REGISTERED NUMBER: 07625574 (England and Wales)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

LONDON RESORT COMPANY HOLDINGS LIMITED

Waterfords Europe Limited t/a Jon Avol Waterfords
204 Field End Road
Eastcote
Middlesex
HA5 1RD

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

LONDON RESORT COMPANY HOLDINGS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	D M S Al-Humaidi S J Norris R Macnaughton
REGISTERED OFFICE:	84 Brook Street 3rd Floor London W1K 5EH
REGISTERED NUMBER:	07625574 (England and Wales)
AUDITORS:	Waterfords Europe Limited t/a Jon Avol Waterfords 204 Field End Road Eastcote Middlesex HA5 1RD

LONDON RESORT COMPANY HOLDINGS LIMITED (REGISTERED NUMBER: 07625574)

BALANCE SHEET
31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Intangible assets	4	**-**	257,143
Tangible assets	5	**515,455**	515,455
Investments	6	**202**	202
		515,657	772,800
CURRENT ASSETS			
Debtors	7	**66,330,334**	59,400,358
Cash at bank and in hand		**1,672**	3,639
		66,332,006	59,403,997
CREDITORS			
Amounts falling due within one year	8	**(50,618,997)**	(43,471,629)
NET CURRENT ASSETS		**15,713,009**	15,932,368
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,228,666**	16,705,168
CREDITORS			
Amounts falling due after more than one year	9	**(10,290,000)**	(9,711,000)
NET ASSETS		**5,938,666**	6,994,168
CAPITAL AND RESERVES			
Called up share capital		**169,469**	165,970
Share premium		**40,194,011**	29,808,135
Retained earnings		**(34,424,814)**	(22,979,937)
SHAREHOLDERS' FUNDS		**5,938,666**	6,994,168

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2023 and were signed on its behalf by:

R Macnaughton - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

London Resort Company Holdings 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements
The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Recoverability of debtors
The directors consider whether debtors are recoverable. Consideration is made of any objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including observable data that comes to attention of the company or other factors which may also be evidence of impairment, including those arising from the course of the operations of the company.

Contingent consideration
Contingent consideration is recognised in respect of payments due relating to past acquisitions that are contingent on future events. The timing and likelihood of these events is subject to uncertainty and therefore subject to the judgement of the directors.

Intangible assets
Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Licences Amortised over the life of the licence

continued...

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land Freehold land is not depreciated as it is deemed to have an unlimited useful life

Computers 33% Straight line

Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Cash and cash equivalents
Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

Fixed assets investments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

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2. ACCOUNTING POLICIES - continued

Employee and retirement benefits

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Going concern
The directors have considered the support and resources available to the company and have reasonable expectation that the company has adequate resources to continue as a going concern for the foreseeable future.

In September 2020, the company raised a total of £10m in new funding. £5m was received from related parties and external investors, which was matched by the UK Government backed Future Fund. This funding by the UK Government Future Fund is a convertible loan with a maturity period of 36 months, converting into shares in the Company.

Furthermore, the directors of the company have engaged financial advisors to raise funds in 2023 from additional sources in London capital markets and other financial centres. The directors are confident that, given the submission of the Development Consent Order (DCO) application to the Secretary of State, the capital raising will be completed successfully within 2023/2024.

The company has supported its cash flow for the years 2019, 2020, 2021 and 2022 by successfully issuing a total of 5,486,625 new shares at a total value of £16,793,906 at an average share price of £3.06 per share through 38 share issue transactions. This average of £3.06 is at a 16% premium to the latest company valuation undertaken by Deloitte valuing the company at £451m. The new shareholders are based internationally such as England, France, Kuwait, and India. The share issue in 2019 and 2020 was at £2.00 per share, increasing to £2.50 in the early part of 2021 and then to £3.75 per share.

The Company is now preparing a new application to be submitted to the Planning Inspectorate for the planning permission

On this basis the directors continue to adopt the going concern basis in preparing the financial statements.

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2. **ACCOUNTING POLICIES - continued**

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Debt instruments that do not meet the conditions in FRS 102 section 11 are non-basic financial instruments FRS102 section 12. The financial liability is initially recognised at fair value, which is normally the transaction price. At the end of each reporting period the debt instrument will be measured at fair value and recognise changes in value in profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2020 - 9) .

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4. **INTANGIBLE FIXED ASSETS**

	Licences £
COST	
At 1 January 2021	**3,668,561**
Adjustments	**(150,000)**
At 31 December 2021	**3,518,561**
AMORTISATION	
At 1 January 2021	**3,411,418**
Amortisation for year	**107,143**
At 31 December 2021	**3,518,561**
NET BOOK VALUE	
At 31 December 2021	**-**
At 31 December 2020	257,143

5. **TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2021 and 31 December 2021	**515,455**	**3,380**	**518,835**
DEPRECIATION			
At 1 January 2021 and 31 December 2021	**-**	**3,380**	**3,380**
NET BOOK VALUE			
At 31 December 2021	**515,455**	**-**	**515,455**
At 31 December 2020	515,455	-	515,455

6. **FIXED ASSET INVESTMENTS**

	Shares in group undertaking £
COST	
At 1 January 2021 and 31 December 2021	**202**
NET BOOK VALUE	
At 31 December 2021	**202**
At 31 December 2020	202

The company's investments at the Balance Sheet date in the share capital of companies include the following:

London Resort Property Limited
Registered office: 20 Berkeley Square, London, W1J 6EQ
Nature of business:

Class of shares:	% holding
Ordinary	100.00

continued...

6. **FIXED ASSET INVESTMENTS - continued**

London Resort Design Group Limited
Registered office: 20 Berkeley Square, London,W1J 6EQ
Nature of business:

Class of shares:	% holding
Ordinary	100.00

LRCH Key Workers Limited
Registered office: 20 Berkeley Square, London, W1J 6EQ
Nature of business:

Class of shares:	% holding
Ordinary	100.00

7. **DEBTORS**

	31.12.21	31.12.20
	£	£
Amounts falling due within one year:		
Other debtors	**16,330,334**	9,400,358
Amounts falling due after more than one year:		
Other debtors	**50,000,000**	50,000,000
Aggregate amounts	**66,330,334**	59,400,358

Included in Other debtors: Amounts due within one year is £11,069,006 (2020: £8,204,006) for non refundable deposits on land for the Future Theme Park once the consent is received.

Debtors Amounts Due in more than one year represents two of the Company's subsidiaries, LRCH Hotel 1 Ltd and LRCH Hotel 2 Ltd that are the subject of a conditional sale agreement. If the necessary planning and other consents are achieved for the hotels,which in turn is dependent on achieving the necessary planning and other consents for the project, then the sum of £49,500,000 is payable for LRCH Hotel 1 Ltd and £500,000 for LRCH Hotel 2 Ltd.

The directors are confident that all planning and other consents will be received.

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

	31.12.21	31.12.20
	£	£
Trade creditors	**10,982,065**	6,104,756
Amounts owed to group undertakings	**38,153,318**	35,465,552
Taxation and social security	**349,207**	94,474
Other creditors	**1,134,407**	1,806,847
	50,618,997	43,471,629

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

	31.12.21	31.12.20
	£	£
Taxation and social security	**95,000**	95,000
Other creditors	**10,195,000**	9,616,000
	10,290,000	9,711,000

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9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Included in other creditors are the following amounts:

£1million (2020: £1million) relates to contingent consideration for the acquisition of Vision IP Limited. The planning conditions to which this contingent consideration is attached are expected to be fulfilled in more than one year's time.

Future Funds Loan, the company raised a total of £10m in new funding in September 2020, £5m was received from related parties and external investors, which was matched by the UK Government backed Future Fund.

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Sanjay Anand FCCA (Senior Statutory Auditor)
for and on behalf of Waterfords Europe Limited t/a Jon Avol Waterfords

11. RELATED PARTY DISCLOSURES

As at 31 December 2021 the company owed Kuwaiti European Holding Company K.S.C. (Kuwait), a company under common control, £30,814,367 (2020: £34,555,605) included in creditors due within one year.

As at 31 December 2021 the company owed its former subsidiary LRCH Hotel 1 Limited £1,124,124 (2020: £691,846) included in creditors due within one year.

As at 31 December 2021 the company owed Armila Capital Limited, a company under common control, £5,660,088 (2020: £218,101) included in creditors due within one year and £1,100,000 (2020: £1,020,000) included in creditors due after more than after one year.

As at 31 December 2021 the company owed KEH Group Limited, a company under common control, £44,859 (2020: £Nil) included in creditors due within one year and £330,000 (2020: £306,000) included in creditors due after more than after one year.

12. POST BALANCE SHEET EVENTS

On 6th April 2023, the Company went through a Creditor Voluntary Arrangement (CVA) which was approved by the Creditors. The CVA provided an opportunity to convert the outstanding liabilities to shares in the Company at a valuation of £2 per share. This provided the Company with a strong and positive balance sheet to pursue the development of the London Resort scheme. As a result of this re-organisation, the Capital and Reserves of the Company stood at £68 million with minimal liabilities. The current assets exceed the current liabilities. The Company also received offers of investment post finalisation of the CVA from an international conglomerate to the tune of £600 million at a price of £2 per share.

13. ULTIMATE CONTROLLING PARTY

The company is considered to have no ultimate controlling party.

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.