

Company Registration No. 10734996 (England and Wales)

**GRAYSHOTT HOTEL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**GRAYSHOTT HOTEL LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	D Taljaard C Harisch E M Hasenauer A Bradley	(Appointed 1 December 2021) (Appointed 31 December 2021)
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<b>Company number</b>	10734996
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<b>Registered office</b>	8th Floor South Block 55 Baker Street London United Kingdom W1U 8EW
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<b>Auditor</b>	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
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# GRAYSHOTT HOTEL LIMITED

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# GRAYSHOTT HOTEL LIMITED

## STRATEGIC REPORT

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

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

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

In November 2020, the directors decided to close the hotel for the foreseeable future to curtail costs whilst undertaking a strategic review of options.

Due to the closure of the hotel the group generated a net loss of £1,390,579 (2020: £2,184,784) for the year. At 31 December 2021 the group had net liabilities of £8,075,001 (2020: £6,684,422).

#### **Principal risks and uncertainties**

The company operates in a highly competitive market in an industry which is heavily influenced by economic conditions. Since November 2020, the hotel was closed. As such, there are no further material principal risks and uncertainties to disclose.

#### **Future Developments**

The directors continue to explore strategic long-term options, including a potential sale of the hotel or the potential redevelopment of the site.

#### **Going concern**

In November 2020, the directors decided to close the hotel for the foreseeable future to curtail costs whilst undertaking a strategic review of options, including a potential sale of the hotel or the potential redevelopment of the site. The company does not have any external debt or committed costs.

The company and group had net current liabilities at 31 December 2021, this position is primarily due to the amounts payable to the shareholders. The directors have received confirmation from the shareholders that they will not call for repayment of this debt, for at least 12 months from the date of approval of the accounts, and that their current intention is to continue to support the company for at least 12 months from the date of signing these financial statements.

On behalf of the board

D Taljaard

**Director**

16 February 2023

# GRAYSHOTT HOTEL LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The company and group previously operated a hotel providing luxury health spa services in Surrey. Since November 2020, the hotel was closed, and the Directors continue to explore strategic options including potential sale or redevelopment of the site.

#### Directors

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

J Bothmer	{Resigned 25 November 2021}
D Taljaard	
C Harisch	
L Sebastian	{Resigned 31 December 2021}
E M Hasenauer	{Appointed 1 December 2021}
A Bradley	{Appointed 31 December 2021}

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### 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

D Taljaard  
Director  
16 February 2023

## **GRAYSHOTT HOTEL LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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The directors are responsible for preparing the Annual Report 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 group and company, and of the profit or loss of the group 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;
- 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 directors are 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. They are 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.

# GRAYSHOTT HOTEL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GRAYSHOTT HOTEL LIMITED

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#### Opinion

We have audited the financial statements of Grayshott Hotel Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 indicates that the group and company are reliant on the support of the shareholders to continue as a going concern. This gives rise to a material uncertainty that may cast significant doubt on the group and 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 directors are 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## GRAYSHOTT HOTEL LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF GRAYSHOTT HOTEL 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 directors' 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 directors**

As explained more fully in the directors' responsibilities statement, 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 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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 company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud.
- 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 and employment law.
- We considered the incentives and opportunities that exist in the company, 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 company, together with the discussions held with the company 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.

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.
- 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 impairment of goodwill.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party and consolidated balances and transactions.
- Testing all material consolidation adjustments.



## **GRAYSHOTT HOTEL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)** **TO THE MEMBERS OF GRAYSHOTT HOTEL LIMITED**

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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.

#### **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.

**Russell Nathan (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

16 February 2023

# GRAYSHOTT HOTEL LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	as restated £
Turnover	3	(24,623)	1,559,932
Cost of sales		(22,684)	(1,414,476)
<b>Gross (loss)/profit</b>		<b>(47,307)</b>	<b>145,456</b>
Administrative expenses		(879,026)	(1,948,794)
Other operating income		500	769
<b>Operating loss</b>	<b>4</b>	<b>(925,833)</b>	<b>(1,802,569)</b>
Interest receivable and similar income	8	-	46
Interest payable and similar expenses	9	(464,746)	(377,110)
<b>Loss before taxation</b>		<b>(1,390,579)</b>	<b>(2,179,633)</b>
Tax on loss	10	-	(5,151)
<b>Loss for the financial year</b>		<b>(1,390,579)</b>	<b>(2,184,784)</b>

Loss for the financial year is all attributable to the owners of the parent company.

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

# GRAYSHOTT HOTEL LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		-		-
Tangible assets	12		7,379,572		7,875,191
<b>Current assets</b>					
Debtors	15	83,695		62,376	
Cash at bank and in hand		121,221		342,090	
		204,916		404,466	
<b>Creditors: amounts falling due within one year</b>	16	(15,659,489)		(14,964,079)	
<b>Net current liabilities</b>			(15,454,573)		(14,559,613)
<b>Total assets less current liabilities</b>			(8,075,001)		(6,684,422)
<b>Capital and reserves</b>					
Called up share capital	18		2,070,002		2,070,002
Profit and loss reserves			(10,145,003)		(8,754,424)
<b>Total equity</b>			(8,075,001)		(6,684,422)

The financial statements were approved by the board of directors and authorised for issue on 16 February 2023 and are signed on its behalf by:

D Taljaard  
Director

# GRAYSHOTT HOTEL LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		-		-
Tangible assets	12		478,760		636,382
Investments	13		2		2
			<u>478,762</u>		<u>636,384</u>
<b>Current assets</b>					
Debtors	15	83,695		59,075	
Cash at bank and in hand		121,221		342,090	
		<u>204,916</u>		<u>401,165</u>	
<b>Creditors: amounts falling due within one year</b>	16	(7,491,538)		(6,732,995)	
<b>Net current liabilities</b>			<u>(7,286,622)</u>		<u>(6,331,830)</u>
<b>Total assets less current liabilities</b>			<u>(6,807,850)</u>		<u>(5,695,446)</u>
<b>Capital and reserves</b>					
Called up share capital	18		2,070,002		2,070,002
Profit and loss reserves			(8,877,852)		(7,765,448)
<b>Total equity</b>			<u>(6,807,850)</u>		<u>(5,695,446)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,112,414 (2020 - £1,906,822 loss).

The financial statements were approved by the board of directors and authorised for issue on 16 February 2023 and are signed on its behalf by:

D Taljaard  
Director

Company Registration No. 10734996

# GRAYSHOTT HOTEL LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>As restated for the period ended 31 December 2020:</b>			
<b>Balance at 1 January 2020</b>	2,070,002	(6,612,720)	(4,542,718)
Effect of prior period adjustment (note 22)	-	43,080	43,080
<b>As restated</b>	2,070,002	(6,569,640)	(4,499,638)
<b>Year ended 31 December 2020:</b>			
Loss and total comprehensive income for the year	-	(2,184,784)	(2,184,784)
<b>Balance at 31 December 2020</b>	2,070,002	(8,754,424)	(6,684,422)
<b>Year ended 31 December 2021:</b>			
Loss and total comprehensive income for the year	-	(1,390,579)	(1,390,579)
<b>Balance at 31 December 2021</b>	2,070,002	(10,145,003)	(8,075,001)

# GRAYSHOTT HOTEL LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 DECEMBER 2021*

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 December 2020:			
Balance at 1 January 2020	2,070,002	(5,858,626)	(3,788,624)
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(1,906,822)	(1,906,822)
Balance at 31 December 2020	2,070,002	(7,765,448)	(5,695,446)
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(1,112,414)	(1,112,414)
Balance at 31 December 2021	2,070,002	(8,877,862)	(6,807,860)

# GRAYSHOTT HOTEL LIMITED

## GROUP 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	20	243,877	769,813
Interest paid		(464,746)	(377,110)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(220,859)</b>	<b>392,703</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		-	(77,471)
Interest received		-	46
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(77,425)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(220,859)</b>	<b>315,278</b>
Cash and cash equivalents at beginning of year		342,090	26,812
<b>Cash and cash equivalents at end of year</b>		<b>121,221</b>	<b>342,090</b>

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Company information

Grayshott Hotel Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 8th Floor, South Block, 55 Baker Street, London, United Kingdom, W1U 8EW.

The group consists of Grayshott Hotel 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. The principle 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 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- 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

In the parent company financial statements, investments in subsidiaries are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Grayshott Hotel 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).

The group accounts have been accounted for in accordance with the principles of merger accounting since the shareholders of Grayshott Hotel Limited were the same as Grayshott Hotel Property Limited and their rights, relative to each other, remain unchanged. Hence shareholders have a continuing interest in the company both before and after the share for share exchange.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions and balances between group companies are eliminated on consolidation.



# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

In November 2020, the directors decided to close the hotel for the foreseeable future to curtail costs whilst undertaking a strategic review of options, including a potential sale of the hotel or the potential redevelopment of the site. The company does not have any external debt or committed costs.

The company and group had net current liabilities at 31 December 2021, this position is primarily due to the amounts payable to shareholders. The directors have received confirmation from the shareholders that they will not call for repayment of this debt, for at least 12 months from the date of approval of the accounts, and that their current intention is to continue to support the company for at least 12 months from the date of signing these financial statements.

There is therefore a material uncertainty over the group and company's ability to continue as a going concern. Notwithstanding this uncertainty, the directors have continued to adopt the going concern basis in preparing the 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 hotel is derived primarily from the rental of rooms, sale of spa packages, food and beverage sales, and the sale spa treatments. Turnover is all rendering of goods and services.

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 - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Tangible fixed assets

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

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

Freehold buildings	Straight line over 10 years
Plant and equipment	Straight line over 10 years
Fixtures and fittings	Straight line over 7 years
Computers	Straight line over 4 years

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.

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost 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.

#### 1.8 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.

#### 1.9 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.

##### *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.

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

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

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

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

#### *Derecognition of financial liabilities*

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

### 1.10 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.

### 1.11 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.

#### *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.

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

#### 1.13 Retirement benefits

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

#### 1.14 Government grants

Government grants, which include amounts received under the Coronavirus Job Retention Scheme, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The income is recognised in other income on a systematic basis over the periods in which the associated costs are incurred, using the accrual model.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Impairment of tangible fixed assets*

In November 2020 the hotel closed due to the on-going impact of the Covid pandemic. As the hotel closed the directors reviewed tangible fixed assets for impairment. The directors have concluded that there is no impairment to carried forward tangible fixed assets on the basis that the net realisable value of the assets is expected to be higher than the carrying value.

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Hotel and Spa	(24,623)	1,559,932
	<u>          </u>	<u>          </u>

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Other significant revenue		
Interest income	-	46
	<u>          </u>	<u>          </u>

### 4 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	125
Depreciation of owned tangible fixed assets	495,619	517,499
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	12,000	12,000
Audit of the financial statements of the company's subsidiaries	4,000	4,000
	<u>          </u>	<u>          </u>
	16,000	16,000
	<u>          </u>	<u>          </u>

### 6 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
Rooms	-	25	-	25
Food and beverage	-	21	-	21
Spa and Health	-	30	-	30
Other departments	-	14	-	14
Management and admin	1	5	1	5
Maintenance	1	5	1	5
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	2	100	2	100
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## GRAYSHOTT HOTEL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**6 Employees** **(Continued)**

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,548	1,277,817	1,548	1,277,817
Social security costs	-	111,172	-	111,172
Pension costs	-	31,672	-	31,672
	<hr/>	<hr/>	<hr/>	<hr/>
	1,548	1,420,661	1,548	1,420,661
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Directors' remuneration

No directors received remuneration during the year, or prior year.

### 8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	46
	<u>          </u>	<u>          </u>

### 9 Interest payable and similar expenses

	2021	2020
	£	£
Other interest on financial liabilities	464,746	377,110
	<u>          </u>	<u>          </u>

### 10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	-	5,151
	<u>          </u>	<u>          </u>

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

	2021	2020
	£	£
Loss before taxation	(1,390,579)	(2,179,633)
	<u>          </u>	<u>          </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(264,210)	(414,130)
Tax effect of expenses that are not deductible in determining taxable profit	1,085	196
Change in unrecognised deferred tax assets	191,942	340,684
Adjustments in respect of prior years	-	5,151
Depreciation on assets not qualifying for tax allowances	71,183	73,250
	<u>          </u>	<u>          </u>
Taxation charge	-	5,151
	<u>          </u>	<u>          </u>

### 11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2021 and 31 December 2021	4,102,028
	<u>          </u>
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	4,102,028
	<u>          </u>

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

<b>11</b>	<b>Intangible fixed assets</b>					<b>(Continued)</b>
	<b>Carrying amount</b>					
	At 31 December 2021					-
						<u>          </u>
	At 31 December 2020					-
						<u>          </u>
	<b>Company</b>					<b>Goodwill</b>
						<b>£</b>
	<b>Cost</b>					
	At 1 January 2021 and 31 December 2021					4,102,028
						<u>          </u>
	<b>Amortisation and impairment</b>					
	At 1 January 2021 and 31 December 2021					4,102,028
						<u>          </u>
	<b>Carrying amount</b>					
	At 31 December 2021					-
						<u>          </u>
	At 31 December 2020					-
						<u>          </u>
<b>12</b>	<b>Tangible fixed assets</b>					
	<b>Group</b>	<b>Land and buildings</b>	<b>Plant and fixtures and fittings equipment</b>	<b>Computers</b>	<b>Total</b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
	<b>Cost</b>					
	At 1 January 2021 and 31 December 2021	8,449,965	336,274	681,225	107,669	9,575,133
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Depreciation and impairment</b>					
	At 1 January 2021	1,211,156	82,039	341,599	65,148	1,699,942
	Depreciation charged in the year	337,997	85,655	41,945	30,022	495,619
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	At 31 December 2021	1,549,153	167,694	383,544	95,170	2,195,561
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Carrying amount</b>					
	At 31 December 2021	6,900,812	168,580	297,681	12,499	7,379,572
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	At 31 December 2020	7,238,809	254,235	339,626	42,521	7,875,191
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Tangible fixed assets (Continued)

Company	Plant and fixtures and equipment	Computers	Total
	£	£	£
<b>Cost</b>			
At 1 January 2021 and 31 December 2021	336,274	681,225	1,125,168
<b>Depreciation and impairment</b>			
At 1 January 2021	82,039	341,599	488,786
Depreciation charged in the year	85,655	41,945	157,622
At 31 December 2021	167,694	383,544	646,408
<b>Carrying amount</b>			
At 31 December 2021	168,580	297,681	478,760
At 31 December 2020	254,235	339,626	636,382

### 13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	2	2

#### Movements in fixed asset investments

Company	Shares in group undertakings
	£
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	2
<b>Carrying amount</b>	
At 31 December 2021	2
At 31 December 2020	2

### 14 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Grayshott Hotel Property Limited	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW	Hotel property company	Ordinary shares	100.00   0

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

<b>15 Debtors</b>				
	<b>Group</b>	<b>2020</b>	<b>Company</b>	<b>2020</b>
	<b>2021</b>	<b>as restated</b>	<b>2021</b>	<b>as restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Other debtors	53,318	36,589	53,318	33,288
Prepayments and accrued income	30,377	25,787	30,377	25,787
	<u>83,695</u>	<u>62,376</u>	<u>83,695</u>	<u>59,075</u>
<b>16 Creditors: amounts falling due within one year</b>				
	<b>Group</b>	<b>2020</b>	<b>Company</b>	<b>2020</b>
	<b>2021</b>	<b>as restated</b>	<b>2021</b>	<b>as restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	35,329	19,800	35,329	-
Amounts owed to group undertakings	-	-	1,354,083	1,054,833
Amounts owed to shareholders	15,547,260	14,798,289	6,040,226	5,532,173
Other taxation and social security	15,000	90,496	-	90,496
Other creditors	-	15,396	-	15,396
Accruals and deferred income	61,900	40,098	61,900	40,097
	<u>15,659,489</u>	<u>14,964,079</u>	<u>7,491,538</u>	<u>6,732,995</u>
<b>17 Retirement benefit schemes</b>				
<b>Defined contribution schemes</b>			<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes			-	31,672
			<u>-</u>	<u>31,672</u>
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.				
<b>18 Share capital</b>				
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Ordinary share capital</b>	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Issued and fully paid</b>				
Ordinary Shares of £1 each	2,070,002	2,070,002	2,070,002	2,070,002

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19 Related party transactions

At the year end, the group owed £7,651,724 (2020: £7,369,654) to the shareholder GHL Beteiligung und Verwaltung GmbH, Austria and companies under their control. Total transactions with GHL Beteiligung und Verwaltung GmbH, Austria and companies under their control were £Nil (2020: £367,680), of which £Nil (2020: £160,950) were management charges. All transactions were carried out under normal trade terms. During the year interest of £231,137 (2020: £198,242) was charged to the company relating to this balance.

At the year end, the group owed £7,895,536 (2020: £7,428,632) to the shareholder London & Regional Group Hotel Holdings Limited and companies within that group. Total transactions with London & Regional Group Hotel Holdings Limited were £Nil (2020: £5,000), of which £Nil (2020: £nil) were management charges. All transactions were carried out under normal trade terms. During the year interest of £233,608 (2020: £178,868) was charged to the company relating to this balance.

#### 20 Cash generated from group operations

	2021 £	2020 £
Loss for the year after tax	(1,390,579)	(2,184,784)
<b>Adjustments for:</b>		
Taxation charged	-	5,151
Finance costs	464,746	377,110
Investment income	-	(46)
Depreciation and impairment of tangible fixed assets	495,619	517,499
<b>Movements in working capital:</b>		
Decrease in stocks	-	65,100
(Increase)/decrease in debtors	(21,319)	81,841
Increase in creditors	695,410	1,907,942
<b>Cash generated from operations</b>	<b>243,877</b>	<b>769,813</b>

#### 21 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows 31 December 2021 £	£
Cash at bank and in hand	342,090	(220,869)	121,221

# GRAYSHOTT HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Prior period adjustment

#### Changes to the balance sheet - group

	As previously reported	Adjustment at 1 Jan 2020	Adjustment at 31 Dec 2020	As restated at 31 Dec 2020
	£	£	£	£
<b>Current assets</b>				
Other debtors	33,288	3,301	-	36,589
<b>Creditors due within one year</b>				
Trade creditors	(67,129)	(7,926)	55,255	(19,800)
Accruals and deferred income	(61,500)	4,999	16,403	(40,098)
Other taxation and social security	(133,202)	42,706	-	(90,496)
Other creditors	(15,178)	-	(218)	(15,396)
Net liabilities	(6,798,942)	43,080	71,440	(6,684,422)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>				
Profit and loss reserves	(8,868,944)	43,080	71,440	(8,754,424)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### Changes to the profit and loss account - group

	As previously reported	Adjustment	As restated
Period ended 31 December 2020	£	£	£
Cost of sales	(1,485,213)	70,737	(1,414,476)
Administrative expenses	(1,949,497)	703	(1,948,794)
Loss after taxation	(2,256,224)	71,440	(2,184,784)
	<u>          </u>	<u>          </u>	<u>          </u>

A prior year adjustment was required to account for expenses amounting to £114,520 that were incorrectly accounted for in previous periods.

#### Changes to the balance sheet - company

	As previously reported	Adjustment	As restated at 31 Dec 2020
	£	£	£
<b>Creditors due within one year</b>			
Trade creditors	(55,255)	55,255	-
Other creditors	(15,178)	(218)	(15,396)
Accruals and deferred income	(56,500)	16,403	(40,097)
Net liabilities	(5,766,886)	71,440	(5,695,446)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>			
Profit and loss reserves	(7,836,888)	71,440	(7,765,448)
	<u>          </u>	<u>          </u>	<u>          </u>

## GRAYSHOTT HOTEL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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22	Prior period adjustment			(Continued)
	Changes to the profit and loss account - company	As previously reported	Adjustment	As restated
		£	£	£
	Period ended 31 December 2020			
	Loss after taxation	(1,978,252)	71,440	(1,906,822)
		<u>          </u>	<u>          </u>	<u>          </u>

A prior year adjustment was required to account for expenses amounting to £71,440 that were incorrectly accounted for in the prior period.

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.