

HAVANA WEST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



HAVANA WEST LIMITED

COMPANY INFORMATION

DIRECTORS	L L de Savary I D Solkin
COMPANY SECRETARY	J Keefe
REGISTERED NUMBER	04448428
REGISTERED OFFICE	c/o Bishop Fleming LLP 10 Temple Back Bristol BS1 6FL
INDEPENDENT AUDITORS	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL
BANKERS	Coutts & Co 440 Strand London WC2R 0QS

HAVANA WEST LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

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

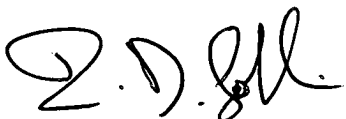
The price risk is monitored through regular consideration of competitor pricing and occupancy.

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.

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

I D Solkin
Director



Date:

24/11/2023.

HAVANA WEST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £204,235 (2021: profit £602,712).

During the year no dividends were paid (2021: £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

FUTURE DEVELOPMENTS

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.

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

On 14 November 2023, the property and trade of the Merry Harriers Limited was sold. Management have confirmed that the entity will continue to exist for at least 12 months from the date of these accounts.

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.

HAVANA WEST LIMITED

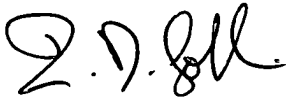
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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:

24/11/2023.

c/o Bishop Fleming LLP
10 Temple Back
Bristol
BS1 6FL

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the 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 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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 4, 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.

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

- We have considered the nature of the industry and sector, control environment, and business performance;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating effectively, in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off.

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 have 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, FRS 102 and UK 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 avoid a material penalty. These included health and safety regulations and employment law.

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;
- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed testing in relation to the recognition of revenue with a particular focus around the year end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

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

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

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.



Richard Newton FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date:

01/12/23

HAVANA WEST LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	10,737,438	9,911,557
Cost of sales		(5,142,199)	(3,763,378)
Gross profit		5,595,239	6,148,179
Administrative expenses		(6,073,238)	(6,509,070)
Other operating income	5	46,001	1,045,148
Operating (loss)/profit	6	(431,998)	684,257
Interest receivable and similar income	10	369,785	267,270
Interest payable and similar expenses	11	(193,692)	(136,414)
(Loss)/profit before taxation		(255,905)	815,113
Tax on (loss)/profit	12	51,670	(212,401)
(Loss)/profit for the financial year		(204,235)	602,712
Unrealised surplus on revaluation of tangible fixed assets		-	231,572
Total comprehensive income for the year		(204,235)	834,284

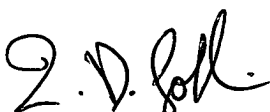
The notes on pages 16 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	275,574	443,406
Tangible assets	15	17,051,623	19,323,746
Investment property	17	2,629,937	2,629,937
		<u>19,957,134</u>	<u>22,397,089</u>
Current assets			
Stocks	18	1,178,474	430,182
Debtors: amounts falling due within one year	19	8,285,229	8,470,217
Cash at bank and in hand	20	382,501	485,521
		<u>9,846,204</u>	<u>9,385,920</u>
Creditors: amounts falling due within one year	21	(16,630,429)	(15,309,089)
Net current liabilities		<u>(6,784,225)</u>	<u>(5,923,169)</u>
Total assets less current liabilities		<u>13,172,909</u>	<u>16,473,920</u>
Creditors: amounts falling due after more than one year	22	(1,388,733)	(4,206,356)
Provisions for liabilities			
Deferred taxation	24	(378,635)	(426,216)
		<u>(378,635)</u>	<u>(426,216)</u>
Net assets		<u>11,405,541</u>	<u>11,841,348</u>
Capital and reserves			
Called up share capital	25	11,942,332	11,942,332
Revaluation reserve	26	951,490	1,183,062
Profit and loss account	26	(1,488,281)	(1,284,046)
		<u>11,405,541</u>	<u>11,841,348</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:

24/11/2023.

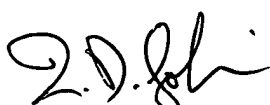
The notes on pages 16 to 38 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	3,896,945	5,349,791
Investments	16	6,648,166	6,648,166
Investment Property	17	1,379,937	1,379,937
		<u>11,925,048</u>	<u>13,377,894</u>
Current assets			
Debtors: amounts falling due within one year	19	15,287,169	14,681,703
Cash at bank and in hand	20	17,993	210,239
		<u>15,305,162</u>	<u>14,891,942</u>
Creditors: amounts falling due within one year	21	(14,164,738)	(11,460,005)
Net current assets		<u>1,140,424</u>	<u>3,431,937</u>
Total assets less current liabilities		<u>13,065,472</u>	<u>16,809,831</u>
Creditors: amounts falling due after more than one year	22	(644,283)	(3,310,883)
Provisions for liabilities			
Deferred taxation	24	(129,223)	(211,816)
		<u>(129,223)</u>	<u>(211,816)</u>
Net assets		<u>12,291,966</u>	<u>13,287,132</u>
Capital and reserves			
Called up share capital	25	11,942,332	11,942,332
Revaluation reserve	26	-	231,572
Profit and loss account	26	349,634	1,113,228
Loss for the year		<u>(763,594)</u>	<u>(422,890)</u>
Profit and loss account carried forward		349,634	1,113,228
		<u>12,291,966</u>	<u>13,287,132</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:

24/11/2023

The notes on pages 16 to 38 form part of these financial statements.

HAVANA WEST LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	11,942,332	1,183,062	(1,284,046)	11,841,348
Loss for the year	-	-	(204,235)	(204,235)
Release of revaluation reserve on sale of fixed assets	-	(231,572)	-	(231,572)
At 31 December 2022	11,942,332	951,490	(1,488,281)	11,405,541

The notes on pages 16 to 38 form part of these financial statements.

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	11,942,332	951,490	(1,886,758)	11,007,064
Profit for the year	-	-	602,712	602,712
Surplus on revaluation of freehold property	-	231,572	-	231,572
At 31 December 2021	11,942,332	1,183,062	(1,284,046)	11,841,348

The notes on pages 16 to 38 form part of these financial statements.

HAVANA WEST LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	11,942,332	231,572	1,113,228	13,287,132
Loss for the year	-	-	(763,594)	(763,594)
Release of revaluation reserve on sale of fixed assets	-	(231,572)	-	(231,572)
At 31 December 2022	11,942,332	-	349,634	12,291,966

The notes on pages 16 to 38 form part of these financial statements.

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	11,942,332	-	1,536,118	13,478,450
Loss for the year	-	-	(422,890)	(422,890)
Surplus on revaluation of freehold property	-	231,572	-	231,572
At 31 December 2021	11,942,332	231,572	1,113,228	13,287,132

The notes on pages 16 to 38 form part of these financial statements.

HAVANA WEST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(204,235)	602,712
Adjustments for:		
Amortisation of intangible assets	167,832	188,636
Depreciation of tangible assets	643,436	558,596
Loss on disposal of tangible assets	(94,438)	-
Government grants	(46,001)	(1,045,148)
Interest paid	193,692	136,412
Interest received	(369,785)	(267,270)
Taxation charge	(51,670)	212,401
(Increase)/decrease in stocks	(96,122)	447,943
Decrease in debtors	184,988	944,243
(Decrease)/increase in creditors	(450,749)	637,323
(Decrease)/increase in amounts owed to participating ints	(416,100)	553,403
Corporation tax (paid)	(51,481)	(34,251)
Revaluation surplus	(231,572)	231,572
Net cash generated from operating activities	(822,205)	3,166,572
Cash flows from investing activities		
Purchase of tangible fixed assets	(681,948)	(2,159,728)
Sale of tangible fixed assets	1,752,903	-
Government grants received	46,001	1,024,519
Interest received	369,785	5,537
Net cash from investing activities	1,486,741	(1,129,672)

HAVANA WEST LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
New secured loans	2,512,500	-
Repayment of loans	(3,090,985)	(2,909,865)
Interest paid	(178,777)	(94,043)
Net cash used in financing activities	(757,262)	(3,003,908)
Net (decrease) in cash and cash equivalents	(92,726)	(967,008)
Cash and cash equivalents at beginning of year	475,227	1,442,234
Cash and cash equivalents at the end of year	382,501	475,226
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	382,501	485,521
Bank overdrafts	-	(10,295)
	382,501	475,226

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	New loans £	At 31 December 2022 £
Cash at bank and in hand	485,521	(103,020)	-	382,501
Bank overdrafts	(10,295)	10,295	-	-
Debt due after 1 year	(4,206,356)	2,817,623	-	(1,388,733)
Debt due within 1 year	(11,659,397)	(4,746,660)	2,512,500	(13,893,557)
	(15,390,527)	(2,021,762)	2,512,500	(14,899,789)

The notes on pages 16 to 38 form part of these financial statements.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Havana West Limited is a limited liability company incorporated in England and Wales. The registered office is 10 Temple Back, Bristol, BS1 6FL.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022**

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 Group 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
Other fixed assets	-

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 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.

2.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

2.9 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

2.10 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.

2.11 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.

2.12 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.

2.13 GOVERNMENT GRANTS

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 2022

2. ACCOUNTING POLICIES (continued)

2.14 FINANCIAL INSTRUMENTS

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

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

2.14 FINANCIAL INSTRUMENTS (CONTINUED)

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

2.15 OPERATING LEASES: LESSEE

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

2.16 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.

2.17 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (continued)

2.18 INTEREST INCOME

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

2.19 BORROWING COSTS

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

2.20 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 reporting 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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:

	2022 £	2021 £
Hotel and Public House	10,737,438	9,026,800
Sale of property	-	884,757
	<u>10,737,438</u>	<u>9,911,557</u>

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2022 £	2021 £
Government grants receivable	46,001	1,045,148
	<u>46,001</u>	<u>1,045,148</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. OPERATING (LOSS)/PROFIT

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

	2022 £	2021 £
Auditors remuneration	43,850	45,000
Depreciation of tangible fixed assets	495,512	504,698
Defined contribution costs	70,774	54,279
	<u>510,136</u>	<u>603,977</u>

7. AUDITORS' REMUNERATION

During the year, the Group obtained the following services from the company's auditors:

	2022 £	2021 £
Fees payable to the company's auditors for the audit of the consolidated and parent company's financial statements	43,850	45,000
	<u>43,850</u>	<u>45,000</u>

8. EMPLOYEES

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	4,785,014	3,900,644	531,173	290,972
Social security costs	291,991	263,284	56,853	39,619
Cost of defined contribution scheme	80,668	54,279	18,021	20,059
	<u>5,157,673</u>	<u>4,218,207</u>	<u>606,047</u>	<u>350,650</u>

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

	2022 No.	2021 No.
Employees	237	245
	<u>237</u>	<u>245</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	110,833	71,667
Group contributions to defined contribution pension schemes	10,000	9,375
	<u>120,833</u>	<u>81,042</u>

During the year retirement benefits were accruing to no directors (2021: NIL) in respect of defined contribution pension schemes.

There were no key management other than the directors.

10. INTEREST RECEIVABLE

	2022 £	2021 £
Other interest receivable	369,785	267,270
	<u>369,785</u>	<u>267,270</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Bank interest payable	193,692	136,414
	<u>193,692</u>	<u>136,414</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. TAXATION

	2022 £	2021 £
CORPORATION TAX		
Current tax on profits for the year	-	56,912
Adjustments in respect of previous periods	(4,089)	-
	<u>(4,089)</u>	<u>56,912</u>
TOTAL CURRENT TAX	<u>(4,089)</u>	<u>56,912</u>
DEFERRED TAX		
Origination and reversal of timing differences	(47,581)	155,489
TOTAL DEFERRED TAX	<u>(47,581)</u>	<u>155,489</u>
TAX ON (LOSS)/PROFIT	<u>(51,670)</u>	<u>212,401</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	(255,905)	815,113
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(43,228)	154,871
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	22,230	26,627
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	564	(2,950)
Fixed asset differences	76,781	75,987
Utilisation of tax losses	22,217	-
Deferred tax not recognised	(117,113)	(5,528)
Remeasurement of deferred tax for changes in tax rates	16,540	(28,053)
Short-term timing difference leading to an increase (decrease) in taxation	(3,129)	-
Non-taxable income	(18,535)	(22,839)
Other permanent differences	(7,997)	14,286
TOTAL TAX CHARGE FOR THE YEAR	<u>(51,670)</u>	<u>212,401</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
12. 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. As enacted by the Government on 24 May 2021, the corporation tax rate will be increased from 19% to 25% with effect from 1 April 2023. Accordingly, this rate will be used to measure any deferred tax assets and liabilities.

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 loss after tax of the parent company for the year was £763,594 (2021: loss £422,890).

14. INTANGIBLE ASSETS**Group**

	Goodwill £
COST	
At 1 January 2022	3,055,051
Disposals	(50,000)
At 31 December 2022	<u>3,005,051</u>
AMORTISATION	
At 1 January 2022	2,611,645
Charge for the year on owned assets	167,832
On disposals	(50,000)
At 31 December 2022	<u>2,729,477</u>
NET BOOK VALUE	
At 31 December 2022	<u><u>275,574</u></u>
At 31 December 2021	<u><u>443,406</u></u>

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. INTANGIBLE ASSETS (CONTINUED)

Company

	Goodwill £
At 1 January 2022	50,000
Disposals	(50,000)
	<hr/>
At 31 December 2022	-
	<hr/>
At 1 January 2022	50,000
On disposals	(50,000)
	<hr/>
At 31 December 2022	-
	<hr/>
NET BOOK VALUE	
At 31 December 2022	-
	<hr/> <hr/>
At 31 December 2021	-
	<hr/> <hr/>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Held for sale £	Total £
COST OR VALUATION								
At 1 January 2022	12,153,360	5,383,477	1,236,372	484,233	2,952,535	45,100	2,021,704	24,276,781
Additions	345,885	-	4,708	215,331	94,923	21,101	-	681,948
Disposals	(14,595)	-	-	-	(81,706)	-	(2,021,704)	(2,118,005)
Reclassified to held for sale in stock	-	-	-	(652,170)	-	-	-	(652,170)
At 31 December 2022	12,484,650	5,383,477	1,241,080	47,394	2,965,752	66,201	-	22,188,554
DEPRECIATION								
At 1 January 2022	904,945	834,278	349,497	14,978	2,445,794	21,839	381,704	4,953,035
Charge for the year on owned assets	340,812	107,670	51,868	4,515	126,931	11,640	-	643,436
Disposals	-	-	-	-	(77,230)	(606)	(381,704)	(459,540)
At 31 December 2022	1,245,757	941,948	401,365	19,493	2,495,495	32,873	-	5,136,931
NET BOOK VALUE								
At 31 December 2022	11,238,893	4,441,529	839,715	27,901	470,257	33,328	-	17,051,623
At 31 December 2021	11,248,415	4,549,199	886,875	469,255	506,741	23,261	1,640,000	19,323,746

HAVANA WEST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Held for sale £	Total £
COST OR VALUATION					
At 1 January 2022	3,509,090	65,270	332,238	2,021,704	5,928,302
Additions	335,285	1,922	52,945	-	390,152
Disposals	-	-	(81,706)	(2,021,704)	(2,103,410)
At 31 December 2022	<u>3,844,375</u>	<u>67,192</u>	<u>303,477</u>	<u>-</u>	<u>4,215,044</u>
DEPRECIATION					
At 1 January 2022	-	47,405	149,402	381,704	578,511
Charge for the year on owned assets	140,311	3,628	55,189	-	199,128
Disposals	-	-	(77,836)	(381,704)	(459,540)
At 31 December 2022	<u>140,311</u>	<u>51,033</u>	<u>126,755</u>	<u>-</u>	<u>318,099</u>
NET BOOK VALUE					
At 31 December 2022	<u>3,704,064</u>	<u>16,159</u>	<u>176,722</u>	<u>-</u>	<u>3,896,945</u>
At 31 December 2021	<u>3,509,090</u>	<u>17,865</u>	<u>182,836</u>	<u>1,640,000</u>	<u>5,349,791</u>

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2022	6,648,166
At 31 December 2022	<u>6,648,166</u>

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%
The Eastbury (Sherborne) Limited	Hotel	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%
Seaview Cottages (Babbacombe) Association Limited (1)	Property management	N/A	N/A%

(1) This company is limited by guarantee. Its legal entity and controlling party is Havana West Limited. Seaview Cottages (Babbacombe) Association Limited (company number: 12780207) has elected to take the audit exemption allowed under S479A of the Companies Act 2006 relating to its individual statutory accounts.

UK registered subsidiary exempt from audit

Seaview Cottages (Babbacombe) Association Limited (company number: 12780207) has taken advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2022. This company is a subsidiary undertaking and is 100% owned by Havana West Limited. The Company will guarantee the debts and liabilities of this subsidiary listed at the balance sheet date in accordance with section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. INVESTMENT PROPERTY

Group

	Freehold investment property £
VALUATION	
At 1 January 2022	2,629,937
AT 31 DECEMBER 2022	2,629,937

The 2022 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 2022	1,379,937
AT 31 DECEMBER 2022	1,379,937

The 2022 valuations were made by the directors, on an open market value for existing use basis.

18. STOCKS

	Group 2022 £	Group 2021 £
Work in progress (goods to be sold)	427,014	328,253
Finished goods and goods for resale	751,460	101,929
	1,178,474	430,182

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. DEBTORS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	64,502	56,914	-	-
Amounts owed by group undertakings	-	-	7,281,201	6,396,984
Other debtors	7,762,392	8,274,582	7,703,824	8,245,290
Prepayments and accrued income	458,335	138,721	302,144	39,429
	8,285,229	8,470,217	15,287,169	14,681,703

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:

- £3,944,242 (2021: £3,894,793) is secured by way of a legal charge over property held by Charter House Investments LLP, a related entity. Interest is charged at 8%.

- £1,861,685 (2021: £1,834,212) due from Charter House Projects LLP, a related entity, is unsecured and charges interest at 6%.

Amounts owed by group undertakings

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

20. CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	382,501	485,521	17,993	210,239
Less: bank overdrafts	-	(10,295)	-	(10,295)
	382,501	475,226	17,993	199,944

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank overdrafts	-	10,295	-	10,295
Bank loans	2,829,104	544,538	2,666,600	416,600
Other loans	11,064,131	11,109,559	7,048,629	7,094,057
Trade creditors	479,951	694,109	78,960	176,788
Amounts owed to group undertakings	-	-	4,289,389	3,699,998
Amounts owed to other participating interests	1,007,189	1,423,289	-	-
Corporation tax	10,724	66,294	-	-
Other taxation and social security	443,561	324,962	12,260	31,178
Other creditors	111,184	151,164	(11,481)	143
Accruals and deferred income	684,585	984,879	80,381	30,946
	<u>16,630,429</u>	<u>15,309,089</u>	<u>14,164,738</u>	<u>11,460,005</u>

See note 23 for further details on bank loans.

Other loans

Other loans represent amounts of unsecured and interest free loans due to the controlling party entities over which the controlling party also has significant influence. The directors have received confirmation that the repayment of the balance will not be sought for the foreseeable future.

Amounts owed to group undertakings

Amounts owed to group undertakings are payable on demand and interest free. The directors have received confirmation that the repayment of the balance will not be sought for the foreseeable future.

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	1,388,733	4,206,356	644,283	3,310,883
	<u>1,388,733</u>	<u>4,206,356</u>	<u>644,283</u>	<u>3,310,883</u>

See note 23 for further details on bank loans and other loans.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. LOANS

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank loans	2,829,104	544,538	2,666,600	416,600
Other loans	11,064,131	11,109,559	7,048,629	7,094,057
	13,893,235	11,654,097	9,715,229	7,510,657
AMOUNTS FALLING DUE 1-2 YEARS				
Bank loans	431,096	546,450	266,600	416,600
	431,096	546,450	266,600	416,600
AMOUNTS FALLING DUE 2-5 YEARS				
Bank loans	957,637	3,659,906	377,683	2,894,283
	957,637	3,659,906	377,683	2,894,283
	15,281,968	15,860,453	10,359,512	10,821,540

Bank loans are secured by way of a fixed and floating charge over the assets of the group, present and future, in favour of Santander UK PLC and Coutts & Co.

Interest is charged on the loans at a rate of LIBOR + 2.3% and 3.65% + Coutts base rate.

Bank loans also include amounts totalling £196,103 (2021: £241,667) repayable by monthly installments and due to finish in October 2026. Interest is charged on the loan at a rate of 3.8% + base rate,

Other loan balances are classified as due in less than one year as they are repayable on demand. The directors have received confirmation that the repayment of the balance will not be sought for the foreseeable future.

HAVANA WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

24. DEFERRED TAXATION

Group

	2022 £
At beginning of year	(426,216)
Charged to profit or loss	47,581
AT END OF YEAR	(378,635)

Company

	2022 £
At beginning of year	(211,816)
Charged to profit or loss	82,593
AT END OF YEAR	(129,223)

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(604,034)	(562,014)	(232,111)	(222,561)
Tax losses carried forward	219,345	129,745	96,888	4,745
Short term timing differences	6,054	6,053	6,000	6,000
	(378,635)	(426,216)	(129,223)	(211,816)

25. SHARE CAPITAL

	2022 £	2021 £
ALLOTTED, CALLED UP AND FULLY PAID		
11,942,332 (2021: 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
27. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENCIES

The Company granted fixed and floating legal charges over all property or undertaking of the Company in favour of the ultimate controlling party. No balance was due at period end.

28. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £70,774 (2021: £43,595). Contributions totalling £359 (2021: £19,970) were payable to the fund at the reporting date and are included in creditors.

29. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
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	5,017,500	5,077,500
	<u>5,317,500</u>	<u>5,377,500</u>

The company had no commitments under non-cancelable operating leases at the reporting date.

30. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemption available under FRS 102 section 33.1a to not disclose transactions within a wholly owned group.

	2022 £	2021 £
Amounts due (to)/from companies under common control	706,262	8,158,255
Amounts due to shareholders	<u>(6,971,955)</u>	<u>(8,414,925)</u>

Amounts due to shareholders of the company relate to finances provided to this group by the controlling party. The balances are interest free and are repayable on demand.

Within amounts due (to) / from related parties are two balances owed from entities over which the controlling party has significant influence totalling £5,805,927 (2021: £5,819,005). The balances incur interest at a rate of 8% and 6% during the year. They are unsecured and repayable on demand.

Within amounts due (to) / from related parties are three balances owed to entities over which the controlling party has significant influence totalling £5,099,665 (2021: £5,284,332). The balances are unsecured, interest free and repayable on demand.

Key management personnel consist only of the directors, of which remuneration details are available in note 8 of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

31. POST BALANCE SHEET EVENTS

On 14 November 2023, the property and trade of the Merry Harriers Limited was sold. Management have confirmed that the entity will continue to exist for at least 12 months from the date of these accounts.

32. CONTROLLING PARTY

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