

PRAHI HOTEL COLLECTION LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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PRAHI HOTEL COLLECTION LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTOR:	A Ahmed
REGISTERED OFFICE:	Shrigley Hall Hotel Pott Shrigley Macclesfield Cheshire SK10 5SB
REGISTERED NUMBER:	09174105 (England and Wales)
AUDITORS:	Xeinadin Audit Limited Sidings House Sidings Court Lakeside Doncaster South Yorkshire DN4 5NU

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

The director presents his strategic report for the year ended 31 December 2022.

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

	<u>Year Ended</u> <u>31/12/22</u> £	<u>Year Ended</u> <u>31/12/21</u> £
Turnover	9,772,287	6,768,009
Gross Profit	8,230,164	5,569,459
Gross Profit percentage	84.22%	82.29%
Net Profit/(Loss) before Tax	1,083,255	(706,350)
Net Liabilities	2,441,701	3,524,956

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.

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

25 September 2023

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2022**

The director presents his report with the financial statements of the company for the year ended 31 December 2022.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTOR

A Ahmed held office during the whole of the period from 1 January 2022 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

25 September 2023

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

Opinion

We have audited the financial statements of Prahi Hotel Collection Limited (the 'company') for the year ended 31 December 2022 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 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.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial statements, which indicates that the company's liabilities exceeded its total assets by £2,441,701.

As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability 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**

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 three, 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

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. This description forms part of our Report of the Auditors.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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

29 September 2023

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
TURNOVER	3	9,772,287	6,768,009
Cost of sales		<u>1,542,123</u>	<u>1,198,550</u>
GROSS PROFIT		8,230,164	5,569,459
Administrative expenses		<u>6,636,887</u>	<u>6,569,650</u>
		1,593,277	(1,000,191)
Other operating income		<u>-</u>	<u>536,274</u>
OPERATING PROFIT/(LOSS)	5	1,593,277	(463,917)
Interest payable and similar expenses	6	<u>510,022</u>	<u>242,433</u>
PROFIT/(LOSS) BEFORE TAXATION		1,083,255	(706,350)
Tax on profit/(loss)	7	<u>-</u>	<u>(11,145)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,083,255</u>	<u>(695,205)</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
PROFIT/(LOSS) FOR THE YEAR		1,083,255	(695,205)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,083,255</u>	<u>(695,205)</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	8		8,269,658		8,821,954
CURRENT ASSETS					
Stocks	9	77,505		84,885	
Debtors	10	1,802,097		760,555	
Cash at bank		<u>421,133</u>		<u>478,513</u>	
		2,300,735		1,323,953	
CREDITORS					
Amounts falling due within one year	11	<u>5,321,007</u>		<u>5,617,833</u>	
NET CURRENT LIABILITIES			<u>(3,020,272)</u>		<u>(4,293,880)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,249,386		4,528,074
CREDITORS					
Amounts falling due after more than one year	12		<u>7,691,087</u>		<u>8,053,030</u>
NET LIABILITIES			<u>(2,441,701)</u>		<u>(3,524,956)</u>
CAPITAL AND RESERVES					
Called up share capital	16		1		1
Retained earnings	17		<u>(2,441,702)</u>		<u>(3,524,957)</u>
SHAREHOLDERS' FUNDS			<u>(2,441,701)</u>		<u>(3,524,956)</u>

The financial statements were approved by the director and authorised for issue on 25 September 2023 and were signed by:

A Ahmed - Director

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	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)
Changes in equity			
Total comprehensive income	-	1,083,255	1,083,255
Balance at 31 December 2022	1	(2,441,702)	(2,441,701)

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	800,341	602,933
Interest paid		(482,077)	(228,335)
Interest element of hire purchase payments paid		(27,945)	(14,098)
Tax paid		-	11,145
Net cash from operating activities		<u>290,319</u>	<u>371,645</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(121,157)	(93,712)
Sale of tangible fixed assets		50,000	-
Net cash from investing activities		<u>(71,157)</u>	<u>(93,712)</u>
Cash flows from financing activities			
New loans in year		-	(7,660,671)
Loan repayments in year		(139,902)	(441,667)
New loans in year		-	8,021,050
Capital repayments in year		(136,640)	(96,980)
Net cash from financing activities		<u>(276,542)</u>	<u>(178,268)</u>
(Decrease)/increase in cash and cash equivalents		<u>(57,380)</u>	<u>99,665</u>
Cash and cash equivalents at beginning of year	2	478,513	378,848
Cash and cash equivalents at end of year	2	<u>421,133</u>	<u>478,513</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Profit/(loss) before taxation	1,083,255	(706,350)
Depreciation charges	623,453	633,022
Finance costs	<u>510,022</u>	<u>242,433</u>
	2,216,730	169,105
Decrease/(increase) in stocks	7,380	(23,854)
Increase in trade and other debtors	(1,041,542)	(75,054)
(Decrease)/increase in trade and other creditors	<u>(382,227)</u>	<u>532,736</u>
Cash generated from operations	<u>800,341</u>	<u>602,933</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 2022

	31.12.22 £	1.1.22 £
Cash and cash equivalents	<u>421,133</u>	<u>478,513</u>

Year ended 31 December 2021

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

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank	<u>478,513</u>	<u>(57,380)</u>	<u>421,133</u>
	<u>478,513</u>	<u>(57,380)</u>	<u>421,133</u>
Debt			
Finance leases	(305,923)	136,640	(169,283)
Debts falling due within 1 year	(139,902)	(139,902)	(279,804)
Debts falling due after 1 year	<u>(7,881,148)</u>	<u>279,804</u>	<u>(7,601,344)</u>
	<u>(8,326,973)</u>	<u>276,542</u>	<u>(8,050,431)</u>
Total	<u>(7,848,460)</u>	<u>219,162</u>	<u>(7,629,298)</u>

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

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 2022, the company had net current liabilities of £3,020,272 and an overall deficiency of assets amounting to £2,441,701.

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 is reliant on the other companies for financial support in the event it cannot meet its repayment obligations.

Evidence suggests an injection of capital may be required within the next 12 months in order for one of the companies to fulfil its obligations. The extent and availability of the required amount of capital and/or the ability to agree revised payment terms with the creditor, at this time is unknown. The outcome of this may therefore affect the other companies ability to provide support to the Company, which 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.

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

2. ACCOUNTING POLICIES - continued**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.

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 profit (2021 - loss) before taxation are attributable to the one principal activity of the company.

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	3,464,907	3,538,416
Social security costs	<u>235,955</u>	<u>175,560</u>
	<u>3,700,862</u>	<u>3,713,976</u>

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

4. EMPLOYEES AND DIRECTORS - continued

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

2022	2021
<u>188</u>	<u>175</u>

	2022	2021
	£	£
Director's remuneration	<u>-</u>	<u>-</u>

5. OPERATING PROFIT/(LOSS)

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

	2022	2021
	£	£
Hire of plant and machinery	38,570	9,474
Depreciation - owned assets	564,124	584,673
Depreciation - assets on hire purchase contracts	59,329	48,349
Auditors' remuneration	<u>14,250</u>	<u>12,500</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Loan interest	482,077	228,335
Hire purchase	<u>27,945</u>	<u>14,098</u>
	<u>510,022</u>	<u>242,433</u>

7. TAXATION**Analysis of the tax credit**

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	-	(11,145)
Tax on profit/(loss)	<u>-</u>	<u>(11,145)</u>

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

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST OR VALUATION			
At 1 January 2022	12,349,303	1,727,074	14,076,377
Additions	63,858	57,299	121,157
Disposals	(50,000)	-	(50,000)
At 31 December 2022	12,363,161	1,784,373	14,147,534
DEPRECIATION			
At 1 January 2022	4,044,599	1,209,824	5,254,423
Charge for year	447,106	176,347	623,453
At 31 December 2022	4,491,705	1,386,171	5,877,876
NET BOOK VALUE			
At 31 December 2022	7,871,456	398,202	8,269,658
At 31 December 2021	8,304,704	517,250	8,821,954

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 £7,881,148 is secured on the land and buildings held by this company.

Cost or valuation at 31 December 2022 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	14,355,333	1,790,723	16,146,056
	12,363,161	1,784,373	14,147,534

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

8. TANGIBLE FIXED ASSETS - continued

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

	Freehold property £	Plant and machinery £	Totals £
COST OR VALUATION			
At 1 January 2022	47,157	335,077	382,234
Reclassification/transfer	-	(26,208)	(26,208)
At 31 December 2022	<u>47,157</u>	<u>308,869</u>	<u>356,026</u>
DEPRECIATION			
At 1 January 2022	17,883	125,928	143,811
Charge for year	7,835	51,494	59,329
Reclassification/transfer	-	(5,780)	(5,780)
At 31 December 2022	<u>25,718</u>	<u>171,642</u>	<u>197,360</u>
NET BOOK VALUE			
At 31 December 2022	<u>21,439</u>	<u>137,227</u>	<u>158,666</u>
At 31 December 2021	<u>29,274</u>	<u>209,149</u>	<u>238,423</u>

9. STOCKS

	2022 £	2021 £
Stocks	<u>77,505</u>	<u>84,885</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	304,982	249,183
Amounts owed by group undertakings	286,195	286,195
Other debtors	999,642	77,825
Prepayments and accrued income	<u>211,278</u>	<u>147,352</u>
	<u>1,802,097</u>	<u>760,555</u>

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 13)	279,804	139,902
Hire purchase contracts (see note 14)	79,540	134,041
Trade creditors	1,015,974	1,111,726
Amounts owed to group undertakings	2,462,334	2,462,334
Social security and other taxes	137,122	310,861
VAT	270,296	84,699
Other creditors	226,277	406,201
Accruals and deferred income	849,660	968,069
	<u>5,321,007</u>	<u>5,617,833</u>

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

	2022	2021
	£	£
Bank loans (see note 13)	7,601,344	7,881,148
Hire purchase contracts (see note 14)	89,743	171,882
	<u>7,691,087</u>	<u>8,053,030</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>279,804</u>	<u>139,902</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>279,804</u>	<u>279,804</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>7,321,540</u>	<u>7,601,344</u>

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

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	79,540	134,041
Between one and five years	<u>89,743</u>	<u>171,882</u>
	<u>169,283</u>	<u>305,923</u>
	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	10,969	4,520
Between one and five years	<u>-</u>	<u>4,143</u>
	<u>10,969</u>	<u>8,663</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	<u>7,881,148</u>	<u>8,021,050</u>

A bank loan in the name of Amazehotels Ltd, this company's share of which amounts to £7,881,148, 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:			2022	2021
Number:	Class:	Nominal value:	£	£
1	Ordinary A	1	<u>1</u>	<u>1</u>

17. RESERVES

	Retained earnings
	£
At 1 January 2022	(3,524,957)
Profit for the year	<u>1,083,255</u>
At 31 December 2022	<u>(2,441,702)</u>

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

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.

21. GOVERNMENT ASSISTANCE

During the year the company has received grant income under the HM Government Coronavirus Job Retention Scheme totalling £nil (2021: £536,274). Amounts recognised are included in Other Income.

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