

**PRAHI HOTEL COLLECTION LIMITED**  
**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTOR AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**PRAHI HOTEL COLLECTION LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>DIRECTOR:</b>	A Ahmed
<b>REGISTERED OFFICE:</b>	75/129 Carlisle Street Sheffield South Yorkshire S4 7LJ
<b>REGISTERED NUMBER:</b>	09174105 (England and Wales)
<b>AUDITORS:</b>	Xeinadin Audit Limited Sidings House Sidings Court Lakeside Doncaster South Yorkshire DN4 5NU

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his strategic report for the year ended 31 December 2021.

**REVIEW OF BUSINESS**

The main activity of the Prahi Hotel Collection Ltd ("the Company") is the operation of its main asset, The Shrigley Hall Hotel in the United Kingdom.

The strategy of the Company is to operate the hotel profitably whilst maintaining good customer satisfaction ratings and hiring and managing employees effectively.

**Key Financial Performance Indicators**

	<b><u>Year Ended</u></b> <b><u>31/12/21</u></b> <b>£</b>	<b><u>Year Ended</u></b> <b><u>31/12/20</u></b> <b>£</b>
Turnover	6,768,009	3,412,076
Gross Profit	5,569,459	2,806,110
Gross Profit percentage	82.29%	82.24%
Net Loss before Tax	706,350	1,598,962
Net Liabilities	3,524,956	2,829,751

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company is directly exposed to the risks associated with the hotel industry such as any downturn in the general operating conditions in the UK provincial hotel industry and new hotel openings close to its existing location.

The Company is also exposed to risks regarding property valuations in periods of market instability. This instability means that professional valuers and the Director are not able to value properties with the same degree of certainty as would be the case in a more stable market with a good level of transactional evidence to support valuations.

The Company's exposure to credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of any allowances for doubtful debts. The Company seeks to mitigate credit risk through credit checking and, where customers pay on departure, Company policy is to obtain a pre-authorised credit card for payment. In certain circumstances customers pay all or part of their stay in advance.

The Company's exposure to liquidity and cash flow risk is mitigated by the trade debtors procedures described above and by negotiating commercial payment terms with suppliers. The Company aims to mitigate liquidity risk by managing cash generation and uses through its operations.

**COVID-19**

The COVID-19 pandemic has materially affected the companies activities since March 2020. The hotel has been forced to close during multiple national and local lockdowns. The Company has utilised the Coronavirus Job Retention Scheme in furloughing a number of staff at various points. To ensure the continuity of the Companies activities, when the pandemic hit we took immediate action which should ensure an adequate level of liquidity and consequently ensure the sustainability of future activities. Among all the measures taken, the following should be noted:

- Reduction and limitation of operating expenses: the Company quickly took all measures that were necessary to drastically reduce its operational and ongoing expenses to limit these as much as possible, in particular by using all government aid where available, by applying the economic unemployment when activities are at a standstill, by negotiating with its suppliers extended payment periods, reducing all of its operating costs and by using all the possibilities of deferral of expenditure, in particular with regard to taxes and duties;

The directors believe that it is reasonable to consider that the Company will have the necessary resources to ensure its operational continuity for a period of at least 12 months from the date of signature of these Financial Statements.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**FUTURE DEVELOPMENTS**

The director is confident for the future as the company continues to build its brand and reputation.

**ON BEHALF OF THE BOARD:**

A Ahmed - Director

14 December 2022

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The director presents his report with the financial statements of the company for the year ended 31 December 2021.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2021.

**DIRECTOR**

A Ahmed held office during the whole of the period from 1 January 2021 to the date of this report.

**APPROVAL OF REDUCED DISCLOSURES**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS102 Reduced Disclosure Framework as listed in note 2 to these financial statements. The parent company's parent company has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Xeinadin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A Ahmed - Director

14 December 2022

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRAHI HOTEL COLLECTION LIMITED

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### **Opinion**

We have audited the financial statements of Prahi Hotel Collection Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

### **Material uncertainty relating to going concern**

We draw attention to note 2 in the financial statements.

Developments around the COVID-19 pandemic have had a significant impact on the operational and financial performance of Prahi Hotel Collection Limited during 2020 and 2021, resulting in losses for both years and severely depleting cash reserves. Moving into 2022 and 2023 the current macro economic conditions, with significant inflationary pressures, a possible recession and a tight labour market have the potential to limit the company's future planned growth and may alter the assessment of its ability to continue as a going concern. We believe that the potential impact on future trade of macro economic developments, combined with the historic deficits caused by COVID-19, is material to users of the financial statements as a factor that may cast significant doubt on the company's ability to meet its financial commitments and to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 Director 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 Director have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PRAHI HOTEL COLLECTION LIMITED**

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**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 Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRAHI HOTEL COLLECTION LIMITED

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### **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:

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to building regulations and corporation tax legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. As part of this assessment we considered both quantitative and qualitative factors. We also considered those laws and regulations that have a direct impact on the preparation on the financial statements, such as the Companies Act 2006 and FRS 102.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements which included the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries, omitting, advancing or delaying recognition of events and transactions that have occurred during or after the reporting period, and potential management bias in the determination of accounting estimates or judgements to manipulate results.

Audit procedures performed by the engagement team include:

- Enquiring of and obtaining written representation from management in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Identifying and, where relevant, testing journal entries posted by senior management or with unusual combinations;
- Assessing and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Review of correspondence with regulators in so far as they are related to the financial statements;
- Incorporating elements of unpredictability into the nature, timing and/or extent of audit procedures performed.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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 by, for example, forgery or intentional misrepresentation, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PRAHI HOTEL COLLECTION LIMITED**

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**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 Cribb FCA (Senior Statutory Auditor)  
for and on behalf of Xeinadin Audit Limited  
Sidings House  
Sidings Court  
Lakeside  
Doncaster  
South Yorkshire  
DN4 5NU

23 December 2022

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>	3	<b>6,768,009</b>	3,412,076
Cost of sales		<u>1,198,550</u>	<u>605,966</u>
<b>GROSS PROFIT</b>		<b>5,569,459</b>	2,806,110
Administrative expenses		<u>6,569,650</u>	<u>4,817,470</u>
		<b>(1,000,191)</b>	(2,011,360)
Other operating income		<u>536,274</u>	<u>828,154</u>
<b>OPERATING LOSS</b>	5	<b>(463,917)</b>	(1,183,206)
Interest payable and similar expenses	6	<u>242,433</u>	<u>415,756</u>
<b>LOSS BEFORE TAXATION</b>		<b>(706,350)</b>	(1,598,962)
Tax on loss	7	<u>(11,145)</u>	<u>(13,263)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(695,205)</u></b>	<b><u>(1,585,699)</u></b>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>LOSS FOR THE YEAR</b>		(695,205)	(1,585,699)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(695,205)</u>	<u>(1,585,699)</u>

The notes form part of these financial statements

**BALANCE SHEET**  
**31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		<b>8,821,954</b>		9,361,264
<b>CURRENT ASSETS</b>					
Stocks	9	<b>84,885</b>		61,031	
Debtors	10	<b>760,555</b>		424,484	
Cash at bank		<u><b>478,513</b></u>		<u>378,848</u>	
		<b>1,323,953</b>		<b>864,363</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u><b>5,617,833</b></u>		<u>12,449,227</u>	
<b>NET CURRENT LIABILITIES</b>			<u><b>(4,293,880)</b></u>		<u>(11,584,864)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>4,528,074</b>		(2,223,600)
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		<u><b>8,053,030</b></u>		<u>606,151</u>
<b>NET LIABILITIES</b>			<u><b>(3,524,956)</b></u>		<u>(2,829,751)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		<b>1</b>		<b>1</b>
Retained earnings	17		<u><b>(3,524,957)</b></u>		<u>(2,829,752)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>(3,524,956)</b></u>		<u>(2,829,751)</u>

The financial statements were approved by the director and authorised for issue on 14 December 2022 and were signed by:

A Ahmed - Director

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	1	(1,244,053)	(1,244,052)
Changes in equity			
Total comprehensive income	-	(1,585,699)	(1,585,699)
Balance at 31 December 2020	1	(2,829,752)	(2,829,751)
Changes in equity			
Total comprehensive income	-	(695,205)	(695,205)
Balance at 31 December 2021	1	(3,524,957)	(3,524,956)

The notes form part of these financial statements

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	602,933	174,297
Interest paid		(228,335)	(405,920)
Interest element of hire purchase payments paid		(14,098)	(9,836)
Tax paid		11,145	13,263
Net cash from operating activities		<u>371,645</u>	<u>(228,196)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(93,712)	(647,722)
Net cash from investing activities		<u>(93,712)</u>	<u>(647,722)</u>
<b>Cash flows from financing activities</b>			
Intercompany loan		(7,660,671)	834,049
Loan repayments in year		(441,667)	-
New loans in year		8,021,050	500,000
Capital repayments in year		(96,980)	(194,230)
Net cash from financing activities		<u>(178,268)</u>	<u>1,139,819</u>
<b>Increase in cash and cash equivalents</b>		<u>99,665</u>	<u>263,901</u>
<b>Cash and cash equivalents at beginning of year</b>	2	378,848	114,947
<b>Cash and cash equivalents at end of year</b>	2	<u>478,513</u>	<u>378,848</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
Loss before taxation	(706,350)	(1,598,962)
Depreciation charges	633,022	586,457
Finance costs	242,433	415,756
	<u>169,105</u>	<u>(596,749)</u>
(Increase)/decrease in stocks	(23,854)	8,594
(Increase)/decrease in trade and other debtors	(75,054)	362,533
Increase in trade and other creditors	532,736	399,919
<b>Cash generated from operations</b>	<u><u>602,933</u></u>	<u><u>174,297</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2021**

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u>478,513</u>	<u>378,848</u>

**Year ended 31 December 2020**

	31.12.20 £	1.1.20 £
Cash and cash equivalents	<u>378,848</u>	<u>114,947</u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.21 £	Cash flow £	At 31.12.21 £
<b>Net cash</b>			
Cash at bank	<u>378,848</u>	<u>99,665</u>	<u>478,513</u>
	<u>378,848</u>	<u>99,665</u>	<u>478,513</u>
<b>Debt</b>			
Finance leases	(402,903)	96,980	(305,923)
Debts falling due within 1 year	(100,000)	(39,902)	(139,902)
Debts falling due after 1 year	<u>(341,667)</u>	<u>(7,539,481)</u>	<u>(7,881,148)</u>
	<u>(844,570)</u>	<u>(7,482,403)</u>	<u>(8,326,973)</u>
<b>Total</b>	<u><u>(465,722)</u></u>	<u><u>(7,382,738)</u></u>	<u><u>(7,848,460)</u></u>

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. STATUTORY INFORMATION**

Prahi Hotel Collection 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 presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

As at 31 December 2021, the company had net current liabilities of £4,293,880.

Developments around the COVID-19 pandemic have had a significant impact on the operational and financial performance of the Company during 2020 and 2021, resulting in losses for both years and severely depleting cash reserves. Moving into 2022 and 2023 the current macro economic conditions, with significant inflationary pressures, a possible recession and a tight labour market have the potential to limit the company's future planned growth and may alter the assessment of its ability to continue as a going concern.

The director considers it appropriate to prepare the accounts on a going concern basis, however the above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

**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 requirement of paragraph 33.7.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under finance lease, over the lease term, whichever is shorter

Freehold property - various rates on reducing balance

Plant and machinery - 5% - 33% on reducing balance

**Stocks**

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

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued****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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

**Pension**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit or loss in the period to which they relate.

**Grant income**

Grant income relating to revenue is recognised on an accruals basis. Income is recognised on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs is recognised in income in the period in which it becomes receivable.

**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

**4. EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	3,538,416	2,589,164
Social security costs	175,560	166,557
	<u>3,713,976</u>	<u>2,755,721</u>

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

2021	2020
<u>175</u>	<u>190</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

4. EMPLOYEES AND DIRECTORS - continued

	2021 £	2020 £
Director's remuneration	<u>-</u>	<u>-</u>

5. OPERATING LOSS

The operating loss is stated after charging:

	2021 £	2020 £
Hire of plant and machinery	9,474	11,915
Depreciation - owned assets	584,673	538,109
Depreciation - assets on hire purchase contracts	48,349	48,349
Auditors' remuneration	<u>12,500</u>	<u>12,500</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Loan interest	228,335	405,920
Hire purchase	<u>14,098</u>	<u>9,836</u>
	<u>242,433</u>	<u>415,756</u>

7. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	<u>(11,145)</u>	<u>(13,263)</u>
Tax on loss	<u>(11,145)</u>	<u>(13,263)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2021	12,257,344	1,725,321	13,982,665
Additions	91,959	1,753	93,712
At 31 December 2021	12,349,303	1,727,074	14,076,377
<b>DEPRECIATION</b>			
At 1 January 2021	3,605,133	1,016,268	4,621,401
Charge for year	439,466	193,556	633,022
At 31 December 2021	4,044,599	1,209,824	5,254,423
<b>NET BOOK VALUE</b>			
At 31 December 2021	8,304,704	517,250	8,821,954
At 31 December 2020	8,652,211	709,053	9,361,264

A full independent valuation of the property was carried out by CBRE Limited on 14 June 2021. This valuation indicated a market value of £9,300,000 for the property as a fully equipped operational entity.

A bank loan in the name of Amazehotels Ltd, this company's share of which amounts to £8,021,050, is secured on the land and buildings held by this company.

Cost or valuation at 31 December 2021 is represented by:

	Freehold property £	Plant and machinery £	Totals £
Valuation in 2017	132,000	-	132,000
Valuation in 2021	(2,124,172)	(6,350)	(2,130,522)
Cost	14,341,475	1,733,424	16,074,899
	12,349,303	1,727,074	14,076,377

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>			
At 1 January 2021 and 31 December 2021	<u>47,157</u>	<u>335,077</u>	<u>382,234</u>
<b>DEPRECIATION</b>			
At 1 January 2021	10,048	85,414	95,462
Charge for year	<u>7,835</u>	<u>40,514</u>	<u>48,349</u>
At 31 December 2021	<u>17,883</u>	<u>125,928</u>	<u>143,811</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>29,274</u>	<u>209,149</u>	<u>238,423</u>
At 31 December 2020	<u>37,109</u>	<u>249,663</u>	<u>286,772</u>

**9. STOCKS**

	<b>2021 £</b>	<b>2020 £</b>
Stocks	<u>84,885</u>	<u>61,031</u>

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

	<b>2021 £</b>	<b>2020 £</b>
Trade debtors	249,183	146,206
Amounts owed by group undertakings	286,195	25,178
Other debtors	77,825	137,272
Prepayments and accrued income	<u>147,352</u>	<u>115,828</u>
	<u>760,555</u>	<u>424,484</u>

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

	<b>2021 £</b>	<b>2020 £</b>
Bank loans and overdrafts (see note 13)	139,902	100,000
Hire purchase contracts (see note 14)	134,041	138,419
Trade creditors	1,111,726	691,790
Amounts owed to group undertakings	2,462,334	9,861,988
Social security and other taxes	310,861	158,863
VAT	84,699	46,780
Other creditors	406,201	515,651
Accruals and deferred income	<u>968,069</u>	<u>935,736</u>
	<u>5,617,833</u>	<u>12,449,227</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	2021	2020
	£	£
Bank loans (see note 13)	7,881,148	341,667
Hire purchase contracts (see note 14)	171,882	264,484
	<u>8,053,030</u>	<u>606,151</u>

13. **LOANS**

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>139,902</u>	<u>100,000</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>279,804</u>	<u>100,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>7,601,344</u>	<u>241,667</u>

14. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	134,041	138,419
Between one and five years	<u>171,882</u>	<u>264,484</u>
	<u>305,923</u>	<u>402,903</u>
	<b>Non-cancellable</b>	<b>operating leases</b>
	2021	2020
	£	£
Within one year	4,520	4,520
Between one and five years	<u>4,143</u>	<u>8,663</u>
	<u>8,663</u>	<u>13,183</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

15. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>8,021,050</u>	<u>-</u>

A bank loan in the name of Amazehotels Ltd, this company's share of which amounts to £8,021,050, is secured on the land and buildings held by this company, in addition to which the director has given personal guarantees against.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1	Ordinary A	1	<u>1</u>	<u>1</u>

17. RESERVES

	Retained earnings £
At 1 January 2021	(2,829,752)
Deficit for the year	<u>(695,205)</u>
At 31 December 2021	<u>(3,524,957)</u>

18. ULTIMATE PARENT COMPANY

The company's issued share capital is wholly owned by Prahi (2017) Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Prahi Limited, a company registered in England and Wales. Consolidated group accounts of Prahi Limited can be obtained from Sidings House, Sidings Court, Lakeside, Doncaster, South Yorkshire, DN4 5NU.

19. CONTINGENT LIABILITIES

The Company is party to a composite loan in the name of Amazehotels Ltd, covering multiple other Companies, under a joint and several liability arrangement. The Company's share of this loan is disclosed as a bank loan within these Accounts. However in the event that one of the other Companies is unable to meet its repayment obligations then the Company may be required to make further payments, over and above its disclosed commitments. As the amount and nature of these payments is not able to be quantified as at the Balance Sheet date, no provision has been made, rather has been disclosed as a potential contingent liability.

20. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**21. GOVERNMENT ASSISTANCE**

During the year the company has received grant income under the HM Government Coronavirus Job Retention Scheme totalling £536,274 (2020: £828,467). Amounts recognised are included in Other Income.



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