411,470</u>	<u>17,692,450</u>	<u>19,605,256</u>

Other debtors and loans

There are no agreed repayment terms attached to the other debtors and loans and as such they are recognised as current assets.

Securities and interest rates attached to the loans are as follows:

- £ (2019: £5,503,218) is secured by way of a legal charge over property held by Charter House Investments LLP, a related entity. Interest is charged at 8%.

- £1,738,294 (2019: £1,738,294) due from Charter House Projects LLP, a related entity, is unsecured and charges interest at 6%.

The remaining other debtors and loans are unsecured and interest free.

Amounts owed by group undertakings

Amounts owed by group undertakings are repayable on demand and interest free.

20. CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	1,442,234	1,551,392	811,408	1,097,412
Less: bank overdrafts	(9,873)	-	(9,873)	-
	<u>1,432,361</u>	<u>1,551,392</u>	<u>801,535</u>	<u>1,097,412</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 (restated) £	Group 2019 (restated) £	Company 2020 (restated) £	Company 2019 (restated) £
Bank overdrafts	9,873	-	9,873	-
Bank loans	1,091,152	211,743	283,336	150,000
Other loans	10,597,362	17,747,032	10,597,362	17,747,032
Trade creditors	258,035	470,469	56,932	99,709
Amounts owed to group undertakings	-	-	2,225,829	2,395,748
Amounts owed to related undertakings	869,886	652,689	-	-
Corporation tax	51,633	-	51,633	-
Other taxation and social security	328,979	361,510	51,438	7,207
Other creditors	103,670	136,190	280	1,038
Accruals and deferred income	783,881	596,834	25,160	31,692
	<u>14,094,471</u>	<u>20,176,467</u>	<u>13,301,843</u>	<u>20,432,426</u>

Bank loans

The bank loan relates to two loans secured against assets of the group, and interest is charged at a rate of 3.25% above libor plus the rate per annum determined by the Bank of England, and base rate plus 3.25% respectively.

Other loans

There is no agreed repayment terms attached to the other loans and as such are deemed to be repayable on demand. However the directors do not expect to settle these debts in the foreseeable future if detrimental to the group's ability to continue as a going concern.

Included within other loans is £7,769,076 (2019: £9,378,118) of unsecured and interest free loans due to the group's shareholder's immediate family and other related entities. A balance of £4,663,042 (2019: £4,663,042) due to the group's shareholder is included within other loans and security has been given over property held by the company. The loan is interest free.

Amounts owed to group undertakings

Amounts owed to group undertakings are payable on demand and interest free.

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	3,787,954	3,395,316	3,749,664	2,587,500
Other loans	3,275,000	3,025,000	-	-
	<u>7,062,954</u>	<u>6,420,316</u>	<u>3,749,664</u>	<u>2,587,500</u>

See note 23 for further details on bank loans.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

23. LOANS

The scheduled repayments of the outstanding loans are as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank loans	1,091,152	211,743	283,336	150,000
Other loans	10,597,362	17,747,032	10,597,362	17,747,032
	<u>11,688,514</u>	<u>17,958,775</u>	<u>10,880,698</u>	<u>17,897,032</u>
AMOUNTS FALLING DUE 1-2 YEARS				
Bank loans	988,066	957,816	949,776	150,000
Other loans	3,025,000	3,025,000	-	-
	<u>4,013,066</u>	<u>3,982,816</u>	<u>949,776</u>	<u>150,000</u>
AMOUNTS FALLING DUE 2-5 YEARS				
Bank loans	2,799,888	2,437,500	2,799,888	2,437,500
Other loans	250,000	-	-	-
	<u>3,049,888</u>	<u>2,437,500</u>	<u>2,799,888</u>	<u>2,437,500</u>
	<u>18,751,468</u>	<u>24,379,091</u>	<u>14,630,362</u>	<u>20,484,532</u>

24. DEFERRED TAXATION

Group

	2020 £	2019 £
At beginning of year	(228,404)	(169,645)
Charged to profit or loss	(42,323)	(58,759)
AT END OF YEAR	<u>(270,727)</u>	<u>(228,404)</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

24. DEFERRED TAXATION (CONTINUED)

Company

	2020 £	2019 £
At beginning of year	(115,078)	(110,192)
Charged to profit or loss	(20,096)	(4,886)
AT END OF YEAR	(135,174)	(115,078)

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(365,727)	(323,404)	(135,174)	(115,078)
Tax losses carried forward	95,000	95,000	-	-
	(270,727)	(228,404)	(135,174)	(115,078)

25. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
11,942,332 (2019: 11,942,332) Ordinary shares of £1.00 each	11,942,332	11,942,332

26. RESERVES

Revaluation reserve

The revaluation reserve amounts to the surplus above cost on the valuation of the land and buildings.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

27. PRIOR YEAR ADJUSTMENT

During the year it was noted that a previous transaction involving another company under common control which took place in the year ended 31 December 2018 had not been reflected in the company and group accounts. In 2018 a company under common control was acquired by the group for nominal consideration prior to the clearance of intercompany balances owing and that company being dissolved. As a result an intercompany creditor balance of £3.5m was cleared in 2018 resulting in a credit to profit and loss. The opening comparative profit and loss reserves have been restated to reflect the increase of £3.5m and the comparative balance sheet restated to reflect the removal of the corresponding creditor balance for both the company and the group.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

28. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	60,000	60,000
Later than 1 year and not later than 5 years	240,000	240,000
Later than 5 years	5,137,500	5,197,500
	<u>5,437,500</u>	<u>5,497,500</u>

29. RELATED PARTY TRANSACTIONS

The company has taken exemption under FRS 102, Section 33, not to disclose transactions with group companies as they are presented in the consolidated accounts.

	2020 £	2019 £
Amounts due from subsidiaries	11,187,604	12,512,820
Amounts due to subsidiaries	(369,642)	(1,991,608)
Amounts due from companies under common ownership	234,600	347,700
Amounts due from related entities	7,101,723	8,659,132
Amounts due to related entities	(5,470,468)	(11,509,411)
Amounts due to shareholders	<u>(4,702,506)</u>	<u>(9,378,118)</u>

Key management personnel consist only of the directors, of which remuneration details are available in note 7 of the financial statements.

30. CONTROLLING PARTY

The group is controlled by L L de Savary by virtue of her legal shareholding.

HAVANA WEST LIMITED**COMPANY DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover		5,461,048	333,909
Cost Of Sales		(3,807,084)	(297,020)
GROSS PROFIT		1,653,964	36,889
Other operating income		55,858	-
LESS: OVERHEADS			
Administration expenses		(413,284)	(906,686)
Establishment expenses		(44,016)	(48,711)
OPERATING PROFIT/(LOSS)		1,252,522	(918,508)
Interest receivable		166,943	640,115
Interest payable		(120,240)	(98,827)
Tax on profit/(loss) on ordinary activities		(71,729)	(4,886)
PROFIT/(LOSS) FOR THE YEAR		1,227,496	(382,106)

HAVANA WEST LIMITED**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Sales	161,967	333,909
Sale of property	5,244,848	-
Other income	54,233	-
	<u>5,461,048</u>	<u>333,909</u>
	2020 £	2019 £
Purchases - finished goods	3,534,250	23,625
Wages and salaries	201,317	178,195
National insurance	2,045	6,309
Pension costs	1,139	1,891
Directors' remuneration	68,333	87,000
	<u>3,807,084</u>	<u>297,020</u>
	2020 £	2019 £
Government grants receivable	55,858	-
	<u>55,858</u>	<u>-</u>

HAVANA WEST LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Directors pension costs - defined contribution schemes	4,583	10,000
Staff salaries	2,125	3,129
Staff welfare	150	921
Commissions payable	13,034	44,891
Hotels, travel and subsistence	27,216	210,240
Printing and stationery	1,484	2,726
Postage	78	369
Telephone and fax	18,700	14,780
Computer costs	15,209	12,413
Advertising and promotion	5,086	349
Charity donations	15,000	116,500
Legal and professional	80,764	121,822
Auditors' remuneration	14,845	15,865
Fees payable - interco	4,000	-
Bank charges	6,320	9,383
Sundry expenses	40,970	39,937
Rent - operating leases	-	1,365
Water	1,383	-
Light and heat	9,183	7,434
Cleaning	8,782	25,802
Insurances	1,895	-
Depreciation - plant and machinery	46	13,751
Depreciation - other fixed assets	31,607	37,203
Depreciation - fixtures and fittings	53,646	63,279
Amortisation - intangible fixed assets	3,270	10,063
Management charges	53,908	144,464
	413,284	906,686
	2020 £	2019 £
Rates	4,540	10,009
Water	1,670	2,182
Insurances	15,451	10,036
Repairs and maintenance	22,355	26,484
	44,016	48,711

HAVANA WEST LIMITED**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	£	£
Bank interest receivable	-	855
Other interest receivable	166,943	639,260
	166,943	640,115
	2020	2019
	£	£
Bank loan interest payable	120,240	98,827
	120,240	98,827

Registered number: 04448428

HAVANA WEST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

HAVANA WEST LIMITED

COMPANY INFORMATION

DIRECTORS	L L de Savary I D Solkin
COMPANY SECRETARY	J Keefe
REGISTERED NUMBER	04448428
REGISTERED OFFICE	Minerva House Lower Bristol Road Bath BA2 9ER
INDEPENDENT AUDITORS	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
BANKERS	Coutts & Co 440 Strand London WC2R 0QS

HAVANA WEST LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditors' Report	6 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15 - 16
Analysis of Net Debt	17
Notes to the Financial Statements	18 - 38

HAVANA WEST LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL ACTIVITY

The principal activity of the group and company during the year continued to be that of hoteliers and providers of general hospitality services including conference centres and leisure complexes, together with associated property activities.

BUSINESS REVIEW

The directors are satisfied with the performance for the year under review. The board has invested and continues to invest in the fabric of the business and are comfortable that the investment will show positive results for the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are, in common with other hotels in the sector, the general economic activity and perceived health of the economy.

Covid-19 risk

Following the outbreak of the COVID-19 virus in early 2020, the directors have considered the impact this short term disruption could have upon the business. As a hotelier the business has been interrupted by the government restrictions placed on hotel and leisure business, however the directors have taken appropriate steps to mitigate the impact of this interruption and are confident that the group has adequate resources and support from the shareholders to withstand this disruption and resume full hotel and leisure services as soon as is possible.

Liquidity risk

In respect of bank balances, the liquidity risk is managed by maintaining the continuity of funding and regular review of monthly management information, including management accounts and cash flow results and forecasts.

Credit risk

Credit risk is managed through policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Price risk

The price risk is monitored through regular consideration of competitor pricing and occupancy.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straight forward nature of the business the directors are of the opinion that analysis using KPIs is of limited value. However the directors do monitor the hotel occupancy rates, turnover and gross and operating profit.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

The directors of Havana West Limited consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of all stakeholders of the company including its shareholders, employees, customers and the wider community. By managing the business responsibly the directors intend to support a financially stable and rewarding organisation which looks to deliver value for all stakeholders.

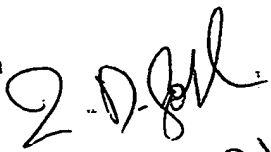
HAVANA WEST LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

I D Solkin
Director

Date:


15/12/2021.

HAVANA WEST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £451,964 (2019: loss £494,456).

During the year no dividends were paid (2019: £Nil). The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors who served during the year were:

L L de Savary
I D Solkin

DISABLED EMPLOYEES

The group's policy is to recruit disabled staff for those vacancies that they are able to fill. All necessary assistance with training is given. Once employed, a career plan is developed so as to ensure that there are suitable opportunities within the group for each disabled person. Where employees become disabled, then whenever possible arrangements are made for retraining them to perform work identified as appropriate to their aptitudes and abilities.

MATTERS COVERED IN THE STRATEGIC REPORT

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires a Strategic Report to be prepared. Where mandatory disclosures in the Directors' Report are considered by the directors to be of strategic importance these have been included within the Strategic Report rather than the Directors' Report.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

Subsequent to the year end, in early 2020, the group has been impacted by the outbreak of COVID-19. Although this is a non-adjusting post balance sheet the directors have taken appropriate steps to mitigate the impact of this outbreak on the future of the group.

GOING CONCERN

The directors, despite the group having net current liabilities, have concluded that the group's accounts should be prepared on a going concern basis. The directors have assessed the future trading and funding requirements concluding that all liabilities can be met as required. This assessment has included inquiry of shareholders and related parties to whom money is owed and they have confirmed ongoing support, stating that repayment will not be sought if detrimental to the going concern status of the group.

The directors have assessed the on-going COVID-19 pandemic and have taken appropriate steps to mitigate the impact of this outbreak on the future of the group. The directors have, therefore, concluded that it is appropriate for the accounts to be prepared on a going concern basis.

HAVANA WEST LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

I D Solkin
Director

Date:

Minerva House
Lower Bristol Road
Bath
BA2 9ER

2. D. Solkin
15/12/2021

HAVANA WEST LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the 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 the Group 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAVANA WEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAVANA WEST LIMITED

OPINION

We have audited the financial statements of Havana West Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and company Statements of Financial Position, the Group Statement of Cash Flows, the Group and company Statement of Changes in Equity and the related notes, 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 Group's and of the parent company's affairs as at 31 December 2020 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or the 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.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

HAVANA WEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAVANA WEST LIMITED (CONTINUED)

OPINION 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 Group 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 Group 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 set out on page 5, 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 Group's and 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAVANA WEST LIMITED (CONTINUED)

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 an Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the industry and sector, control environment and group performance;
- results of our enquiries of management and the board about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations 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; and
- 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, which included incorrect recognition of revenue and management override of controls using manual journal entries, and these were identified as the greatest potential area 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 and tax 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 compliance with Health and Safety regulations; GDPR; Company law; and tax and employment legislation.

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;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management and those charged with governance 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; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

HAVANA WEST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAVANA WEST LIMITED (CONTINUED)

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.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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.

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

USE OF OUR REPORT

This report is made solely to the company's directors, 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 directors 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 company and the company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 20/12/2021

HAVANA WEST LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	10,682,149	9,674,552
Cost of sales		(5,801,105)	(3,212,864)
Exceptional cost of sales		-	(257,002)
Gross profit		4,881,044	6,204,686
Administrative expenses		(5,515,543)	(7,147,831)
Other operating income	5	1,150,941	-
Operating profit/(loss)	6	516,442	(943,145)
Interest receivable	9	149,718	640,331
Interest payable	10	(120,240)	(132,883)
Profit/(loss) before taxation		545,920	(435,697)
Tax on profit/(loss)	11	(93,956)	(58,759)
Profit/(loss) for the financial year		451,964	(494,456)

The notes on pages 18 to 38 form part of these financial statements.

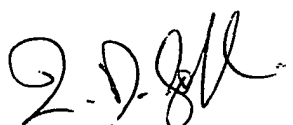
HAVANA WEST LIMITED
REGISTERED NUMBER:04448428

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 (restated) £
Fixed assets			
Intangible assets	14	632,042	828,347
Tangible fixed assets		17,437,144	17,807,125
Investment property	17	2,629,937	1,526,157
		<u>20,699,123</u>	<u>20,161,629</u>
Current assets			
Stocks	18	878,125	4,304,306
Debtors: amounts falling due within one year	19	9,415,734	10,411,470
Cash at bank and in hand	20	1,442,234	1,551,392
		<u>11,736,093</u>	<u>16,267,168</u>
Creditors: amounts falling due within one year	21	(14,094,471)	(20,176,467)
Net current liabilities		<u>(2,358,378)</u>	<u>(3,909,299)</u>
Total assets less current liabilities		<u>18,340,745</u>	<u>16,252,330</u>
Creditors: amounts falling due after more than one year	22	(7,062,954)	(6,420,316)
Provisions for liabilities			
Deferred taxation	24	(270,727)	(228,404)
		<u>(270,727)</u>	<u>(228,404)</u>
Net assets		<u>11,007,064</u>	<u>9,603,610</u>
Capital and reserves			
Called up share capital	25	11,942,332	11,942,332
Revaluation reserve	26	951,490	-
Profit and loss account	26	(1,886,758)	(2,338,722)
		<u>11,007,064</u>	<u>9,603,610</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

I D Solkin
Director
Date:


15/12/2021

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED
REGISTERED NUMBER:04448428

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 (restated) £
Fixed assets			
Intangible assets	14	-	3,270
Tangible assets	15	3,549,871	3,590,021
Investments	16	6,648,166	6,648,166
Investment property	17	1,379,937	1,227,647
		<u>11,577,974</u>	<u>11,469,104</u>
Current assets			
Stocks	18	583,299	3,214,186
Debtors: amounts falling due within one year	19	17,692,450	19,605,256
Cash at bank and in hand	20	811,408	1,097,412
		<u>19,087,157</u>	<u>23,916,854</u>
Creditors: amounts falling due within one year	21	(13,301,843)	(20,432,426)
Net current assets		<u>5,785,314</u>	<u>3,484,428</u>
Total assets less current liabilities		<u>17,363,288</u>	<u>14,953,532</u>
Creditors: amounts falling due after more than one year	22	(3,749,664)	(2,587,500)
Provisions for liabilities			
Deferred taxation	24	(135,174)	(115,078)
		<u>(135,174)</u>	<u>(115,078)</u>
Net assets		<u>13,478,450</u>	<u>12,250,954</u>
Capital and reserves			
Called up share capital	25	11,942,332	11,942,332
Profit and loss account brought forward		308,622	391,571
Profit/(loss) for the year		1,227,496	(382,106)
Other changes in the profit and loss account		-	299,157
		<u>1,536,118</u>	<u>308,622</u>
Profit and loss account carried forward		<u>13,478,450</u>	<u>12,250,954</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

I D Solkin
Director
Date:

2-D Solkin
15/12/2021

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Revaluation reserve	Profit and loss account (restated)	Total equity (restated)
	£	£	£	£
At 1 January 2020	11,942,332	-	(2,338,722)	9,603,610
Profit for the year	-	-	451,964	451,964
Surplus on revaluation of freehold property	-	951,490	-	951,490
At 31 December 2020	11,942,332	951,490	(1,886,758)	11,007,064

The notes on pages 18 to 38 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account (restated)	Total equity (restated)
	£	£	£
At 1 January 2019	11,942,332	(1,844,266)	10,098,066
Loss for the year	-	(494,456)	(494,456)
At 31 December 2019	11,942,332	(2,338,722)	9,603,610

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account (restated)	Total equity (restated)
	£	£	£
At 1 January 2020	11,942,332	308,622	12,250,954
Profit for the year	-	1,227,496	1,227,496
At 31 December 2020	11,942,332	1,536,118	13,478,450

The notes on pages 18 to 38 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account (restated)	Total equity (restated)
	£	£	£
At 1 January 2019	11,942,332	391,571	12,333,903
Loss for the year	-	(382,106)	(382,106)
Dividends: Equity capital	-	299,157	299,157
At 31 December 2019	11,942,332	308,622	12,250,954

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit/(loss) for the financial year	451,964	(494,456)
Adjustments for:		
Amortisation of intangible assets	196,305	221,649
Depreciation of tangible assets	489,471	546,934
Loss on disposal of tangible assets	-	(489)
Government grants	(1,150,941)	-
Interest paid	120,240	132,883
Interest received	(149,718)	(640,331)
Taxation charge	93,956	58,759
Decrease/(increase) in stocks	3,426,181	(958,403)
(Increase)/decrease in debtors	(3,679,686)	581,180
(Decrease)/increase in creditors	(90,438)	53,375
Increase in amounts owed to participating ints	217,197	115,056
Corporation tax paid	-	(71,409)
Net cash generated from operating activities	(75,469)	(455,252)
Cash flows from investing activities		
Purchase of tangible fixed assets	(119,490)	(494,552)
Sale of tangible fixed assets	-	319,675
Purchase of investment properties	(152,290)	-
Government grants received	1,150,941	-
Interest received	149,718	640,331
Net cash from investing activities	1,028,879	465,454
Cash flows from financing activities		
New secured loans	2,116,473	-
Repayment of loans	(3,068,674)	(199,233)
Other new loans	-	352,627
Interest paid	(120,240)	(132,883)
Net cash used in financing activities	(1,072,441)	20,511

HAVANA WEST LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Net (decrease)/increase in cash and cash equivalents	(119,031)	30,713
Cash and cash equivalents at beginning of year	1,551,392	1,520,679
Cash and cash equivalents at the end of year	1,432,361	1,551,392
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,442,234	1,551,392
Bank overdrafts	(9,873)	-
	1,432,361	1,551,392

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	New loans £	At 31 December 2020 £
Cash at bank and in hand	1,551,392	(109,158)	-	1,442,234
Bank overdrafts	-	-	-	-
Debt due after 1 year	(6,420,316)	(1,842,282)	1,199,644	(7,062,954)
Debt due within 1 year	(17,979,075)	1,461,137	133,602	(16,384,336)
	<u>(22,847,999)</u>	<u>(490,303)</u>	<u>1,333,246</u>	<u>(22,005,056)</u>

The notes on pages 18 to 38 form part of these financial statements.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Havana West Limited is a limited liability company incorporated in England and Wales. The registered office is Minerva House, Lower Bristol Road, Bath, BA2 9ER.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 GOING CONCERN

The directors, despite the group having net current liabilities, have concluded that the group's accounts should be prepared on a going concern basis. The directors have assessed the future trading and funding requirements concluding that all liabilities can be met as required. This assessment has included inquiry of shareholders and related parties to whom money is owed and they have confirmed ongoing support, stating that repayment will not be sought if detrimental to the going concern status of the group.

The directors have assessed the on-going COVID-19 pandemic and have taken appropriate steps to mitigate the impact of this outbreak on the future of the group. The directors have, therefore, concluded that it is appropriate for the accounts to be prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.4 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

OTHER INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold property	- 2% Straight Line
Plant and machinery	- 20% Straight Line
Motor vehicles	- 20% Straight Line
Fixtures and fittings	- 20% Straight Line
Office equipment	- 20% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.8 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.9 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Development costs are held at cost whilst development is still in progress

2.11 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.15 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.16 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.17 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (continued)

2.18 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.20 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.21 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.22 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these significant judgments and estimates have been made include:

Depreciation

Within each fixed asset class, management allocates an appropriate depreciation rate for each asset based on their assessment of the assets useful economic life and expected residual value. These vary due to the differing nature of the assets.

Goodwill and amortisation

Consolidated goodwill has been recognised on the acquisition of subsidiary companies in both previous and the current accounting period. Consolidated goodwill is capitalised, classified as an asset on the Consolidated Statement of Financial Position and amortised on a straight line bases over the useful life. The amortisation rate is based upon the directors assessment of the assets' useful economic life and expected residual value.

Goodwill has also been recognised by the company on the acquisition of trade and assets of several hotels. Goodwill is capitalised, classified as an asset on the Statement of Financial Position and amortised on a straight line basis over the useful life. The amortisation rate is based upon the directors assessment of the assets useful economic life and expected residual value.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Hotel and Public House	5,437,301	9,674,552
Sale of property	5,244,848	-
	<u>10,682,149</u>	<u>9,674,552</u>

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2020 £	2019 £
Government grants receivable	1,150,941	-
	<u>1,150,941</u>	<u>-</u>

HAVANA WEST LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****6. OPERATING PROFIT/(LOSS)**

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

	2020 £	2019 £
Depreciation of tangible fixed assets	589,764	546,934
Exchange differences	-	221,649
Auditors' remuneration	38,000	36,250
Other operating lease rentals	97,649	82,264
Defined contribution costs	18,291	29,703
	<u>589,764</u>	<u>886,800</u>

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	3,327,044	3,855,557	271,775	268,324
Social security costs	133,179	131,252	2,045	6,309
Cost of defined contribution scheme	19,430	39,703	5,722	11,891
	<u>3,479,653</u>	<u>4,026,512</u>	<u>279,542</u>	<u>286,524</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees	238	278
	<u>238</u>	<u>278</u>

8. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	68,333	87,000
Company contributions to defined contribution pension schemes	4,583	10,000
	<u>72,916</u>	<u>97,000</u>

During the year retirement benefits were accruing to no directors (2019: 1) in respect of defined contribution pension schemes.

There were no key management other than the directors.

HAVANA WEST LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****9. INTEREST RECEIVABLE**

	2020 £	2019 £
Other interest receivable	149,718	640,331
	<u>149,718</u>	<u>640,331</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Bank interest payable	120,240	132,883
	<u>120,240</u>	<u>132,883</u>

11. TAXATION

	2020 £	2019 £
CORPORATION TAX		
Current tax on profits for the year	51,633	-
TOTAL CURRENT TAX	<u>51,633</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	42,323	58,759
TOTAL DEFERRED TAX	<u>42,323</u>	<u>58,759</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>93,956</u>	<u>58,759</u>

HAVANA WEST LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****11. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	545,920	(435,697)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	103,725	(82,782)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	77,608	42,113
Expenses not deductible for tax purposes	12,894	301
Capital allowances for year in excess of depreciation	-	74,717
Unutilised tax losses carried forward	-	54,141
Income not taxable for tax purposes	(46,583)	-
Other permanent differences	1,719	21,715
Adjustment to changes in deferred tax rates	(89,249)	-
Deferred tax not recognised	33,842	-
Deferred tax charge/(credit)	-	(51,446)
TOTAL TAX CHARGE FOR THE YEAR	93,956	58,759

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company has significant trade and capital losses carried forward which could be utilised to offset against future taxable profits.

12. EXCEPTIONAL ITEMS

	2020 £	2019 £
Impairment of property development costs	-	257,002
	-	257,002

13. PARENT COMPANY PROFIT FOR THE YEAR

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £1,227,496 (2019: loss £382,106).

HAVANA WEST LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****14. INTANGIBLE ASSETS****Group**

	Goodwill £
COST	
At 1 January 2020	3,055,051
At 31 December 2020	<u>3,055,051</u>
AMORTISATION	
At 1 January 2020	2,226,704
Charge for the year on owned assets	196,305
At 31 December 2020	<u>2,423,009</u>
NET BOOK VALUE	
At 31 December 2020	<u>632,042</u>
At 31 December 2019	<u>828,347</u>

Company

	Goodwill £
COST	
At 1 January 2020	50,000
At 31 December 2020	<u>50,000</u>
AMORTISATION	
At 1 January 2020	46,730
Charge for the year	3,270
At 31 December 2020	<u>50,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>3,270</u>

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION						
At 1 January 2020	12,303,926	5,383,477	1,237,423	2,768,006	27,961	21,720,793
Additions	52,916	-	17,509	49,065	-	119,490
At 31 December 2020	12,356,842	5,383,477	1,254,932	2,817,071	27,961	21,840,283
DEPRECIATION						
At 1 January 2020	755,123	619,123	238,035	2,291,542	9,845	3,913,668
Charge for the year on owned assets	238,897	107,486	62,631	74,609	5,848	489,471
At 31 December 2020	994,020	726,609	300,666	2,366,151	15,693	4,403,139
NET BOOK VALUE						
At 31 December 2020	11,362,822	4,656,868	954,266	450,920	12,268	17,437,144
At 31 December 2019	11,548,803	4,764,354	999,388	476,464	18,116	17,807,125

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
COST OR VALUATION				
At 1 January 2020	3,729,262	47,405	261,810	4,038,477
Additions	360	-	95	455
At 31 December 2020	3,729,622	47,405	261,905	4,038,932
DEPRECIATION				
At 1 January 2020	259,826	46,859	141,771	448,456
Charge for the year on owned assets	34,725	171	5,709	40,605
At 31 December 2020	294,551	47,030	147,480	489,061
NET BOOK VALUE				
At 31 December 2020	3,435,071	375	114,425	3,549,871
At 31 December 2019	3,469,436	546	120,039	3,590,021

HAVANA WEST LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****16. FIXED ASSET INVESTMENTS****Company**

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2020	6,673,167
At 31 December 2020	6,673,167
IMPAIRMENT	
At 1 January 2020	25,001
At 31 December 2020	25,001
NET BOOK VALUE	
At 31 December 2020	6,648,166
At 31 December 2019	6,648,166

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
The Parkway Hotel and Spa Limited	Hotel and leisure complex	Ordinary	100%
Beachcroft Hotels Limited	Hotel	Ordinary	100%
Middlepoint Developments Limited	Property development	Ordinary	100%
Castledrive Developments Limited	Property development	Ordinary	100%
Penzance Maritime Holdings Limited	Dry dock rental and management services	Ordinary	100%
Merry Harriers Limited	Hotel	Ordinary	100%
The Cary Arms Hotel and Spa Limited	Hotel	Ordinary	100%
The Eastbury (Sherborne) Limited	Hotel	Ordinary	100%

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. INVESTMENT PROPERTY

Group

	Freehold investment property £
VALUATION	
At 1 January 2020	1,526,157
Additions at cost	1,103,780
AT 31 DECEMBER 2020	2,629,937

The 2020 valuations were made by the directors, on an open market value for existing use basis.

If the investment properties were sold at the values shown in the financial statements at the Statement of Financial Position date, there would be no tax liabilities. Currently the directors consider the future utilisation of any capital loss to be remote and as such have not recognised an associated deferred tax asset.

Company

	Freehold investment property £
VALUATION	
At 1 January 2020	1,227,647
Additions at cost	152,290
AT 31 DECEMBER 2020	1,379,937

The 2020 valuations were made by the directors, on an open market value for existing use basis.

18. STOCKS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Development costs	816,817	4,204,393	582,935	3,213,669
Finished goods and goods for resale	61,308	99,913	364	517
	878,125	4,304,306	583,299	3,214,186

The difference between purchase price or production cost of stocks and their replacement cost is not material.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. DEBTORS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	40,009	102,507	-	44,159
Amounts owed by group undertakings	-	-	9,100,640	9,867,866
Amounts owed by related undertakings	534,472	357,068	-	-
Other debtors	8,613,668	9,717,348	8,538,950	9,652,289
Prepayments and accrued income	227,585	234,547	52,860	40,942
	<u>9,415,734</u>	<u>10,411,470</u>	<u>17,692,450</u>	<u>19,605,256</u>

Other debtors and loans

There are no agreed repayment terms attached to the other debtors and loans and as such they are recognised as current assets.

Securities and interest rates attached to the loans are as follows:

- £ (2019: £5,503,218) is secured by way of a legal charge over property held by Charter House Investments LLP, a related entity. Interest is charged at 8%.

- £1,738,294 (2019: £1,738,294) due from Charter House Projects LLP, a related entity, is unsecured and charges interest at 6%.

The remaining other debtors and loans are unsecured and interest free.

Amounts owed by group undertakings

Amounts owed by group undertakings are repayable on demand and interest free.

20. CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	1,442,234	1,551,392	811,408	1,097,412
Less: bank overdrafts	(9,873)	-	(9,873)	-
	<u>1,432,361</u>	<u>1,551,392</u>	<u>801,535</u>	<u>1,097,412</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 (restated) £	Group 2019 (restated) £	Company 2020 (restated) £	Company 2019 (restated) £
Bank overdrafts	9,873	-	9,873	-
Bank loans	1,091,152	211,743	283,336	150,000
Other loans	10,597,362	17,747,032	10,597,362	17,747,032
Trade creditors	258,035	470,469	56,932	99,709
Amounts owed to group undertakings	-	-	2,225,829	2,395,748
Amounts owed to related undertakings	869,886	652,689	-	-
Corporation tax	51,633	-	51,633	-
Other taxation and social security	328,979	361,510	51,438	7,207
Other creditors	103,670	136,190	280	1,038
Accruals and deferred income	783,881	596,834	25,160	31,692
	14,094,471	20,176,467	13,301,843	20,432,426

Bank loans

The bank loan relates to two loans secured against assets of the group, and interest is charged at a rate of 3.25% above libor plus the rate per annum determined by the Bank of England, and base rate plus 3.25% respectively.

Other loans

There is no agreed repayment terms attached to the other loans and as such are deemed to be repayable on demand. However the directors do not expect to settle these debts in the foreseeable future if detrimental to the group's ability to continue as a going concern.

Included within other loans is £7,769,076 (2019: £9,378,118) of unsecured and interest free loans due to the group's shareholder's immediate family and other related entities. A balance of £4,663,042 (2019: £4,663,042) due to the group's shareholder is included within other loans and security has been given over property held by the company. The loan is interest free.

Amounts owed to group undertakings

Amounts owed to group undertakings are payable on demand and interest free.

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	3,787,954	3,395,316	3,749,664	2,587,500
Other loans	3,275,000	3,025,000	-	-
	7,062,954	6,420,316	3,749,664	2,587,500

See note 23 for further details on bank loans.

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. LOANS

The scheduled repayments of the outstanding loans are as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank loans	1,091,152	211,743	283,336	150,000
Other loans	10,597,362	17,747,032	10,597,362	17,747,032
	<u>11,688,514</u>	<u>17,958,775</u>	<u>10,880,698</u>	<u>17,897,032</u>
AMOUNTS FALLING DUE 1-2 YEARS				
Bank loans	988,066	957,816	949,776	150,000
Other loans	3,025,000	3,025,000	-	-
	<u>4,013,066</u>	<u>3,982,816</u>	<u>949,776</u>	<u>150,000</u>
AMOUNTS FALLING DUE 2-5 YEARS				
Bank loans	2,799,888	2,437,500	2,799,888	2,437,500
Other loans	250,000	-	-	-
	<u>3,049,888</u>	<u>2,437,500</u>	<u>2,799,888</u>	<u>2,437,500</u>
	<u>18,751,468</u>	<u>24,379,091</u>	<u>14,630,362</u>	<u>20,484,532</u>

24. DEFERRED TAXATION

Group

	2020 £	2019 £
At beginning of year	(228,404)	(169,645)
Charged to profit or loss	(42,323)	(58,759)
AT END OF YEAR	<u>(270,727)</u>	<u>(228,404)</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

24. DEFERRED TAXATION (CONTINUED)

Company

	2020 £	2019 £
At beginning of year	(115,078)	(110,192)
Charged to profit or loss	(20,096)	(4,886)
AT END OF YEAR	(135,174)	(115,078)

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(365,727)	(323,404)	(135,174)	(115,078)
Tax losses carried forward	95,000	95,000	-	-
	(270,727)	(228,404)	(135,174)	(115,078)

25. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
11,942,332 (2019: 11,942,332) Ordinary shares of £1.00 each	11,942,332	11,942,332

26. RESERVES

Revaluation reserve

The revaluation reserve amounts to the surplus above cost on the valuation of the land and buildings.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

27. PRIOR YEAR ADJUSTMENT

During the year it was noted that a previous transaction involving another company under common control which took place in the year ended 31 December 2018 had not been reflected in the company and group accounts. In 2018 a company under common control was acquired by the group for nominal consideration prior to the clearance of intercompany balances owing and that company being dissolved. As a result an intercompany creditor balance of £3.5m was cleared in 2018 resulting in a credit to profit and loss. The opening comparative profit and loss reserves have been restated to reflect the increase of £3.5m and the comparative balance sheet restated to reflect the removal of the corresponding creditor balance for both the company and the group.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

28. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	60,000	60,000
Later than 1 year and not later than 5 years	240,000	240,000
Later than 5 years	5,137,500	5,197,500
	<u>5,437,500</u>	<u>5,497,500</u>

29. RELATED PARTY TRANSACTIONS

The company has taken exemption under FRS 102, Section 33, not to disclose transactions with group companies as they are presented in the consolidated accounts.

	2020 £	2019 £
Amounts due from subsidiaries	11,187,604	12,512,820
Amounts due to subsidiaries	(369,642)	(1,991,608)
Amounts due from companies under common ownership	234,600	347,700
Amounts due from related entities	7,101,723	8,659,132
Amounts due to related entities	(5,470,468)	(11,509,411)
Amounts due to shareholders	(4,702,506)	(9,378,118)

Key management personnel consist only of the directors, of which remuneration details are available in note 7 of the financial statements.

30. CONTROLLING PARTY

The group is controlled by L L de Savary by virtue of her legal shareholding.