

Hundred Percent Holdings Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 December 2022
Registration number: 10690138

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Hundred Percent Holdings Limited

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Hundred Percent Holdings Limited

Company Information

Directors D P Richards
K Richards

Company secretary R Eden

Registered office Prodrive Headquarters
Chalker Way
Banbury
Oxfordshire
OX16 4XD

Auditors PKF Francis Clark
Statutory Auditor
Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Hundred Percent Holdings Limited

Strategic Report

Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of the group is the operation of the Idle Rocks Hotel and St Mawes Hotel in St Mawes, Cornwall, as well as the provision of aviation services and management services.

Fair review of the business

The Directors are pleased to announce a profit for the year of £152k (2021 – loss of £449k)

The directors are also delighted to have won the 'best restaurant of the year' at the Southwest Tourism awards and the 'Award for Creativity and Innovation' in this year's covetable Trencherman's Guide Awards.

The group continues to experience strong demand, with revenue relating to hotel activities in the current year increasing to £4,084k (2021 - £3,434k). In addition, management revenue and aviation revenue has also increased on the prior year by £1,335k (2021 - £765k). The gross margin achieved in the year has also increased to 59.9% (2021 – 53.5%).

The group has been affected by inflationary pressures in the year after the Covid 19 pandemic. Administrative costs have increased to £3,332k (2021 - £2,852k), with the principal reasons for this being additional wage costs coupled with further staff accommodation provision requirements.

Cash balances have reduced on the prior year principally due to a reduction in government grant income. However, the group has repaid £775k of the Bank overdraft post year end and the group continues to be supported by D Richards and other connected entities.

In light of the impact of economic pressures after the Covid 19 pandemic, management have given consideration to the appropriateness of the going concern assertion with further commentary provided in note 2 to the financial statements.

The group's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Revenue	£000's	6,087	4,200
Operating (loss) / profit	£000's	331	(264)
Net assets	£000's	4,647	3,068
Cash at bank (net of overdrafts)	£000's	245	413

Hundred Percent Holdings Limited

Strategic Report

Year Ended 31 December 2022

Principal risks and uncertainties

In pursuing our strategic priorities to create value for our stakeholders, we experience risk. The board is responsible for risk management and must ensure that the company maintains the appropriate level of risk to achieve its objectives whilst balancing the competing needs of these stakeholders.

The principal risks identified, separately or in combination, could have a material adverse effect on the implementation of the hotel strategy, our business, financial performance, shareholder value and returns and reputation.

The principal risks identified by the directors are:

- General economic pressures impacting customer discretionary spend;
- Inflation pressures purchasing products for use in the hotel

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

Market and competition risks

The Group is exposed to normal market and economic risk and manages competition risk by concentrating on its strengths with a focus on guest experience. The risk of further lockdowns in addition to a potential drop in the domestic leisure segment when confidence in the foreign travel market increases, are also key factors the directors constantly monitor.

Operational and regulatory risks

The group minimises regulatory risk by training key personnel and appointing external experts where appropriate, to assess any potential non compliance.

Approved and authorised by the Board on 10/11/23 and signed on its behalf by:

.....
D P Richards
Director

Hundred Percent Holdings Limited

Directors' Report

Year Ended 31 December 2022

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

Directors of the group

The directors who held office during the year were as follows:

D P Richards

K Richards

Financial instruments

Objectives and policies

The group's principal financial instruments comprise of bank balances, trade creditors, deposits in advance from customers, bank loans and other loans. The main purpose of these instruments is to raise funds for the company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

Liquidity risk

The group manages this particular risk through a combination of compiling projections and regular review of the available management information by the Directors.

The group monitors cash levels to ensure that there are sufficient resources to meet obligations as and when they fall due.

Price risk

The group operates a set tariff for customers staying at the hotel. The tariff is set by the Directors and regularly reviewed in order to ensure that the price is appropriate. The deposits received in advance help fund the group and therefore setting tariffs to ensure that they encourage payments in advance is an important element in assisting cash flow.

Operational risk

The Directors are aware of the continual changes in laws and regulations and the associated compliance costs and plan ahead accordingly.

Credit risk

Given that customers are required to pay a deposit to reserve a room, and that all accounts are liable for settlements upon arrival the Directors do not believe that the group is adversely exposed to credit risk. The group trades with only recognised, creditworthy third parties.

Hundred Percent Holdings Limited

Directors' Report

Year Ended 31 December 2022

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on 10/11/23 and signed on its behalf by:

.....
D P Richards
Director



Hundred Percent Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Hundred Percent Holdings Limited

Independent Auditor's Report to the Members of Hundred Percent Holdings Limited

Opinion

We have audited the financial statements of Hundred Percent Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 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 auditor 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Hundred Percent Holdings Limited

Independent Auditor's Report to the Members of Hundred Percent Holdings Limited

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept 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.

Hundred Percent Holdings Limited

Independent Auditor's Report to the Members of Hundred Percent Holdings Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company at the planning stage of the audit. Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Secondly, the company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's licence to operate. In making this assessment we determined that the most significant elements of legislation which impacts the hotel operations of the group include food standards and licencing laws, employment laws and regulations (including CJRS compliance), and health and safety legislation. With regards to the element of the group which provides aviation services the principal legislation considered include compliance with Civil Aviation Authority ("CAA") requirements.

Hundred Percent Holdings Limited

Independent Auditor's Report to the Members of Hundred Percent Holdings Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud.
- Considering the filings made at Companies House, and any omissions thereon of which there were none identified.
- Reviewing the most recent Food Hygiene Ratings awarded to the hotel, and where there had been visits discussing with management their findings.
- Reviewing external fire risk assessment reports in addition to external health and safety compliance reviews and workplans.
- Checking technical logs for aircraft flights in the year under audit and discussing servicing works performed in the year.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business, of which there were none.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report.

Hundred Percent Holdings Limited

Independent Auditor's Report to the Members of Hundred Percent Holdings Limited

Use of our report

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



Thomas Roach BSc FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
Cornwall
TR1 2NA

Date: 10/11/22

Hundred Percent Holdings Limited

Consolidated Profit and Loss Account

Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	3	6,087,384	4,199,634
Cost of sales		<u>(2,439,605)</u>	<u>(1,950,863)</u>
Gross profit		3,647,779	2,248,771
Administrative expenses		(3,332,184)	(2,851,736)
Other operating income	4	<u>15,783</u>	<u>339,144</u>
Operating profit/(loss)	5	<u>331,378</u>	<u>(263,821)</u>
Other interest receivable and similar income	9	181	175
Interest payable and similar expenses	10	<u>(179,260)</u>	<u>(184,912)</u>
		<u>(179,079)</u>	<u>(184,737)</u>
Profit/(loss) before tax		152,299	(448,558)
Tax on profit/(loss)	11	<u>173,789</u>	<u>481,285</u>
Profit for the financial year		<u>326,088</u>	<u>32,727</u>
Profit/(loss) attributable to:			
Owners of the company		<u>326,088</u>	<u>32,727</u>

Hundred Percent Holdings Limited

Consolidated Statement of Comprehensive Income

Year Ended 31 December 2022

	2022 £	2021 £
Profit for the year	326,088	32,727
Surplus/(deficit) on property, plant and equipment revaluation	<u>1,253,450</u>	<u>(34,586)</u>
Total comprehensive income for the year	<u>1,579,538</u>	<u>(1,859)</u>
Total comprehensive income attributable to:		
Owners of the company	<u>1,579,538</u>	<u>(1,859)</u>

Hundred Percent Holdings Limited

Consolidated Balance Sheet

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	3,968	5,931
Tangible assets	13	<u>11,309,422</u>	<u>10,008,008</u>
		<u>11,313,390</u>	<u>10,013,939</u>
Current assets			
Stocks	15	46,071	39,803
Debtors	16	2,189,452	181,586
Cash at bank and in hand	17	<u>244,649</u>	<u>413,186</u>
		2,480,172	634,575
Creditors: Amounts falling due within one year	19	<u>(8,582,636)</u>	<u>(6,894,184)</u>
Net current liabilities		<u>(6,102,464)</u>	<u>(6,259,609)</u>
Total assets less current liabilities		5,210,926	3,754,330
Creditors: Amounts falling due after more than one year	19	(537,437)	(628,404)
Provisions for liabilities	21	<u>(26,103)</u>	<u>(58,078)</u>
Net assets		<u>4,647,386</u>	<u>3,067,848</u>
Capital and reserves			
Called up share capital	24	24,918	24,918
Capital redemption reserve	23	50,082	50,082
Revaluation reserve	23	2,046,412	792,962
Profit and loss account	23	<u>2,525,974</u>	<u>2,199,886</u>
Equity attributable to owners of the company		<u>4,647,386</u>	<u>3,067,848</u>
Shareholders' funds		<u>4,647,386</u>	<u>3,067,848</u>

Approved and authorised by the Board on 10/11/23 and signed on its behalf by:

.....
D P Richards
Director

Company Registration Number: 10690138

Hundred Percent Holdings Limited

Balance Sheet

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	14	4,056,264	4,056,264
Current assets			
Debtors	16	2,724,697	1,284,800
Creditors: Amounts falling due within one year	19	<u>(4,770,434)</u>	<u>(3,330,537)</u>
Net current liabilities		<u>(2,045,737)</u>	<u>(2,045,737)</u>
Net assets		<u>2,010,527</u>	<u>2,010,527</u>
Capital and reserves			
Called up share capital	24	24,918	24,918
Share premium reserve		5,916,626	5,916,626
Profit and loss account		<u>(3,931,017)</u>	<u>(3,931,017)</u>
Shareholders' funds		<u>2,010,527</u>	<u>2,010,527</u>

Approved and authorised by the Board on 10/11/23 and signed on its behalf by:


.....
D P Richards
Director

Company Registration Number: 10690138

Hundred Percent Holdings Limited

Consolidated Statement of Changes in Equity

Year Ended 31 December 2022

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2022	24,918	50,082	792,962	2,199,886	3,067,848
Profit for the year	-	-	-	326,088	326,088
Other comprehensive income	-	-	1,253,450	-	1,253,450
Total comprehensive income	-	-	1,253,450	326,088	1,579,538
At 31 December 2022	24,918	50,082	2,046,412	2,525,974	4,647,386
	Share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2021	24,918	50,082	827,548	2,167,159	3,069,707
Profit for the year	-	-	-	32,727	32,727
Other comprehensive income	-	-	(34,586)	-	(34,586)
Total comprehensive income	-	-	(34,586)	32,727	(1,859)
At 31 December 2021	24,918	50,082	792,962	2,199,886	3,067,848

The notes on pages 19 to 38 form an integral part of these financial statements.

Hundred Percent Holdings Limited

Statement of Changes in Equity

Year Ended 31 December 2022

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2022	<u>24,918</u>	<u>5,916,626</u>	<u>(3,931,017)</u>	<u>2,010,527</u>
At 31 December 2022	<u><u>24,918</u></u>	<u><u>5,916,626</u></u>	<u><u>(3,931,017)</u></u>	<u><u>2,010,527</u></u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2021	<u>24,918</u>	<u>5,916,626</u>	<u>(3,931,017)</u>	<u>2,010,527</u>
At 31 December 2021	<u><u>24,918</u></u>	<u><u>5,916,626</u></u>	<u><u>(3,931,017)</u></u>	<u><u>2,010,527</u></u>

Hundred Percent Holdings Limited

Consolidated Statement of Cash Flows

Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		326,088	32,727
<i>Adjustments to cash flows from non-cash items</i>			
Depreciation and amortisation	5	279,110	435,533
Loss on disposal of tangible assets		15,177	-
Finance income	9	(181)	(175)
Finance costs	10	179,260	184,912
Income tax expense	11	(173,789)	(481,285)
		<u>625,665</u>	<u>171,712</u>
<i>Working capital adjustments</i>			
Increase in stocks	15	(6,268)	(5,071)
(Increase)/decrease in trade debtors	16	(2,007,866)	178
Increase in trade creditors	19	<u>1,697,253</u>	<u>875,188</u>
Net cash flow from operating activities		<u>308,784</u>	<u>1,042,007</u>
Cash flows from investing activities			
Interest received		181	175
Acquisitions of tangible assets		(200,474)	(57,395)
Proceeds from sale of tangible assets		<u>2,000</u>	<u>-</u>
Net cash flows from investing activities		<u>(198,293)</u>	<u>(57,220)</u>
Cash flows from financing activities			
Interest paid	10	(179,260)	(184,912)
Repayment of other borrowing		<u>(101,477)</u>	<u>(104,058)</u>
Net cash flows from financing activities		<u>(280,737)</u>	<u>(288,970)</u>
Net (decrease)/increase in cash and cash equivalents		(170,246)	695,817
Cash and cash equivalents at 1 January		<u>(2,360,103)</u>	<u>(3,055,920)</u>
Cash and cash equivalents at 31 December		<u>(2,530,349)</u>	<u>(2,360,103)</u>

The notes on pages 19 to 38 form an integral part of these financial statements.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Prodrive Headquarters

Chalker Way

Banbury

Oxfordshire

OX16 4XD

The principal place of trade for the group is from the Idle Rocks Hotel and St Mawes Hotel, St Mawes, Cornwall.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are summarised within this note.

The functional currency of the Group and Company is considered to be pounds sterling because this is the currency of the primary economic environment in which the Group and Company operates.

Monetary amounts in these financial statements are rounded to the nearest pound.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Summary of disclosure exemptions

FRS102 allows a qualifying entity certain disclosure exemptions, which have been adopted by the Company as follows:

- (i) From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows included in these financial statements includes the Company's cash flows;
- (ii) From the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A as the information is provided in the consolidated financial statement disclosures.
- (iii) The requirements of Section 33 Related Party Disclosures paragraph 33.7.

The Group has also taken advantage of the exemption under FRS102 paragraph 33.1A in respect of transactions between members of the Group, where those Group companies are 100% owned.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2022.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006. The profit for the parent company for the year was £nil (2021 - £nil)

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

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Going concern

At the balance sheet date the group is trading from net current liabilities of £6,102,464 (2021 - £6,259,609).

The Directors have assessed a number of factors in respect of the appropriateness of the going concern assertion, and in particular the impact of the ongoing economic uncertainty on the group. In response after the pandemic the Directors took immediate and significant actions, all within managements control, to reduce costs and optimise cash flow and liquidity. This included reducing capital expenditure projects and controlling variable overheads.

In the current year the group has seen a significant increase in activity levels, with both hotels achieving strong average room rates and occupancies throughout the summer months and beyond.

Having reviewed the forecasts and the available committed debt facilities the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for a period of no less than 12 months from the approval of these financial statements. Support to the group has also been pledged by D P Richards, Director, as well as a connected undertaking.

Accordingly the going concern basis of accounting has continued to be adopted.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers. Revenue is recognised as follows:

i) **In respect of hotel services**

Accommodation revenue is recognised at the point of the customer staying in the room. Deposits received in advance of customer stays are treated as payments on account and recognised within creditors due within one year. Gift vouchers purchased for services to be redeemed in future periods are recognised in accruals and deferred until they are used.

Food, beverage and other income are recognised at the point of sale.

ii) **In respect of aviation services**

Revenue in respect of aviation services comprises of helicopter and pilot hire services as well as recharged expenses to connected undertakings. Aviation services revenue is recognised on an accruals basis, and is stated net of value added tax, rebates and discounts.

iii) **In respect of management services**

Revenue in respect of management and consultancy services is recognised on an accruals basis, and is stated net of value added tax.

Government grants

The company has elected to account for Government grants under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in "other operating income" within profit or loss in the same period as the related expenditure.

During the prior year, the company recognised Coronavirus Job Retention Scheme ("CJRS") grant income from the Government designed to mitigate the impact of Covid 19. There is no CJRS grant income in the current year as the scheme ended in September 2021.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Intangible assets

Intangible assets, which relate to website costs, 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.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website costs	15% straight line

Tangible 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 balance sheet date. Fair values are determined from market based evidence normally undertaken by professionally qualified values.

Revaluation gains and losses are recognised in the Statement of 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.

Other tangible fixed assets under the cost or fair value 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.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land improvements	15% straight line
Freehold property	2% straight line
Plant and machinery	15% straight line
Motor vehicles	25% straight line
Fixtures and fittings	15% straight line
Computer equipment	33% straight line
Aircraft	6% straight line
Hangar	4% straight line
Equipment and tools	15% straight line

Investments

Investments in subsidiaries are stated at cost less impairment.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Critical judgements and estimation uncertainty

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

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

The following areas are where the Directors have applied judgement in the preparation of the financial statements:

Going concern

In preparing and approving these financial statements the Board have given due consideration to the going concern risks, and in particular the net current liabilities position of £6,102,464 (2021 - £6,259,609) and the impact of the economy post pandemic. As outlined in the Strategic report and a separate accounting policy note the pandemic led to widespread, profound economic shocks, with rising inflation rates increasing the costs to the group.

After due consideration the Board are satisfied that the Group will be able to operate and continue as a going concern for the foreseeable future - being a period of no less than 12 months from the date of approval of these financial statements. Further supporting commentary has been included within the accounting policies.

The following are regarded by the Directors as key areas of estimation:

Valuation of property (note 13)

Management use a third party valuer to develop the estimates and assumptions used to calculate the fair value of the property. The freehold properties were revalued by a third party valuer in January and February 2023.

At the balance sheet date the carrying value of property was £10,097,922 (2021 - £8,639,690).

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

3 Revenue

The analysis of the group's Turnover for the year from continuing operations is as follows:

	2022 £	2021 £
Rendering of services	5,087,384	4,199,634
Commissions received	1,000,000	-
	<u>6,087,384</u>	<u>4,199,634</u>

The analysis of the group's turnover for the year by class of business is as follows:

	2022 £	2021 £
Provision of hotel services	4,084,082	3,434,422
Provision of management and consultancy services	1,920,596	670,000
Provision of aviation services	82,706	95,212
	<u>6,087,384</u>	<u>4,199,634</u>

The analysis of the group's Turnover for the year by market is as follows:

	2022 £	2021 £
UK	<u>6,087,384</u>	<u>4,199,634</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022 £	2021 £
CJRS received	-	272,269
Other grants received	13,083	66,875
Miscellaneous other operating income	2,700	-
	<u>15,783</u>	<u>339,144</u>

During the prior year the group recognised CJRS income from the Government designed to mitigate the impact of Covid 19. In addition, for both the current and prior year amounts were received in respect of local government support schemes.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

5 Operating profit/(loss)

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	277,147	433,670
Amortisation expense	1,963	1,863
Loss on disposal of property, plant and equipment	15,177	-

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	2,551,831	2,103,512
Social security costs	264,362	209,396
Pension costs, defined contribution scheme	48,364	44,229
Other employee expense	22,687	25,388
	<u>2,887,244</u>	<u>2,382,525</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Administration and support	<u>76</u>	<u>67</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	<u>540,064</u>	<u>531,600</u>

In respect of the highest paid director:

	2022 £	2021 £
Remuneration	<u>417,492</u>	<u>408,757</u>

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

8 Auditor's remuneration

	2022	2021
	£	£
Audit of these financial statements	<u>16,100</u>	<u>14,900</u>

9 Other interest receivable and similar income

	2022	2021
	£	£
Other finance income	<u>181</u>	<u>175</u>

10 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	177,953	183,996
Interest expense on other finance liabilities	1,374	1,017
Other finance costs	<u>(67)</u>	<u>(101)</u>
	<u>179,260</u>	<u>184,912</u>

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

11 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Current taxation		
UK corporation tax	-	-
Total current income tax	-	-
Deferred taxation		
Arising from origination and reversal of timing differences	(173,789)	(284,240)
Deferred tax adjustment relating to previous years	-	(114,195)
Effect of changes in tax rates	-	(82,850)
Total deferred taxation	(173,789)	(481,285)
Tax receipt in the income statement	(173,789)	(481,285)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit/(loss) before tax	152,299	(448,558)
Corporation tax at standard rate	28,937	(85,226)
Effect of expense not deductible in determining taxable profit (tax loss)	5,161	37,148
Effect of tax losses	(179,332)	-
Deferred tax credit relating to changes in tax rates or laws	(61,432)	(223,267)
Deferred tax expense/(credit) from unrecognised tax loss or credit	32,877	(95,745)
Deferred tax credit from unrecognised temporary difference from a prior period	-	(114,195)
Total tax credit	(173,789)	(481,285)

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Deferred tax

Group

Deferred tax assets and liabilities

	Liability
	£
2022	
Capital allowances in excess of depreciation	679,891
Tax losses carried forward	(650,582)
Short term timing differences	(3,206)
	<u>26,103</u>
	Liability
	£
2021	
Capital allowances in excess of depreciation	553,947
Tax losses carried forward	(493,101)
Short term timing differences	(2,768)
	<u>58,078</u>

Tax relating to items recognised in other comprehensive income or equity - group

	2022	2021
	£	£
Deferred tax related to revalued assets	<u>(141,814)</u>	<u>(34,586)</u>

An increase in the long-term UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. Deferred tax balances have been remeasured to reflect this higher long-term rate, with differences recognised in the current year tax charge.

The impact of this remeasurement in the current year is £61,432 (2021 - £223,267)

The Group has estimated tax losses of £2,995,897 (2021 - £3,133,844) which may be recoverable against future taxable profits. A deferred tax asset has not been recognised in respect of all these losses due to the uncertainty of future profits. The quantum of deferred tax asset recognised in the financial statements can be seen in the disclosure above.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

12 Intangible assets

Group

	Goodwill £	Website costs £	Total £
Cost or valuation			
At 1 January 2022	350,000	11,520	361,520
At 31 December 2022	350,000	11,520	361,520
Amortisation			
At 1 January 2022	350,000	5,589	355,589
Amortisation charge	-	1,963	1,963
At 31 December 2022	350,000	7,552	357,552
Carrying amount			
At 31 December 2022	-	3,968	3,968
At 31 December 2021	-	5,931	5,931

Amortisation of website costs is included in administrative expenses.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

13 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation					
At 1 January 2022	10,728,534	1,609,479	98,951	2,020,491	14,457,455
Revaluations	757,143	-	-	-	757,143
Additions	114,503	85,487	-	484	200,474
Disposals	(10,919)	(732,296)	(1,495)	-	(744,710)
At 31 December 2022	<u>11,589,261</u>	<u>962,670</u>	<u>97,456</u>	<u>2,020,975</u>	<u>14,670,362</u>
Depreciation					
At 1 January 2022	2,088,844	1,372,406	90,633	897,564	4,449,447
Charge for the year	41,490	109,102	4,399	122,156	277,147
Eliminated on disposal	(874)	(725,164)	(1,495)	-	(727,533)
Impairment	(638,121)	-	-	-	(638,121)
At 31 December 2022	<u>1,491,339</u>	<u>756,344</u>	<u>93,537</u>	<u>1,019,720</u>	<u>3,360,940</u>
Carrying amount					
At 31 December 2022	<u>10,097,922</u>	<u>206,326</u>	<u>3,919</u>	<u>1,001,255</u>	<u>11,309,422</u>
At 31 December 2021	<u>8,639,690</u>	<u>237,073</u>	<u>8,318</u>	<u>1,122,927</u>	<u>10,008,008</u>

Included within the net book value of land and buildings above is £9,630,028 (2021 - £8,175,255) in respect of freehold land and buildings, £201,575 (2021 - £184,860) in respect of long leasehold land and buildings and £266,319 (2021 - £279,575) in respect of short leasehold land and buildings.

The Group's freehold properties were valued by external valuers (Gerald Eve LLP and Miller Commercial Valuers Limited) in January 2023 and February 2023 on the basis of existing use value in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors. The directors believe that the valuation accurately represents the fair values of freehold properties as of 31 December 2022.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

14 Investments

Company

	2022 £	2021 £
<i>Investments in subsidiaries</i>	<u>4,056,264</u>	<u>4,056,264</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2022 and 31 December 2021		9,504,140
Provision		
At 1 January 2022 and 31 December 2021		<u>(5,447,876)</u>
Carrying amount		
At 31 December 2022		<u>4,056,264</u>
At 31 December 2021		<u>4,056,264</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2022	2021
Subsidiary undertakings			
Hundred Percent Cornwall Limited	Ordinary	100%	100%
Hundred Percent Aviation Limited	Ordinary	100%	100%
Hundred Percent Management Limited	Ordinary	100%	100%

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Details of investments (continued)

The registered office of each of the above entities is Prodrive Headquarters, Chalker Way, Banbury, Oxfordshire, OX16 4XD. All companies are registered in England and Wales.

The principal operation of Hundred Percent Cornwall Limited is that of a hotelier.

The principal operation of Hundred Percent Aviation Limited is the provision of aircraft rental services.

The principal operation of Hundred Percent Management Limited is the provision of management and consultancy services.

For the year ending 31 December 2022 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

- Hundred Percent Cornwall Limited
- Hundred Percent Aviation Limited
- Hundred Percent Management Limited

15 Stocks

	2022 £	Group 2021 £	2022 £	Company 2021 £
Other inventories	46,071	39,803	-	-

16 Debtors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Trade debtors		(12,443)	34,606	-	-
Amounts due from group undertakings	25	-	-	2,724,697	1,284,800
Amounts due from related undertaking	25	-	48,000	-	-
Other debtors		2,121,623	20,636	-	-
Prepayments		69,851	67,923	-	-
Income tax asset	11	10,421	10,421	-	-
		<u>2,189,452</u>	<u>181,586</u>	<u>2,724,697</u>	<u>1,284,800</u>

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

17 Cash and cash equivalents

	2022 £	Group 2021 £	2022 £	Company 2021 £
Cash on hand	256	-	-	-
Cash at bank	244,393	413,186	-	-
	244,649	413,186	-	-
Bank overdrafts	(2,774,998)	(2,773,289)	-	-
Cash and cash equivalents in statement of cash flows	(2,530,349)	(2,360,103)	-	-

18 Analysis of net debt

	At 1 January 2022 £	Cash flow £	At 31 December 2022 £
Cash at bank and on hand	413,186	(168,537)	244,649
Bank overdrafts	(2,773,269)	(1,709)	(2,774,998)
Cash and cash equivalents	(2,360,103)	(170,246)	(2,530,349)
Other loans	(734,536)	101,477	(633,059)
Net debt	(3,094,639)	(68,769)	(3,163,408)

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

19 Creditors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Due within one year					
Loans and borrowings	20	2,870,620	2,879,421	-	-
Trade creditors		237,052	190,528	-	-
Amounts due to group undertakings	25	-	-	-	263,357
Amounts due from related undertaking	25	4,770,434	3,067,180	4,770,434	3,067,180
Social security and other taxes		226,302	120,581	-	-
Outstanding defined contribution pension costs		12,993	11,240	-	-
Other creditors		72,350	80,148	-	-
Accrued expenses		170,809	279,332	-	-
Payments on account		222,076	265,754	-	-
		<u>8,582,636</u>	<u>6,894,184</u>	<u>4,770,434</u>	<u>3,330,537</u>
Due after one year					
Loans and borrowings	20	<u>537,437</u>	<u>628,404</u>	<u>-</u>	<u>-</u>

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

20 Loans and borrowings

	2022 £	Group 2021 £	2022 £	Company 2021 £
Current loans and borrowings				
Bank overdrafts	2,774,998	2,773,289	-	-
Other borrowings	<u>95,622</u>	<u>106,132</u>	<u>-</u>	<u>-</u>
	<u>2,870,620</u>	<u>2,879,421</u>	<u>-</u>	<u>-</u>

	2022 £	Group 2021 £	2022 £	Company 2021 £
Non-current loans and borrowings				
Other borrowings	<u>537,437</u>	<u>628,404</u>	<u>-</u>	<u>-</u>

During the year the previous term loans were converted into bank overdrafts, which is secured by means of:

- A first legal charge over the Idle Rocks and its associated assets;
- A first legal charge over the St Mawes Hotel and its associated assets;
- A first legal charge over Waterloo House;
- A first legal charge over 2 Park House;
- A first legal charge over 18 Polvarth Estate;
- A debenture over the borrowers entire assets;
- A guarantee from D P Richards for £3m plus interest and costs
- An unlimited guarantee from Richard Family Holdings Limited

Other loans are secured against the assets to which it relates.

21 Provisions for liabilities

Group

	Deferred tax £
At 1 January 2022	58,078
Increase (decrease) in existing provisions	<u>(31,975)</u>
At 31 December 2022	<u>26,103</u>

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £48,364 (2021 - £44,229).

Contributions totalling £12,993 (2021 - £11,240) were payable to the scheme at the end of the year and are included in creditors.

23 Reserves

Group

Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium reserve

The share premium reserve reflects the excess of consideration paid for issued shares over nominal value

Revaluation reserve

The revaluation reserve relates to the uplift in valuation of certain assets which are stated in the financial statements at their revalued amount.

24 Share capital

Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary shares of £1 each	17,443	17,443	17,443	17,443
Ordinary B shares of £1 each	7,475	7,475	7,475	7,475
	<u>24,918</u>	<u>24,918</u>	<u>24,918</u>	<u>24,918</u>

The Ordinary shares have attached to them full voting, dividend and capital distribution rights.

The B Ordinary shares have attached to them dividends of excess cash / assets not required in the trade and a right to a return of nominal capital.

Hundred Percent Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2022

25 Related party transactions

Group

The Group had amounts owing to Richard Family Holdings Limited, a related party but virtue of share ownership, of £4,770,434 (2021 - £3,067,180).

During the year the Group charged Prodrive Holding Limited, a related party by virtue of it being an associated undertaking of the Hundred Percent Group, management fees of £700,000 (2021 - £670,000). In addition to these charges the connected undertaking charged Hundred Percent Management Limited £21,564 (2021 - £21,564) for rent of a shared premises.

During the year the Group charged Prodrive Motorsport Limited, a related party by virtue of it being an associated undertaking of the Hundred Percent Group, management fees of £163,645 (2021 - £nil) and commission of £1,000,000 (2021 - £nil).

As at the year end, the Group was owed £nil (2021 - £48,000) by the connected undertaking, which was interest free, unsecured, and repayable upon demand.

D P Richards is a related party by virtue of his directorship in the group, as well as his ultimate controlling interest.

During the year D P Richards has had a loan account with the Group, which is unsecured, interest free and repayable upon demand. In the year there have been advances made to D P Richards of £2,762,813 (2021 - £3,197,182) and received repayments of £607,382 (2021 - £3,321,736).

At the balance sheet date D P Richards owed the Group £2,110,202 (2021 - £45,229 owed by the Group).

26 Parent and ultimate parent undertaking

The ultimate controlling party is D P Richards.