

Company Registration No. 09329964 (England and Wales)

**Q.N. (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

## Q.N. (HOLDINGS) LIMITED

### COMPANY INFORMATION

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Director	Q Ahmed N Ahmed	6th July 2022
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Company number	09329964
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Registered office	QN House Unit 4 Loughton Business Centre 5 Langston Road Essex IG10 3FL
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Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
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Bankers	Coutts & Co 440 Strand London WC2R 0QS
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## **Q.N. (HOLDINGS) LIMITED**

### **CONTENTS**

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	<b>Page</b>
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 7
Profit and loss account	8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12 - 13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16 - 33

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## **Q.N. (HOLDINGS) LIMITED**

### **STRATEGIC REPORT**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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

##### **Fair review of the business**

Due to the impact of Covid, 2020 was a difficult year for the hospitality industry. The group had a significant impact due to this and due to the lockdowns mandated by the government.

The group utilised the Coronavirus Job Retention Scheme and also received grants from the Welsh Government.

Taking advantage of the lockdown the group completely refurbished its public areas at the Holiday Inn Newport and Holiday Inn Ashford North. This investment ensures that the group is well positioned to attract new customers when travel resumes.

Group revenue has increased by 163.5% to £6,355,333 (2020: £2,412,125) and group gross profit margin has increased to 54.4% (2020: 9.6%).

##### **Future Developments**

The group is not planning any significant capital expenditure in the next 12 months. The impact of Covid-19 has been substantial on the group and it is difficult to accurately forecast the business.

##### **Key performance indicators**

In the opinion of the directors the key performance indicators are occupancy, average room rate and revenue per available room. The group aims for occupancy of 70% and average room rate of £60 a night.

##### **Principle Risks and Uncertainties**

The principal risks and uncertainties facing the group (apart from those associated with a general economic downturn) relate to the management of cash and borrowing requirements and the potential default of debtors. The group has stringent reviews on reviewing aged debtors.

There also continues to be some uncertainty in the economy due to the Brexit vote. The unprecedented increase in Gas and Electric prices has had an impact on costs being incurred by the hotels. As a result of these transport costs generally have gone up and suppliers are increasing prices

The impact of Covid-19 has been substantial as the business has had to suffer complete closure for several weeks. Since reopening the group has seen a steady increase in revenue. The group is utilising the UK Government's Coronavirus Job Retention Scheme and has also been supported by way of grants by the Welsh Government's Economic Resilience Fund.

Corporate travel is extremely restricted as a result of Covid-19 which presents with a challenge and uncertainties with regards to forecasting. The group has contracts in place with the NHS and other key workers.

On behalf of the board

Q Ahmed  
Director  
14 October 2022

## **Q.N. (HOLDINGS) LIMITED**

### **DIRECTOR'S REPORT**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The director presents his annual report and financial statements for the year ended 31 December 2021.

##### **Principal activities**

The principal activity of the group continued to be that of hoteliers.

The principal activity of the company is a holding company.

##### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a dividend.

##### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Q Ahmed

##### **Auditor**

The auditor, HW Fisher LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

##### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Q Ahmed

**Director**

14 October 2022

## **Q.N. (HOLDINGS) LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

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

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The director is responsible for preparing the Annual Report 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

## **Q.N. (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF Q.N. (HOLDINGS) LIMITED**

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##### **Opinion**

We have audited the financial statements of Q.N. (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at 31 December 2021 and of the group's 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 *Auditor's 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 over going concern**

We draw attention to note 1.3 in the financial statements which describes that a new bank loan arrangement to replace the existing loan which comes to an end on 29 November 2022, has yet to be agreed. This gives rise to a material uncertainty 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.

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.

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

## **Q.N. (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF Q.N. (HOLDINGS) 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

##### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, 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 is 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 parent 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.

##### **Auditor's 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 an auditor's report 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.

As part of our planning process:

- We enquired of management the systems and controls the group has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The group did not inform us of any known, suspected or alleged fraud effecting the audit period.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006, certificate of alcohol licenses and compliance with health and safety and hygiene requirements.
- We considered the incentives and opportunities that exist in the group, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the group, together with the discussions held with the group at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.



## **Q.N. (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF Q.N. (HOLDINGS) LIMITED**

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The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Review of internal control procedures to ensure expenses were approved prior to paying suppliers, as well as ensuring hotel receipts were accounted for and banked in a timely manner.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the multiple applied for the valuation of hotel.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations. This included reviewing licenses held, as well as reports from health and safety and hygiene regulatory bodies to confirm compliance.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Following up on conversations held with management at planning for any potential developments regarding potential fraud. The company did not inform us of any developments during the audit for any known, suspected or alleged fraud effecting the audit period.
- Completing analytical review of key expenditure and revenue items and seeking explanations from management for exceptions.
- Reviewing grant agreements and ensuring associated income has been reflected per the performance conditions.
- Testing a sample of furlough income to ensure management had followed rules when making their claims.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

A further description of our responsibilities is available on the Financial Reporting Council's website at:  
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Q.N. (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF Q.N. (HOLDINGS) 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 an auditor's report 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.

**Katherine Montgomery (Senior Statutory Auditor)**

**For and on behalf of HW Fisher LLP**

**Chartered Accountants**

**Statutory Auditor**

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

14 October 2022

**Q.N. (HOLDINGS) LIMITED****GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
Turnover	<b>3</b>	6,355,333	2,412,125
Cost of sales		(2,901,105)	(2,181,671)
<b>Gross profit</b>		<b>3,454,228</b>	<b>230,454</b>
Administrative expenses		(3,520,935)	(2,972,871)
Other operating income		1,546,125	1,840,769
<b>Operating profit/(loss)</b>	<b>4</b>	<b>1,479,418</b>	<b>(901,648)</b>
Interest receivable and similar income	<b>8</b>	-	37,775
Interest payable and similar expenses	<b>9</b>	(205,647)	(237,226)
<b>Profit/(loss) before taxation</b>		<b>1,273,771</b>	<b>(1,101,099)</b>
Taxation	<b>10</b>	(437,053)	(93,563)
<b>Profit/(loss) for the financial year</b>		<b>836,718</b>	<b>(1,194,662)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**Q.N. (HOLDINGS) LIMITED****GROUP STATEMENT OF COMPREHENSIVE INCOME*****FOR THE YEAR ENDED 31 DECEMBER 2021***

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	836,718	(1,194,662)
<b>Other comprehensive income</b>		
Tax relating to other comprehensive income	(324,791)	(93,563)
<b>Total comprehensive income for the year</b>	<u>511,927</u>	<u>(1,288,225)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# Q.N. (HOLDINGS) LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		20,996		22,246
Tangible assets	12		22,178,665		22,396,304
			<u>22,199,661</u>		<u>22,418,550</u>
<b>Current assets</b>					
Stocks	15	53,401		29,419	
Debtors	16	1,202,367		1,164,302	
Cash at bank and in hand		1,200,564		466,060	
		<u>2,456,332</u>		<u>1,659,781</u>	
<b>Creditors: amounts falling due within one year</b>	17	(8,125,544)		(3,313,914)	
<b>Net current liabilities</b>			<u>(5,669,212)</u>		<u>(1,654,133)</u>
<b>Total assets less current liabilities</b>			16,530,449		20,764,417
<b>Creditors: amounts falling due after more than one year</b>	18		(933,205)		(6,328,682)
<b>Provisions for liabilities</b>					
Deferred tax liability	21	1,213,646		888,855	
		<u>(1,213,646)</u>		<u>(888,855)</u>	
<b>Net assets</b>			<u>14,383,598</u>		<u>13,546,880</u>
<b>Capital and reserves</b>					
Called up share capital	24		9,700		9,700
Share premium account			17,476,650		17,476,650
Revaluation reserve			7,532,195		7,856,986
Capital redemption reserve			990,300		990,300
Other reserves			58,302		58,302
Profit and loss reserves			(11,683,549)		(12,845,058)
<b>Total equity</b>			<u>14,383,598</u>		<u>13,546,880</u>

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

Q Ahmed  
Director

## Q.N. (HOLDINGS) LIMITED

### COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	13		1,000,000		1,000,000
<b>Current assets</b>		-		-	
<b>Creditors: amounts falling due within one year</b>	17	(985,300)		(985,300)	
<b>Net current liabilities</b>			(985,300)		(985,300)
<b>Total assets less current liabilities</b>			14,700		14,700
<b>Capital and reserves</b>					
Called up share capital	24		9,700		9,700
Capital redemption reserve			990,300		990,300
Profit and loss reserves			(985,300)		(985,300)
<b>Total equity</b>			14,700		14,700

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2020 - £0 profit).

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

Q. Ahmed  
Director

Company Registration No. 09329964

# Q.N. (HOLDINGS) LIMITED

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

	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£	£	£
<b>As restated for the period ended 31 December 2020:</b>							
<b>Balance at 1 January 2020</b>	9,700	17,476,650	7,950,549	990,300	58,302	(11,833,059)	14,652,442
Prior period adjustments	-	-	-	-	-	89,100	89,100
<b>As restated</b>	9,700	17,476,650	7,950,549	990,300	58,302	(11,743,959)	14,741,542
<b>Year ended 31 December 2020:</b>							
Loss for the year	-	-	-	-	-	(1,194,662)	(1,194,662)
Other comprehensive income:							
Tax relating to other comprehensive income	-	-	(93,563)	-	-	-	(93,563)
Total comprehensive income for the year	-	-	(93,563)	-	-	(1,194,662)	(1,288,225)
Transfers	-	-	-	-	-	93,563	93,563
<b>Balance at 31 December 2020</b>	9,700	17,476,650	7,856,986	990,300	58,302	(12,845,058)	13,546,880

# Q.N. (HOLDINGS) LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£	£	£
<b>Year ended 31 December 2021:</b>							
Profit for the year	-	-	-	-	-	836,718	836,718
Other comprehensive income:							
Tax relating to other comprehensive income	-	-	(324,791)	-	-	-	(324,791)
Total comprehensive income for the year	-	-	(324,791)	-	-	836,718	511,927
Transfers	-	-	-	-	-	324,791	324,791
<b>Balance at 31 December 2021</b>	<b>9,700</b>	<b>17,476,650</b>	<b>7,532,195</b>	<b>990,300</b>	<b>58,302</b>	<b>(11,683,549)</b>	<b>14,383,598</b>



**Q.N. (HOLDINGS) LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 31 December 2020:				
Balance at 1 January 2020	9,700	990,300	{985,300}	14,700
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 31 December 2020	9,700	990,300	{985,300}	14,700
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Year ended 31 December 2021:				
Profit and total comprehensive income for the year	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 31 December 2021	9,700	990,300	{985,300}	14,700
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# Q.N. (HOLDINGS) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	28	1,506,805		(476,601)	
Interest paid		(205,647)		(237,226)	
Income taxes paid		(61,004)		(112,048)	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1,240,154</b>		<b>(825,875)</b>	
<b>Investing activities</b>					
Purchase of intangible assets		-		(10,000)	
Purchase of tangible fixed assets		(162,890)		(1,302,080)	
Interest received		-		37,775	
<b>Net cash used in investing activities</b>		<b>(162,890)</b>		<b>(1,274,305)</b>	
<b>Financing activities</b>					
Receipt/(Repayment) of other loans		(58,300)		41,500	
Receipt/(Repayment) of bank loans		(270,911)		1,234,838	
Payment of finance leases obligations		(54,450)		(19,800)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(383,661)</b>		<b>1,256,538</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>693,603</b>		<b>(843,642)</b>	
Cash and cash equivalents at beginning of year		466,060		1,309,702	
<b>Cash and cash equivalents at end of year</b>		<b>1,200,564</b>		<b>466,060</b>	
<b>CASH FLOW OUT OF BALANCE BY:</b>		<b>(40,901)</b>		<b>-</b>	

## **Q.N. (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Accounting policies**

##### **Company information**

Q.N. (Holdings) Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is QN House Unit 4, Loughton Business Centre, 5 Langston Road, Essex, IG10 3FL.

The group consists of Q.N. (Holdings) Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

##### **1.2 Basis of consolidation**

The company was established in 2014 as a new holding company for the Q.N. Hotels group, with the ultimate owners' interests unchanged. In the consolidated financial statements, the group reconstruction has been accounted for under merger accounting principles as if the group had always been in existence in its current form. Therefore the assets and liabilities of each of the subsidiaries were recognised at their book value.

The consolidated financial statements incorporate those of Q.N. (Holdings) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2021.

All intra-group balances are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.3 Going concern

The directors have considered the on-going effects of the Covid-19 pandemic. Trading restrictions were in place until 11 May 2021, during which time only essential travel and functions and social gatherings of less than 6 people were allowed. The directors have taken advantage of government incentives during the year. With the on-going support of the bank and the Welsh government, the group was able to remain open during the restrictions. Since Covid-19 restrictions have been lifted, the group has seen very positive results and a return of bookings and revenue to pre-pandemic levels.

The current bank loan agreement comes to an end on 29 November 2022 and the directors are in discussion with the bank to renew the loan. Given the levels of profitability, the directors are of the opinion that a new loan arrangement will be obtained. However the terms of the loan, including repayment terms and interest rates, are yet to be agreed.

Notwithstanding the above uncertainty, based on the budgets and post year-end results, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors have continued to adopt the going concern basis in these financial statements.

##### 1.4 Turnover

Turnover is derived from hotel operations, and arose wholly in the United Kingdom. Turnover is recognised when services have been rendered. The turnover of the hotels is derived primarily from the rental of rooms, conference and banqueting, food and beverage sales. Turnover is all rendering of goods and services. Turnover is also derived from the sale of fitness club membership and associated joining and administration fees.

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

##### 1.5 Intangible fixed assets other than goodwill

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

Franchise fees	over 20 years
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##### 1.6 Tangible fixed assets

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

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

Land and buildings	See below
Plant and equipment	15% straight line
Fixtures and fittings	15% straight line

The residual value of the buildings is considered to equal to the carrying value and so no depreciation is charged.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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**1 Accounting policies** (Continued)

**1.8 Fixed asset investments**

Interest in subsidiaries are initially measured at cost in the parent company financial statements, and subsequently measured at cost less any accumulated impairment losses.

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

**1.9 Impairment of fixed assets**

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

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

**1.10 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.11 Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.12 Financial instruments**

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

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

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

**Basic financial assets**

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

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(Continued)

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *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 group after deducting all of its liabilities.

##### *Basic financial liabilities*

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

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

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

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.13 Equity instruments

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

#### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.15 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.

##### **1.16 Retirement benefits**

The group makes pension contributions to a money purchase scheme in respect of certain directors. Contributions payable are charged to the profit and loss account in the period they are payable.

The group operates a defined contribution pension scheme under the automatic enrolment legislation for the benefit of its employees. Contributions payable are charged to the profit and loss accounts in the period they are payable.

##### **1.17 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### **1.18 Government grants**

Government grants, which includes those relating to the Coronavirus Job Retention Scheme (CJRS) are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

For CJRS grants, as this scheme involves a transfer of resources from government to the company, it meets the definition of a government grant. The scheme is designed to compensate for staff costs, so amounts received or receivable are recognised in the income statement as part of other operating income over the same period as the costs to which they relate. Government grants are accounted for under the accrual model.

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Valuation of land and buildings

The group has adopted the revaluation model in respect of land and buildings. The fair value of the assets has been determined using a multiple of between 2.33 - 2.90 applied to turnover, which the directors consider the appropriate method to use due to the nature of the company's operations. The method is based on a widely applied method by surveyors. The valuation is subjective due to, among other factors, the individual nature and condition of the buildings and their location. As a result the valuation is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate. The business has traded profitably during the year and the directors do not consider the value of land and buildings to be impaired.

#### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021	2020
	£	£
<b>Hotel Operations</b>	6,355,333	2,412,125
	<u>6,355,333</u>	<u>2,412,125</u>
	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	-	37,775
Grants received	1,488,825	1,770,707
	<u>1,488,825</u>	<u>1,770,707</u>
	2021	2020
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	6,355,333	2,412,125
	<u>6,355,333</u>	<u>2,412,125</u>



## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 4 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(1,488,825)	(1,770,707)
Depreciation of owned tangible fixed assets	321,129	187,434
Depreciation of tangible fixed assets held under finance leases	59,400	44,550
Amortisation of intangible assets	1,250	2,750
Operating lease charges	48,904	61,235
	<u>          </u>	<u>          </u>

#### 5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
Hotel service staff	129	145	-	-
Administration and management staff	31	33	-	-
Directors	2	2	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	162	180	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	2,636,380	2,604,878	-	-
Social security costs	164,494	157,160	-	-
Pension costs	38,759	35,315	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	2,839,633	2,797,353	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 6 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company's group and subsidiaries	47,221	65,089
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	9,000	21,267
	<u>          </u>	<u>          </u>

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 7 Director's remuneration

	2021 £	2020 £
Remuneration for qualifying services	219,601	227,700
Company pension contributions to defined contribution schemes	1,319	1,314
	<u>220,920</u>	<u>229,014</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	<u>120,000</u>	<u>120,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

#### 8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	-	37,775
	<u>-</u>	<u>37,775</u>

#### 9 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	190,172	175,474
Interest on finance leases and hire purchase contracts	12,661	4,604
Other interest	2,814	57,148
	<u>205,647</u>	<u>237,226</u>

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	126,872	-
Adjustments in respect of prior periods	(14,610)	-
Total current tax	112,262	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	324,791	93,563
Total tax charge	437,053	93,563

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit/(loss) before taxation	1,273,771	(1,101,099)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	242,016	(209,209)
Tax effect of expenses that are not deductible in determining taxable profit	10,602	5,673
Tax effect of income not taxable in determining taxable profit	(26,019)	-
Unutilised tax losses carried forward	(118,316)	389,268
Adjustments in respect of prior years	(14,610)	-
Permanent capital allowances in excess of depreciation	18,589	(185,732)
Deferred tax adjustments in respect of change in tax rates	324,791	93,563
Taxation charge	437,053	93,563

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £	2020 £
Deferred tax arising on:		
Revaluation of property	324,791	93,563

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11 Intangible fixed assets

Group	Franchise fees £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	24,996
<b>Amortisation and impairment</b>	
At 1 January 2021	2,750
Amortisation charged for the year	1,250
At 31 December 2021	4,000
<b>Carrying amount</b>	
At 31 December 2021	20,996
At 31 December 2020	22,246

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

#### 12 Tangible fixed assets

Group	Land and buildings £	Investment property £	Plant and fixtures and fittings equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	20,600,000	184,722	1,001,750	27,501,451
Additions	-	-	13,936	162,890
At 31 December 2021	20,600,000	184,722	1,015,686	27,664,341
<b>Depreciation and impairment</b>				
At 1 January 2021	-	184,722	965,300	5,105,147
Depreciation charged in the year	-	-	18,768	380,529
At 31 December 2021	-	184,722	984,068	5,485,676
<b>Carrying amount</b>				
At 31 December 2021	20,600,000	-	31,618	22,178,665
At 31 December 2020	20,600,000	-	36,450	22,396,304

The company had no tangible fixed assets at 31 December 2021 or 31 December 2020.

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Freehold	5,300,000	5,300,000	-	-
Long leasehold	15,300,000	15,300,000	-	-
	<u>20,600,000</u>	<u>20,600,000</u>	<u>-</u>	<u>-</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Fixtures and fittings	69,300	118,800	-	-
	<u>69,300</u>	<u>118,800</u>	<u>-</u>	<u>-</u>
Depreciation charge for the year in respect of leased assets	59,400	44,550	-	-
	<u>59,400</u>	<u>44,550</u>	<u>-</u>	<u>-</u>

The long leasehold buildings and freehold land and buildings in Q.N. Hotels Limited, Swanfield Limited, and Q.N. (Wrexham) Limited were revalued by the directors using a multiple of turnover, which the directors believe to be appropriate. This basis is consistent with an open market valuation for a similar asset held by a group undertaking, carried out in May 2017 by a firm of Chartered Surveyors, and multiples achieved on the sale of similar assets.

All other tangible fixed assets are stated at historical cost.

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts for the group would have been approximately £9,626,346 (2020 - £9,831,753), being cost £12,491,790 (2020 - £12,491,790) and depreciation £2,865,444 (2020 - £2,660,037).

#### 13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	1,000,000	1,000,000
		<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 13 Fixed asset investments (Continued)

##### Movements in fixed asset investments

Company	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2021 and 31 December 2021	1,000,000
<b>Carrying amount</b>	
At 31 December 2021	1,000,000
At 31 December 2020	1,000,000

#### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	Indirect
Q.N. Hotels (Aylesbury) Limited	1	Dormant	Ordinary shares	0	100.00
Q.N. Hotels (Wrexham) Limited	1	Hotelier	Ordinary shares	0	100.00
Q.N. Hotels Limited	1	Hotelier	Ordinary shares	100.00	0
Swanfield Limited	1	Hotelier	Ordinary shares	0	100.00

##### Registered office key:

1 - QN House, Loughton Business Centre, 5 Langston Road, Loughton, Essex, IG10 3FL

#### 15 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	53,401	29,419	-	-

#### 16 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	151,815	35,009	-	-
Other debtors	891,712	1,071,292	-	-
Prepayments and accrued income	158,840	58,001	-	-
	1,202,367	1,164,302	-	-

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 17 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	20	5,466,303	409,537	-	-
Obligations under finance leases	19	59,400	54,450	-	-
Other loans	20	8,400	58,300	-	-
Trade creditors		594,900	744,097	-	-
Amounts due to group undertakings		-	-	985,300	985,300
Corporation tax payable		445,320	353,161	-	-
Other taxation and social security		774,704	1,056,444	-	-
Government grants	22	-	204,472	-	-
Other creditors		164,330	211,085	-	-
Accruals and deferred income		612,187	222,368	-	-
		<u>8,125,544</u>	<u>3,313,914</u>	<u>985,300</u>	<u>985,300</u>

#### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	20	853,555	6,181,232	-	-
Obligations under finance leases	19	54,450	113,850	-	-
Other loans	20	25,200	33,600	-	-
		<u>933,205</u>	<u>6,328,682</u>	<u>-</u>	<u>-</u>

#### 19 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	59,400	54,450	-	-
In two to five years	54,450	113,850	-	-
	<u>113,850</u>	<u>168,300</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other loans	33,600	91,900	-	-
Bank loans	6,319,858	6,590,769	-	-
	<u>6,353,458</u>	<u>6,682,669</u>	<u>-</u>	<u>-</u>
Payable within one year	5,474,703	467,857	-	-
Payable after one year	<u>878,755</u>	<u>6,214,832</u>	<u>-</u>	<u>-</u>

Bank loans totalling £6,319,858 (2020: £6,590,769 ) is secured by way of a fixed and floating charge over the assets of the company and its subsidiaries, Q.N. Hotels Limited, Q N Hotels (Wrexham) Limited and Swanfield Limited.

The other loan is secured by a way of a legal charge over the assets of Q.N. Hotels (Wrexham) Limited, and is subject to a fixed rate of interest of 6.7%.

#### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Group		
Revaluations	<u>1,213,646</u>	<u>888,855</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 January 2021	888,855	-
Effect of change in tax rate - profit or loss	<u>324,791</u>	<u>-</u>
Liability at 31 December 2021	<u>1,213,646</u>	<u>-</u>



## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 22 Deferred grants

	Group 2021 £	2020 £	Company 2021 £	2020 £
Arising from government grants	-	204,472	-	-

#### 23 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	38,759	35,315

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 24 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	9,700	9,700	9,700	9,700

#### 25 Financial commitments, guarantees and contingent liabilities

The company and its subsidiary undertakings form part of a cross company guarantee securing bank borrowings of Q.N. Hotels Limited. At 31 December 2021 these borrowings amounted to £6,319,858 (2020: £6,590,769).

#### 26 Related party transactions

A director owed £248,167 to the company on 1 January 2021. During the year, net advances of £74,009 were taken by the director and net repayments of £20,000 were made. At the year end, the director owed £302,176 to the company. The transactions mainly relate to personal expenses paid by the company on the director's behalf and cash withdrawals by the director. The amount owed by the director is unsecured, interest free and repayable on demand.

A director was owed £39,229 by the company on 1 January 2021. During the year, no further advances were made. At the year end, the director was owed £39,229 by the company. The amount owed to the director is unsecured, interest free and repayable on demand.

During the year, the company was charged rent of £41,703 (2020: £34,743) for the use of a property owned by a company under common control. At year end, an amount of £448,151 (2020: £404,091) was due from this company.

At the year end, an amount of £131,693 (2020: £126,655) was due to the group from another company under common control.

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 27 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	57,373	64,933	-	-
Between two and five years	63,927	66,428	-	-
	<u>121,300</u>	<u>131,361</u>	<u>-</u>	<u>-</u>

##### Lessor

The operating leases represent leases to third parties. The leases are negotiated over terms of 70 months and rentals are fixed for the period. There is no break clause and there are no options in place for either party to extend the lease terms. There are no contingent rent or escalation clauses. There are no significant restrictions imposed by lease arrangements.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	30,000	66,000	-	-
Between two and five years	-	30,000	-	-
	<u>30,000</u>	<u>96,000</u>	<u>-</u>	<u>-</u>

## Q.N. (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

<b>28</b>	<b>Cash generated from/(absorbed by) group operations</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Profit/(loss) for the year after tax	836,718	(1,194,662)
	<b>Adjustments for:</b>		
	Taxation charged	437,053	93,563
	Finance costs	205,647	237,226
	Investment income	-	(37,775)
	Amortisation and impairment of intangible assets	1,250	2,750
	Depreciation and impairment of tangible fixed assets	380,529	231,984
	<b>Movements in working capital:</b>		
	(Increase)/decrease in stocks	(23,982)	15,506
	(Increase)/decrease in debtors	(38,065)	593,489
	Decrease in creditors	(87,873)	(623,154)
	(Decrease)/increase in deferred income	(204,472)	204,472
	<b>Cash generated from/(absorbed by) operations</b>	<b>1,506,805</b>	<b>(476,601)</b>

<b>29</b>	<b>Analysis of changes in net debt - group</b>	<b>1 January 2021</b>	<b>Cash flows 31 December 2021</b>
		<b>£</b>	<b>£</b>
	Cash at bank and in hand	466,050	734,504
	Borrowings excluding overdrafts	(6,682,659)	329,211
	Obligations under finance leases	(168,300)	54,450
		<b>(6,384,909)</b>	<b>(5,266,744)</b>

### 30 Prior period adjustment

The prior year adjustment to depreciation is a result of the company previously charging depreciation on certain fixtures, fittings and equipment at a rate in excess of its depreciation policy.

#### Changes to the balance sheet - group

	<b>At 31 December 2020</b>		
	<b>As previously reported</b>	<b>Adjustment</b>	<b>As restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Tangible assets	22,262,654	133,650	22,396,304
<b>Capital and reserves</b>			
Profit and loss	(12,978,708)	133,650	(12,845,058)

**Q.N. (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

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**30 Prior period adjustment (Continued)****Changes to the profit and loss account - group**

	Period ended 31 December 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(3,017,421)	44,550	(2,972,871)
	=====	=====	=====
Loss for the financial period	(1,239,212)	44,550	(1,194,662)
	=====	=====	=====

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.