

**A H HOTEL & SPA LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

Albury Associates Limited  
Chartered Accountants & Statutory Auditor  
2nd Floor, One Hobbs House,  
Harrovia Business Village  
Bessborough Road  
Harrow  
Middlesex  
HA1 3EX

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**A H HOTEL & SPA LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>DIRECTORS:</b>	P M Cashman J E Destexhe S Fuller
<b>SECRETARY:</b>	S Middleton
<b>REGISTERED OFFICE:</b>	2nd Floor, One Hobbs House, Harrovia Business Village Bessborough Road Harrow Middlesex HA1 3EX
<b>REGISTERED NUMBER:</b>	09187965 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Kiran Patel BA BFP FCA
<b>INDEPENDENT AUDITORS:</b>	Albury Associates Limited Chartered Accountants & Statutory Auditor 2nd Floor, One Hobbs House, Harrovia Business Village Bessborough Road Harrow Middlesex HA1 3EX

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

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The directors present their strategic report for the year ended 31 December 2021.

**REVIEW OF BUSINESS**

Overall the results for the year and the financial position at the year end were considered satisfactory by the directors after the financial impacts of Covid-19 in the previous year.

Revenue increased to £3.2 million compared to £2 million in 2020. The profit for the year after taxation amounted to £305,101 (2020 - Loss: £388,321)

The turnover for the company is based on the annual turnover for the hotel. It was forecast to grow in the coming year.

The focus of the company in the year has been to consolidate performance in a changing market place with various Government enforced Covid-19 restrictions still affecting the business during the year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company operates in the hospitality sector. This is a cyclical industry, and that brings certain risks and uncertainties. The current economic climate has added to this uncertainty. Management have a system of controls to review this to attempt to mitigate any uncertainties and risks arising.

The main financial risks arising from the company's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the Board of Directors and were not considered to be significant at the balance sheet date. Furthermore the Board of Directors have considered the potential implications of Brexit and taken steps to ensure that the company will continue to operate as a going concern.

The company's policy in respect of interest rate risk and liquidity risk is to maintain its debt finance and retain sufficient funds for operations. The cash deposits are held in current accounts and debt is maintained at floating interest rates.

**CREDITOR PAYMENT POLICY**

The company's current policy concerning the payment of trade creditors is to:

- Settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts;
- pay in accordance with the company's contractual and other legal obligations.

**FINANCIAL KEY PERFORMANCE INDICATORS**

Management have key performance indicators (KPIs) to assess and monitor the company's performance. These include financial and other KPIs, such as occupancy percentage, average rate achieved per hotel room left, and individual cost metrics.

**FUTURE DEVELOPMENTS**

The directors believe that there is considerable scope for the development of the existing activities of the company in future years. The directors are continuously looking for potential ways in which to maximise the return from the company's existing activities and operations, given the current economic climate.

**ON BEHALF OF THE BOARD:**

P M Cashman - Director

25 September 2022

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

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The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of Hoteliers.

**DIVIDENDS**

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

**DIRECTORS**

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

P M Cashman  
J E Destexhe  
S Fuller

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he 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, Albury Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P M Cashman - Director

25 September 2022

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF A H HOTEL & SPA LIMITED

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### Opinion

We have audited the financial statements of A H Hotel & Spa Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

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

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF A H HOTEL & SPA LIMITED

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### Responsibilities of directors

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

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

### Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the sector in which the company operates;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters and bribery and corruption practices;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence where available; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
  - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
  - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- To address the risk of fraud through management bias and override of controls, we:
  - performed analytical procedures to identify any unusual or unexpected relationships;
  - tested journal entries to identify unusual transactions;
  - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
  - investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
  - agreeing financial statement disclosures to underlying supporting documentation;
  - reading the minutes of meetings of those charged with governance;
  - enquiring of management as to actual and potential litigation and claims; and
  - reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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  
A H HOTEL & SPA 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.

Kiran Patel BA BFP FCA (Senior Statutory Auditor)  
for and on behalf of Albury Associates Limited  
Chartered Accountants & Statutory Auditor  
2nd Floor, One Hobbs House,  
Harrobian Business Village  
Bessborough Road  
Harrow  
Middlesex  
HA1 3EX

25 September 2022



STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
<b>REVENUE</b>		<b>3,164,133</b>	<b>1,988,283</b>
Cost of sales		<u>384,602</u>	<u>216,742</u>
<b>GROSS PROFIT</b>		<b>2,779,531</b>	<b>1,771,541</b>
Administrative expenses		<u>2,568,165</u>	<u>2,508,405</u>
		<b>211,366</b>	<b>(736,864)</b>
Other operating income		<u>237,020</u>	<u>471,409</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	<b>448,386</b>	<b>(265,455)</b>
Interest payable and similar expenses	5	<u>143,285</u>	<u>153,222</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>305,101</b>	<b>(418,677)</b>
Tax on profit/(loss)	6	<u>-</u>	<u>(30,356)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>305,101</b>	<b>(388,321)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>305,101</b>	<b>(388,321)</b>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	7		-		-
Property, plant and equipment	8		<u>5,405,772</u>		<u>5,466,027</u>
			<b>5,405,772</b>		<b>5,466,027</b>
<b>CURRENT ASSETS</b>					
Inventories	9	<b>21,995</b>		10,447	
Debtors	10	<b>535,046</b>		663,955	
Cash at bank and in hand		<u><b>917,958</b></u>		<u>391,191</u>	
		<b>1,474,999</b>		<b>1,065,593</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u><b>1,514,563</b></u>		<u>1,173,850</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(39,564)</b>		<b>(108,257)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>5,366,208</b>		<b>5,357,770</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		<u><b>5,401,821</b></u>		<u>5,698,484</u>
<b>NET LIABILITIES</b>			<u><b>(35,613)</b></u>		<u><b>(340,714)</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		<b>200</b>		200
Share premium	16		<b>199,800</b>		199,800
Retained earnings	16		<u><b>(235,613)</b></u>		<u>(540,714)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>(35,613)</b></u>		<u><b>(340,714)</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2022 and were signed on its behalf by:

P M Cashman - Director

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

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2020</b>	200	(152,393)	199,800	47,607
<b>Changes in equity</b>				
Total comprehensive income	-	(388,321)	-	(388,321)
<b>Balance at 31 December 2020</b>	200	(540,714)	199,800	(340,714)
<b>Changes in equity</b>				
Total comprehensive income	-	305,101	-	305,101
<b>Balance at 31 December 2021</b>	200	(235,613)	199,800	(35,613)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	759,232	(329,630)
Interest paid		<u>(143,285)</u>	<u>(139,623)</u>
Net cash from operating activities		<u>615,947</u>	<u>(469,253)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(89,180)</u>	<u>(27,849)</u>
Net cash from investing activities		<u>(89,180)</u>	<u>(27,849)</u>
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		-	620,000
Repayment of bank loans		<u>-</u>	<u>(131,329)</u>
Net cash from financing activities		<u>-</u>	<u>488,671</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>526,767</u>	<u>(8,431)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	391,191	399,622
<b>Cash and cash equivalents at end of year</b>	2	<u>917,958</u>	<u>391,191</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**
**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
Profit/(loss) before taxation	305,101	(418,677)
Depreciation charges	149,436	324,199
Government grants	(49,463)	(13,599)
Finance costs	143,285	153,222
	<u>548,359</u>	<u>45,145</u>
(Increase)/decrease in inventories	(11,548)	16,178
Decrease/(increase) in trade and other debtors	128,908	(202,663)
Increase/(decrease) in trade and other creditors	93,513	(188,290)
<b>Cash generated from operations</b>	<u><b>759,232</b></u>	<u><b>(329,630)</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2021**

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	<u>917,958</u>	<u>391,191</u>

**Year ended 31 December 2020**

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	<u>391,191</u>	<u>399,622</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 and in hand	<u>391,191</u>	<u>526,767</u>	<u>917,958</u>
	<u>391,191</u>	<u>526,767</u>	<u>917,958</u>
<b>Debt</b>			
Debts falling due within 1 year	(545,985)	(93,000)	(638,985)
Debts falling due after 1 year	<u>(5,698,484)</u>	<u>296,663</u>	<u>(5,401,821)</u>
	<u>(6,244,469)</u>	<u>203,663</u>	<u>(6,040,806)</u>
<b>Total</b>	<u><b>(5,853,278)</b></u>	<u><b>730,430</b></u>	<u><b>(5,122,848)</b></u>

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

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**1. STATUTORY INFORMATION**

A H Hotel & Spa 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents amounts receivable in respect of the provision of hotel accommodation, conference facilities and food and beverages during the year, excluding VAT and trade discounts.

The Company has analysed its business activities and applied the 5-step model prescribed by IFRS 15 to each material line of business, as outlined below:

**Sale of accommodation**

The contract to provide accommodation is established when the customer books accommodation. The performance obligation is to provide the right to use accommodation for a given number of nights, and the transaction price is the room rate for each night determined at the time of the booking. The performance obligation is met when the customer is given the right to use the accommodation, and so revenue is recognised for each night as it takes place, at the room rate for that night.

Customers may pay in advance for accommodation. In this case the Company has received consideration for services not yet provided. This is treated as a contract liability until the performance obligation is met.

**Sale of food and beverage**

The contract is established when the customer orders the food or drink item and the performance obligation is the provision of food and drink by the outlet. The performance obligation is satisfied when the food and drink is delivered to the customer, and revenue is recognised at this point at the price for the items purchased. Payment is made on the same day and consequently there are no contract assets or liabilities.

**Goodwill**

Goodwill, being the amount paid on connection with the acquisition of a hotel in 2015, is being amortised evenly over its estimated useful life of five years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Tangible fixed assets**

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold Buildings - 50 years straight line

Plant & Machinery - 4 years straight line

**Stocks**

Inventories 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 Statement of Comprehensive Income, 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 statement of financial position date.

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

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**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 & cash equivalents**

Cash and cash equivalents are basic financial instruments 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.

**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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

**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 trade and other creditors and bank loans are classified as debt. These are initially recognised at the 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.

**Pension costs and other post-retirement benefits**

The company operated a defined contribution pension scheme. Contributions payable to the scheme are charged to profit or loss account in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**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.

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

## 2. ACCOUNTING POLICIES - continued

**Going concern**

The Financial Statements have been prepared on a going concern basis, as the directors have confirmed that funds will continue to be made available for the company to meet its day to day commitments for the foreseeable future. The financial statements do not include any adjustments that may result from the withdrawal of this support and the directors are of the opinion that the going concern basis is therefore appropriate to the preparation of these financial statements.

## 3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,274,742	1,167,504
Social security costs	66,274	61,840
Other pension costs	14,675	40,413
	<u>1,355,691</u>	<u>1,269,757</u>

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

	2021	2020
Administration	<u>77</u>	<u>89</u>

	2021	2020
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

## 4. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	149,435	145,450
Goodwill amortisation	-	178,750
Auditors' remuneration	<u>9,750</u>	<u>9,500</u>

## 5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	<u>143,285</u>	<u>153,222</u>

## 6. TAXATION

**Analysis of the tax credit**

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	-	(30,356)
Tax on profit/(loss)	<u>-</u>	<u>(30,356)</u>



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

## 6. TAXATION - continued

**Reconciliation of total tax credit included in profit and loss**

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

	2021 £	2020 £
Profit/(loss) before tax	<u>305,101</u>	<u>(418,677)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	57,969	(79,549)
Effects of:		
Expenses not deductible for tax purposes	1,820	2,125
Capital allowances in excess of depreciation	(21,973)	(16,299)
Tax losses brought forward	(63,367)	-
Tax losses carried forward	<u>25,551</u>	<u>63,367</u>
Total tax credit	<u>-</u>	<u>(30,356)</u>

## 7. INTANGIBLE FIXED ASSETS

**Goodwill**  
£**COST**

At 1 January 2021  
and 31 December 2021

975,000**AMORTISATION**

At 1 January 2021  
and 31 December 2021

975,000**NET BOOK VALUE**

At 31 December 2021  
At 31 December 2020

-  
-

## 8. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 January 2021	5,650,167	2,142,352	7,792,519
Additions	-	89,180	89,180
At 31 December 2021	<u>5,650,167</u>	<u>2,231,532</u>	<u>7,881,699</u>
<b>DEPRECIATION</b>			
At 1 January 2021	285,670	2,040,822	2,326,492
Charge for year	56,502	92,933	149,435
At 31 December 2021	<u>342,172</u>	<u>2,133,755</u>	<u>2,475,927</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>5,307,995</u>	<u>97,777</u>	<u>5,405,772</u>
At 31 December 2020	<u>5,364,497</u>	<u>101,530</u>	<u>5,466,027</u>

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

## 9. INVENTORIES

	2021	2020
	£	£
Stocks	<u>21,995</u>	<u>10,447</u>

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

	2021	2020
	£	£
Trade debtors	251,867	259,985
Amounts owed by associates	100,000	150,000
Other debtors	657	5,034
Tax	30,348	68,071
Prepayments	<u>152,174</u>	<u>180,865</u>
	<u>535,046</u>	<u>663,955</u>

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

	2021	2020
	£	£
Bank loans and overdrafts (see note 13)	638,985	545,985
Trade creditors	288,470	108,712
VAT Account	61,126	95,606
Other creditors	168,376	219,949
Accrued expenses	<u>357,606</u>	<u>203,598</u>
	<u>1,514,563</u>	<u>1,173,850</u>

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

	2021	2020
	£	£
Bank loans (see note 13)	<u>5,401,821</u>	<u>5,698,484</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>638,985</u>	<u>545,985</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>5,215,821</u>	<u>5,347,151</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>186,000</u>	<u>351,333</u>

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

## 14. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>6,040,806</u>	<u>6,244,469</u>

The Bank loan is secured by a Debenture dated 9 December 2015, providing a fixed charge over the freehold property and a floating charge over all the assets of the company, and a negative pledge.

## 15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
200	Ordinary Shares	£1	<u>200</u>	<u>200</u>

## 16. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	(540,714)	199,800	(340,914)
Profit for the year	<u>305,101</u>		<u>305,101</u>
At 31 December 2021	<u>(235,613)</u>	<u>199,800</u>	<u>(35,813)</u>

## 17. RELATED PARTY DISCLOSURES

At the year-end date, included within debtors is an amount of £100,000 (2020: £150,000) owed to the company from Hotel Colessio (Holdings) Limited. The directors have a beneficial interest in the entity. The amount is unsecured, interest free and repayable on demand.

## 18. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are Mr P M Cashman, Mr J E Destexhe and Mr S Fuller.

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.