

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 30 April 2022
for
Batty Langley's Limited**

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for the Year Ended 30 April 2022**

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Batty Langley's Limited

**Company Information
for the Year Ended 30 April 2022**

DIRECTORS:

Mr D E Blain
Mrs C M A Conaty
Mr M E C Hearne

SECRETARY:

Mrs C M A Conaty

REGISTERED OFFICE:

12 Peter's Lane
Cowcross Street
London
EC1M 6DS

REGISTERED NUMBER:

05996625 (England and Wales)

AUDITORS:

Clifford Roberts - Statutory Auditor
63 Broad Green
Wellingborough
Northamptonshire
NN8 4LQ

**Strategic Report
for the Year Ended 30 April 2022**

The directors present their strategic company report for the period ended 30 April 2022.

Review of the business

The company owns and operates a boutique hotel in central London. The hotel is well positioned in the City and falls into the Luxury category, competing with both branded and non-branded hotels in the 4 and 5 star market.

The property is a traditional boutique hotel; the primary source of revenue is generated through bedroom sales with ancillary sales of food & beverage and meeting room hire.

Results and performance

The compulsory measures introduced by governments worldwide to limit the spread of Covid 19 dramatically affected trading during this financial year. Hotels were permitted to reopen in May 2021.

Batty Langley's reopened in late May 2021. International travel was heavily restricted for a considerable part of the year and was then followed by the reintroduction of restrictions under operation 'Plan B' in December 2021. This resulted in a slowdown in reservation demand as 'work from home' if you can, and mask-wearing in public spaces were reintroduced. Hazlitt's hotels successfully implemented strategies to support the business throughout this challenging period. The trading performance continued to improve with each successive month. However, general staff shortages in the hospitality sector required balancing room sales very carefully.

Business environment

The Company is very well established and benefits from a loyal following in all markets both at home and abroad. The Company is also very fortunate to have such a strong foothold in the domestic high end leisure market. This has stood the hotel in good stead since reopening, resulting in higher than expected occupancy and revenue.

Strategy:

Price and Promotion remain a priority in the return to business following the forced closures. The London hotel market remains fiercely competitive with an overcapacity of supply. The Company has a robust sales and marketing plan in place, with a view to securing its fair market share, underpinned by a huge emphasis on guest satisfaction - the goal being to secure repeat business and a return to pre COVID - 19 occupancy levels.

Key performance indicators ('KPIs')

The key performance indicators for the company are as follows:-

	2022	2021
£		
£		
Turnover	1,821,725	40,747
Profit/(loss) before tax	170,887	(423,041)
Shareholder's funds total	(673,013)	(796,968)

The Key performance indicators reflect a difficult period of trading due to the COVID-19 pandemic.

Principal risks and uncertainties

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the directors are implemented by the finance department.

General economic Risk

The Company is exposed to general economic risk, including changes in the economic outlook in the hospitality sector and the Company is also exposed to the risk of future government changes in industrial, fiscal, monetary or regulatory policies. The Company has an effective revenue strategy charging its customers rates that vary depending on levels of demand. This reduces, though does not eliminate, the financial impact arising from such adverse conditions.

**Strategic Report
for the Year Ended 30 April 2022**

Price Risk

The company is exposed to price risk due to inflationary increases in the purchase price of goods and services in the UK.

Credit Risk

The company has implemented policies that require appropriate credit checks where necessary on potential corporate customers before sales are made.

Liquidity Risk

The company holds long-term debt finance that is designed to ensure the company has sufficient funds for operations.

Interest rate Risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earn interest at variable rates. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

Going Concern and COVID-19

The compulsory measures introduced by governments worldwide to limit the spread of Covid 19 dramatically affected trading during this financial year. Hotels were permitted to reopen in May 2021. Batty Langley's reopened in late May 2021.

Since March 2022, Batty Langley's has seen a return of pre-pandemic occupancy and revenue levels. In more recent months, Batty Langley's has reported record-breaking results, facilitating the repayment of certain group borrowings.

Management has a robust sales and marketing strategy that is frequently reviewed and amended based on demand and current trends.

Hotel pricing in London has seen unprecedented increases with little or no negative impact on occupancy. This trend is also evident in Batty Langley's room sales forecasting.

The directors are confident that The Board will continue to monitor developments and adjust assumptions as required. They are also satisfied with the sales strategy and that the current cash reserve levels will enable the Group to meet its financial obligations.

The further information, please see note 1 in the Accounting policies section of the financial statements

ON BEHALF OF THE BOARD:

Mrs C M A Conaty - Secretary

27 January 2023

**Report of the Directors
for the Year Ended 30 April 2022**

The directors present their report with the financial statements of the company for the year ended 30 April 2022.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2022.

DIRECTORS

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

Mr D E Blain
Mrs C M A Conaty
Mr M E C Hearne

Other changes in directors holding office are as follows:

Mr P B McKay ceased to be a director after 30 April 2022 but prior to the date of this report.

FINANCIAL INSTRUMENTS

Principal risks and uncertainties

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the directors are implemented by the finance department.

Price Risk

The company is exposed to price risk due to normal inflationary increases in the purchase price of goods and services in the UK.

Credit Risk

The company has implemented policies that require appropriate credit checks where necessary on potential corporate customers before sales are made.

Liquidity Risk

The company holds long-term debt finance that is designed to ensure the company has sufficient funds for operations.

Interest Rate Risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earn interest at variable rates. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Future Developments

The London hotel industry continues to be buoyant and the aim is to maintain the hotels high standards to ensure that it appeals to customers. Continuing to develop the awareness of the the hotel to the public.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

**Report of the Directors
for the Year Ended 30 April 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Clifford Roberts - Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mrs C M A Conaty - Secretary

27 January 2023

Report of the Independent Auditors to the Members of Batty Langley's Limited

Opinion

We have audited the financial statements of Batty Langley's Limited (the 'company') for the year ended 30 April 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Batty Langley's Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory framework applicable to the company and	the sector in which they operate. We determined that the following laws and regulations were most significant: Companies Act 2006, UK Generally Accepted Accounting Practice.
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- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and by observing the oversight of management, the culture of honesty and ethical behaviour and whether strong emphasis is placed on fraud prevention, which may reduce the opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud in the first instance. We corroborated our inquiries through our review of all relevant available audit information.
- We assessed and understood the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. The audit procedures performed by the engagement team included:
 - Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how senior management consider and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Performing audit work on the risk of management override of the controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing the accounting estimates for bias; and

- Assessing the extent of compliance with the relevant laws and regulations.

Report of the Independent Auditors to the Members of Batty Langley's Limited

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. This risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the Auditors.

Use of our report

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

Andrew Greenhalgh BFP FCA (Senior Statutory Auditor)
for and on behalf of Clifford Roberts - Statutory Auditor
63 Broad Green
Wellingborough
Northamptonshire
NN8 4LQ

27 January 2023

Statement of Comprehensive Income
for the Year Ended 30 April 2022

	Notes	2022 £	2021 £
TURNOVER	3	1,821,725	40,747
Cost of sales		<u>343,809</u>	<u>20,436</u>
GROSS PROFIT		1,477,916	20,311
Administrative expenses		<u>1,094,614</u>	<u>600,899</u>
		383,302	(580,588)
Other operating income		<u>26,039</u>	<u>386,159</u>
OPERATING PROFIT/(LOSS)	5	409,341	(194,429)
Interest receivable and similar income		<u>2,042</u>	<u>2,634</u>
		411,383	(191,795)
Interest payable and similar expenses	6	<u>240,496</u>	<u>231,246</u>
PROFIT/(LOSS) BEFORE TAXATION		170,887	(423,041)
Tax on profit/(loss)	7	<u>46,932</u>	<u>(32,014)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		123,955	(391,027)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>123,955</u>	<u>(391,027)</u>

Balance Sheet
30 April 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	8		8,202,181		8,360,730
Long term group loans	9		81,124		<u>82,289</u>
			8,283,305		<u>8,443,019</u>
CURRENT ASSETS					
Stocks	10	9,194		7,119	
Debtors	11	146,596		18,957	
Cash at bank and in hand		1,140,366		546,544	
		1,296,156		<u>572,620</u>	
CREDITORS					
Amounts falling due within one year	12	268,351		<u>75,012</u>	
NET CURRENT ASSETS			1,027,805		<u>497,608</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,311,110		<u>8,940,627</u>
CREDITORS					
Amounts falling due after more than one year	13		(9,720,473)		<u>(9,516,528)</u>
PROVISIONS FOR LIABILITIES	14		(263,650)		<u>(221,067)</u>
NET LIABILITIES			(673,013)		<u>(796,968)</u>
CAPITAL AND RESERVES					
Called up share capital	15		100		100
Retained earnings	16		(673,113)		<u>(797,068)</u>
SHAREHOLDERS' FUNDS			(673,013)		<u>(796,968)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 January 2023 and were signed on its behalf by:

Mrs C M A Conaty - Director

**Statement of Changes in Equity
for the Year Ended 30 April 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2020	100	(406,041)	(405,941)
Changes in equity			
Total comprehensive income	-	(391,027)	(391,027)
Balance at 30 April 2021	100	(797,068)	(796,968)
Changes in equity			
Total comprehensive income	-	123,955	123,955
Balance at 30 April 2022	100	(673,113)	(673,013)

**Notes to the Financial Statements
for the Year Ended 30 April 2022**

1. STATUTORY INFORMATION

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

The nature of the company's operations and its principal activity are set out in the Strategic report on page 2

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include deferred taxation and the estimated useful economic life and residual value of the freehold property.

Revenue

Turnover, which excludes value added tax, represents the invoiced value of goods and services where the right to consideration has been obtained and is derived from ordinary activities.

Tangible fixed assets

Provision is made for depreciation on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation, of each asset over its expected useful life as follows:

Furniture, Fixtures and Fittings	- 5% per annum on cost
Plant and Machinery	- 5% per annum on cost
Equipment	- 20% per annum on cost
Freehold land & Buildings & improvements	- 250 years on cost less residual value

Direct costs associated with the acquisition, planning and construction of the hotel were capitalised.

The building was constructed in the 18th century, is Grade 2 and 2 star listed and the company has an obligation to maintain the building to a high standard in order to comply with English Heritage legislation and also to meet the high expectations of the clientèle. On this basis the directors believe that the period of consumption is at least 250 years and there is no underlying reason to suggest that the property or its function will become obsolete due to either economic or technological advances in the future.

The directors have therefore decided that it would be prudent to depreciate the property over a period of no less than 250 years. The depreciation has therefore been calculated on cost from the date the company commenced trading less the residual value over 250 years.

The property is systematically tested for impairment at the end of each reporting period.

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2022**

2. ACCOUNTING POLICIES - continued

Stocks

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

Taxation

Current tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

The ability of the company to continue as a going concern is dependant on continued support from Hazlitt's Soho Limited, a group company. The directors have received assurances that such support will continue for the foreseeable future and therefore consider the going concern assumption to be reasonable.

Based on forecasts and projections, together with available market information and the directors' knowledge and experience of the industry. The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the company continues to adopt the going concern basis in preparing the annual financial statements.

Debtors and creditors

Short term debtors are measured at transaction price, less any impairment.

Short term trade 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 rate method

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2022**

2. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. TURNOVER

The turnover is attributable to the principal activity of the company. All turnover arose within the United Kingdom.

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2022**

4. EMPLOYEES AND DIRECTORS

	2022	2021
£	£	
Wages and Salaries	493,518	379,251
Social security costs	42,067	28,093
Pension costs	7,484	5,070
	<u>543,069</u>	<u>412,414</u>

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

	2022	2021
£	£	
Hotel	<u>23</u>	<u>19</u>
	<u>23</u>	<u>19</u>

The company operates a defined contribution benefit scheme for all qualifying employees.

	2022	2021
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. OPERATING PROFIT/(LOSS)

The operating profit (2021 - operating loss) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	158,549	158,547
Profit on disposal of fixed assets	-	(90,000)
Auditors' remuneration	<u>15,500</u>	<u>15,500</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Group loan interest	<u>240,496</u>	<u>231,246</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2022

7. TAXATION

Analysis of the tax charge/(credit)

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

	2022 £	2021 £
Current tax:		
UK corporation tax	4,349	(54,048)
Deferred tax	42,583	22,034
Tax on profit/(loss)	<u>46,932</u>	<u>(32,014)</u>

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

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

	2022 £	2021 £
Profit/(loss) before tax	<u>170,887</u>	<u>(423,041)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	32,469	(80,378)
Effects of:		
Expenses not deductible for tax purposes	22	-
Income not taxable for tax purposes	-	(8,914)
Depreciation in excess of capital allowances	4,222	5,210
Origination and reversal of timing differences	10,219	52,068
Total tax charge/(credit)	<u>46,932</u>	<u>(32,014)</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant, Machinery and Equipment £	Furniture, Fixtures and Fittings £	Totals £
COST				
At 1 May 2021				
and 30 April 2022	<u>6,585,425</u>	<u>293,762</u>	<u>2,550,151</u>	<u>9,429,338</u>
DEPRECIATION				
At 1 May 2021	133,311	170,252	765,045	1,068,608
Charge for year	<u>22,219</u>	<u>8,822</u>	<u>127,508</u>	<u>158,549</u>
At 30 April 2022	<u>155,530</u>	<u>179,074</u>	<u>892,553</u>	<u>1,227,157</u>
NET BOOK VALUE				
At 30 April 2022	<u>6,429,895</u>	<u>114,688</u>	<u>1,657,598</u>	<u>8,202,181</u>
At 30 April 2021	<u>6,452,114</u>	<u>123,510</u>	<u>1,785,106</u>	<u>8,360,730</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2022

8. **TANGIBLE FIXED ASSETS - continued**

Included in cost of land and buildings is freehold land of £1,000,000 (2021 - £1,000,000) which is not depreciated.

The tangible assets of the company are pledged as security for bank loans within the group.

9. **LONG TERM GROUP LOANS**

	2022 £	2021 £
Balance brought forward	82,289	108,230
Movement in year	(1,165)	(25,941)
Balance carried forward	<u>81,124</u>	<u>82,289</u>

10. **STOCKS**

	2022 £	2021 £
Stocks	<u>9,194</u>	<u>7,119</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade	67,924	7,824
VAT	-	2,988
Prepayments	78,672	8,145
	<u>146,596</u>	<u>18,957</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade	127,909	1,757
Corporation tax	(2,482)	(6,831)
Social security and other taxes	13,107	5,702
VAT	66,321	-
Other	11,164	14,114
Accrued expenses	52,332	60,270
	<u>268,351</u>	<u>75,012</u>

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

	2022 £	2021 £
Amounts owed to group undertakings	<u>9,720,473</u>	<u>9,516,528</u>

14. **PROVISIONS FOR LIABILITIES**

	2022 £	2021 £
Deferred tax	<u>263,650</u>	<u>221,067</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2022

14. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 May 2021	221,067
Accelerated capital allowances	(2,356)
Losses utilised	44,939
Balance at 30 April 2022	<u>263,650</u>

15. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2022 £	2021 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

16. **RESERVES**

	Retained earnings £
At 1 May 2021	(797,068)
Profit for the year	123,955
At 30 April 2022	<u>(673,113)</u>

17. **ULTIMATE PARENT COMPANY**

The ultimate parent company is Hazlitt's Hotels Limited which owns a 100% of the share capital. Hazlitt's Hotels Limited is a company registered in England and Wales and its registered office is 12 Peter's Lane Cowcross Street, London EC1M 6DS.

18. **RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in the Financial Reporting Standard 102 "Related Part Disclosures" for a wholly owned subsidiary company not to disclose transactions with other members of the wholly owned group headed by Hazlitt's Hotels Limited as the consolidated financial statements of Hazlitt's Hotels Limited are publicly available.

19. **BANKING COMMITMENTS**

The company is party to a cross composite bank guarantee with other subsidiaries of Hazlitt's Hotels Limited. The assets of the company are therefore subject to a charge to secure the bank loans of the group companies.

20. **LOANS AND BORROWINGS**

Amounts owed to group undertakings are unsecured. Interest of 2.5% per annum is charged on the amounts owed.

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