

Company registration number 11482535 (England and Wales)

EASTHAMPSTEAD HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

EASTHAMPSTEAD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	B Cave J W Harrison J S Shashoua
Company number	11482535
Registered office	73 Cornhill London EC3V 3QQ
Auditor	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ

EASTHAMPSTEAD HOLDINGS LIMITED

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EASTHAMPSTEAD HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

Easthampstead Park Conference centre (EPCC) was acquired on the 8th October 2018 for £4.3m all cash no debt. Planning permissions were sought and received for the creation of a hotel and ancillary facilities

This is the fourth period since incorporation for the group and was set to be the first period of growing the operational revenue of the business following completion of the development works in March 2021.

Q1 2022 started slowly due to the effects of Omicron on the hospitality market, however Q2 and Q3 saw a large increase in hotel business with good trading throughout this period. Nervousness around the economy with price increases, supply chain issues, rising wages and Eastern European tensions between Russia and Ukraine saw the Q4 2022 hospitality market slow down

The Group has reported revenues of £5.160m (2021: £3.054m) for the period with an EBITDA of £0.636m (2021: loss-£0.056m). The group balance sheet at the period end shows net assets in excess of £0.938m (2021: £1.267m). There were no other significant matters or events during the period. All issues that arose were dealt with efficiently within the business and the business plan.

Principal risks and uncertainties

The financial risks and associated risk management objectives and procedures

The financial risk management within the group is governed by policies set by the board of directors and senior management. These policies cover interest rate risk and other areas, such as cash management.

Credit risk

The group has minimal exposure to credit risk. All cash is deposited with its UK banks. The principal amount disclosed within debtors are amounts due from UK-based customers.

Foreign exchange risk

The group is not exposed to foreign exchange risk as all of its income is derived from activities undertaken in the UK and all of its trade and other suppliers invoice in sterling.

The risks set out above are not exhaustive and additional risks and uncertainties may arise or become material in the future. The board of directors monitors risks and uncertainties faced by the group on a continual basis.

Key performance indicators

The group sees the average room rate, occupancy levels and food and beverage gross profit margins as their key performance indicators (KPIs). These KPIs allow the group to monitor the performance of its financial model as well as its wider responsibilities to its stakeholders.

EASTHAMPSTEAD HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Future developments

Following the successful development of Phase 1 the Group has reviewed the business plan and are planning the following works over the coming years:

Phase 2

Phase 2a – Construction of a 10,000 sq ft Marquee events space in the grounds of the estate with planning permission expected Q1 2023 and open by close of January 2024.

Phase 2b – The refurbishment of an unused section of the Mansion House for two deluxe bedrooms and the refurbishment of the stable block from meeting rooms to 7 duplex bedrooms , planning permission already in place for all 9 proposed additional bedrooms, which will in likelihood be implemented towards the end of 2024

Phase 3 - Long term plans for the addition of 100 bedrooms on 1st and 2nd floors and extension to gym to take gym area up by 50%, create a total of 3 studios, swimming pool wet area and wet spa as a new build attached to the Hepburn Building which will require planning permission should the marquee prove to be the success we anticipate it to be

On behalf of the board

B Cave

Director

6 December 2023

EASTHAMPSTEAD HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company was that of a holding company. The principal activity of the group is that of the operation and management of Easthampstead Park.

Results and dividends

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

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

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

B Cave
J W Harrison
J S Shashou

Auditor

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

Statement of directors' responsibilities

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.

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.

EASTHAMPSTEAD HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The financial statements have been prepared on the assumption that the group is a going concern. At the balance sheet date, the group had net current liabilities and net liabilities. The group meets its day to day working capital requirements through operating cash flows and through the financial support provided by its shareholders and banking facility. If the group directors believe further financial support is required then they assert that they can seek this additional funding either from existing shareholders or the bank as they have done in the past in order to provide the necessary finance. The company's shareholders have undertaken to financially support the group to the extent it requires funding or settlement of their liabilities as they fall due for at least 12 months following approval of these financial statements. They also assert that they can seek this additional funding from the bank as they have done in the past. As with placing reliance on any sources of funding, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. In the unlikely event of not receiving funding from the bank, shareholder funding will be relied upon. Taking all matters and information into account the directors have at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

B Cave
Director

6 December 2023

EASTHAMPSTEAD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EASTHAMPSTEAD HOLDINGS LIMITED

Opinion

We have audited the financial statements of Easthampstead Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 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, the company 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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.

EASTHAMPSTEAD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EASTHAMPSTEAD HOLDINGS LIMITED

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 parent 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.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

Extent to which the audit was considered capable of detecting irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

EASTHAMPSTEAD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EASTHAMPSTEAD HOLDINGS LIMITED

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with HMRC.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations 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.

Mr Grant Lee FCA (Senior Statutory Auditor)
For and on behalf of Gerald Edelman LLP

6 December 2023

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

EASTHAMPSTEAD HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	5,160,444	3,054,428
Cost of sales		(2,303,838)	(1,642,722)
Gross profit		<u>2,856,606</u>	<u>1,411,706</u>
Administrative expenses		(2,835,840)	(2,121,760)
Other operating income		7,297	220,118
Operating profit/(loss)	4	<u>28,063</u>	<u>(489,936)</u>
Interest payable and similar expenses		(357,083)	(346,531)
Loss before taxation		<u>(329,020)</u>	<u>(836,467)</u>
Tax on loss	7	-	-
Loss for the financial year		<u><u>(329,020)</u></u>	<u><u>(836,467)</u></u>

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

EASTHAMPSTEAD HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Loss for the year	(329,020)	(836,467)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(329,020)</u>	<u>(836,467)</u>

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

EASTHAMPSTEAD HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		13,760,872		13,707,306
Current assets					
Stocks	11	25,566		23,069	
Debtors	12	645,080		530,372	
Cash at bank and in hand		406,887		226,784	
		1,077,533		780,225	
Creditors: amounts falling due within one year	13	(3,725,001)		(2,845,107)	
Net current liabilities			(2,647,468)		(2,064,882)
Total assets less current liabilities			11,113,404		11,642,424
Creditors: amounts falling due after more than one year	14		(10,175,000)		(10,375,000)
Net assets			938,404		1,267,424
Capital and reserves					
Called up share capital	17	4,600,100		4,600,100	
Profit and loss reserves		(3,661,696)		(3,332,676)	
Total equity			938,404		1,267,424

The financial statements were approved by the board of directors and authorised for issue on 6 December 2023 and are signed on its behalf by:

B Cave
Director

Company registration number 11482535 (England and Wales)

EASTHAMPSTEAD HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Investments	9	200	200
Current assets			
Debtors	12	14,912,067	14,868,654
Cash at bank and in hand		140,153	346
		15,052,220	14,869,000
Creditors: amounts falling due within one year	13	(1,855,033)	(1,335,033)
Net current assets		13,197,187	13,533,967
Total assets less current liabilities		13,197,387	13,534,167
Creditors: amounts falling due after more than one year	14	(9,500,000)	(9,500,000)
Net assets		3,697,387	4,034,167
Capital and reserves			
Called up share capital	17	4,600,100	4,600,100
Profit and loss reserves		(902,713)	(565,933)
Total equity		3,697,387	4,034,167

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 £336,780 (2021 - £340,839 loss).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 6 December 2023 and are signed on its behalf by:

B Cave
Director

Company registration number 11482535 (England and Wales)

EASTHAMPSTEAD HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	4,600,100	(2,496,209)	2,103,891
Year ended 31 December 2021:			
Loss and total comprehensive income	-	(836,467)	(836,467)
Balance at 31 December 2021	4,600,100	(3,332,676)	1,267,424
Year ended 31 December 2022:			
Loss and total comprehensive income	-	(329,020)	(329,020)
Balance at 31 December 2022	4,600,100	(3,661,696)	938,404

EASTHAMPSTEAD HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	4,600,100	(225,094)	4,375,006
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(340,839)	(340,839)
Balance at 31 December 2021	4,600,100	(565,933)	4,034,167
Year ended 31 December 2022:			
Profit and total comprehensive income	-	(336,780)	(336,780)
Balance at 31 December 2022	4,600,100	(902,713)	3,697,387

EASTHAMPSTEAD HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	18	1,331,653		250,143	
Interest paid		(357,083)		(302,575)	
Net cash inflow/(outflow) from operating activities		974,570		(52,432)	
Investing activities					
Purchase of tangible fixed assets		(669,467)		(899,932)	
Net cash used in investing activities		(669,467)		(899,932)	
Financing activities					
Proceeds from new bank loans		-		1,388,187	
Repayment of bank loans		(125,000)		(11,657)	
Net cash (used in)/generated from financing activities		(125,000)		1,376,530	
Net increase in cash and cash equivalents		180,103		424,166	
Cash and cash equivalents at beginning of year		226,784		(197,382)	
Cash and cash equivalents at end of year		406,887		226,784	

EASTHAMPSTEAD HOLDINGS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		457,325		(105,090)
Interest paid			(317,518)		(271,062)
Net cash inflow/(outflow) from operating activities			139,807		(376,152)
Financing activities					
Proceeds of new bank loans		-		388,187	
Repayment of bank loans		-		(11,657)	
Net cash (used in)/generated from financing activities			-		376,530
Net increase in cash and cash equivalents			139,807		378
Cash and cash equivalents at beginning of year			346		(32)
Cash and cash equivalents at end of year			140,153		346

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Easthampstead Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

The group consists of Easthampstead 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. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Easthampstead Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. 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, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Going concern

The financial statements have been prepared on the assumption that the group is a going concern. At the balance sheet date, the group had net current liabilities and net liabilities. The group meets its day to day working capital requirements through operating cash flows and through the financial support provided by its shareholders and banking facility. If the group directors believe further financial support is required then they assert that they can seek this additional funding either from existing shareholders or the bank as they have done in the past in order to provide the necessary finance. The company's shareholders have undertaken to financially support the group to the extent it requires funding or settlement of their liabilities as they fall due for at least 12 months following approval of these financial statements. They also assert that they can seek this additional funding from the bank as they have done in the past. As with placing reliance on any sources of funding, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. In the unlikely event of not receiving funding from the bank, shareholder funding will be relied upon. Taking all matters and information into account the directors have at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover represents the amount derived from the provision of accommodation, services and sale of goods which fall within the group's ordinary activities stated net of value added tax and trade discounts.

Revenue from room sales and other guest services is recognised when rooms are occupied and as services are provided.

Revenue from the provision of hotel services is recognised as the services are provided to and received by the hotel's guests.

Revenue from the sale of food and beverage is recognised at the point at which the products have been transferred to the customer.

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:

Leasehold land and buildings	2% straight line in buildings
Plant and equipment	15% reducing balance
Fixtures and fittings	15% straight line
Computers	25% reducing balance

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 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, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 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.

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.

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as 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.

1.12 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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 Government grants

Government grants 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.

1.16 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.

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

3 Turnover and other revenue

Turnover is derived from the group's principal activity, undertaken wholly within the United Kingdom.

	2022 £	2021 £
Turnover analysed by class of business		
Hotel income	5,160,444	3,054,428

	2022 £	2021 £
Other significant revenue		
Grants received	7,297	220,118

4 Operating profit/(loss)

	2022 £	2021 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(7,297)	(220,118)
Depreciation of owned tangible fixed assets	608,307	433,905

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	17,000	17,000

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Hotel staff	112	110	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,074,534	1,704,146	-	-
Social security costs	178,016	137,520	-	-
Pension costs	33,433	24,973	-	-
	2,285,983	1,866,639	-	-

7 Taxation

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:

	2022 £	2021 £
Loss before taxation	(329,020)	(836,467)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(62,514)	(158,929)
Tax effect of expenses that are not deductible in determining taxable profit	(1,709)	-
Tax effect of utilisation of tax losses not previously recognised	(99,988)	-
Unutilised tax losses carried forward	104,328	99,176
Permanent capital allowances in excess of depreciation	59,883	59,753
Taxation charge	-	-

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2022	12,160,386	293,930	1,888,997	233,247	14,576,560
Additions	516,345	5,553	139,322	8,247	669,467
Disposals	-	-	(7,594)	-	(7,594)
At 31 December 2022	12,676,731	299,483	2,020,725	241,494	15,238,433
Depreciation and impairment					
At 1 January 2022	382,171	125,828	249,548	111,707	869,254
Depreciation charged in the year	249,285	26,048	300,527	32,447	608,307
At 31 December 2022	631,456	151,876	550,075	144,154	1,477,561
Carrying amount					
At 31 December 2022	12,045,275	147,607	1,470,650	97,340	13,760,872
At 31 December 2021	11,778,215	168,102	1,639,449	121,540	13,707,306

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

9 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	10	-	-	200	200

Movements in fixed asset investments Company

Shares in group undertakings

Cost or valuation	£
At 1 January 2022 and 31 December 2022	200
Carrying amount	
At 31 December 2022	200
At 31 December 2021	200

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
Easthampstead Hotel Limited	England & Wales	Ordinary	100.00
Easthampstead Hospitality Limited	England & Wales	Ordinary	100.00

11 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	25,566	23,069	-	-

12 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	25,553	93,036	-	-
Amounts owed by group undertakings	-	-	14,753,618	14,691,925
Other debtors	517,404	300,263	100,000	100,015
Prepayments and accrued income	102,123	137,073	58,449	76,714
	645,080	530,372	14,912,067	14,868,654

There are no specific terms of interest or repayment attached to the amounts owed by group undertakings.

13 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	15	200,000	-	-	-
Other borrowings	15	-	125,000	-	-
Trade creditors		296,663	181,988	-	-
Other taxation and social security		383,946	365,366	-	-
Other creditors		2,756,877	2,089,909	1,855,033	1,335,033
Accruals and deferred income		87,515	82,844	-	-
		3,725,001	2,845,107	1,855,033	1,335,033

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	15	10,175,000	10,375,000	9,500,000	9,500,000

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	8,555,000	-	8,480,000
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15 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	10,375,000	10,375,000	9,500,000	9,500,000
Other loans	-	125,000	-	-
	10,375,000	10,500,000	9,500,000	9,500,000
Payable within one year	200,000	125,000	-	-
Payable after one year	10,175,000	10,375,000	9,500,000	9,500,000

The bank loan is secured by way of legal charge on the freehold property known as Easthampstead Park Hotel, Peacock Lane, Wokingham, Berkshire RG40 3DF. There are fixed and floating charges on the assets of the company, and the assets of Easthampstead Hospitality Limited and Easthampstead Hotel Limited, subsidiaries of the company.

The loans, which are secured by fixed charges over the group's assets, are subject to various annual interest rates between 3.25% and 3.5% over the base rate. Of the total bank loans, £9,500,000 and £875,000 is repayable in 2026 and 2027 respectively.

16 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	33,433	24,973

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.

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A shares of £1 each	80	80	80	80
Ordinary B shares of £1 each	20	20	20	20
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Preference share capital	2022	2021	2022	2021
Issued and fully paid	Number	Number	£	£
Preference shares of £1 each	4,600,000	4,600,000	4,600,000	4,600,000
	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,600,000</u>	<u>4,600,000</u>
Preference shares classified as equity			4,600,000	4,600,000
			<u>4,600,000</u>	<u>4,600,000</u>
Total equity share capital			<u>4,600,100</u>	<u>4,600,100</u>

The "A" and "B" shares rank equally in all respects save that the "B" shares have no right to any dividend unless so declared and approved by the Board. The preference shares have priority over the "A" and "B" shares on winding up, liquidation or sale insofar as their nominal value is redeemed. The B shares have no right to a distribution (including any such distribution on liquidation) thereafter until the holder of each A share has received a total distribution of £414,000 pa or proportion thereof of ownership, after which time the A shares will be entitled to 80% of the remainder and the B shares 20% of the remainder.

18 Cash generated from group operations

	2022	2021
	£	£
Loss for the year after tax	(329,020)	(836,467)
Adjustments for:		
Finance costs	357,083	346,531
Loss on disposal of tangible fixed assets	7,594	-
Depreciation and impairment of tangible fixed assets	608,307	433,905
Movements in working capital:		
Increase in stocks	(2,497)	(13,309)
Increase in debtors	(114,708)	(40,245)
Increase in creditors	804,894	359,728
Cash generated from operations	<u>1,331,653</u>	<u>250,143</u>

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Cash generated from/(absorbed by) operations - company

	2022 £	2021 £
Loss for the year after tax	(336,780)	(340,839)
Adjustments for:		
Finance costs	317,518	315,018
Movements in working capital:		
Increase in debtors	(43,413)	(179,652)
Increase in creditors	520,000	100,383
Cash generated from/(absorbed by) operations	457,325	(105,090)

20 Analysis of changes in net debt - group

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	226,784	180,103	406,887
Borrowings excluding overdrafts	(10,500,000)	125,000	(10,375,000)
	<u>(10,273,216)</u>	<u>305,103</u>	<u>(9,968,113)</u>

21 Analysis of changes in net debt - company

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	346	139,807	140,153
Borrowings excluding overdrafts	(9,500,000)	-	(9,500,000)
	<u>(9,499,654)</u>	<u>139,807</u>	<u>(9,359,847)</u>

EASTHAMPSTEAD HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Related party transactions

The disclosure requirement of section 33 of FRS 102 allows the company not to disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly-owned by such a member.

Included within other debtors is a balance of £428,842 (2021: £179,010) due from Active Hospitality Limited and £41,002 (2021: £16,900) due from Villiers Hotel Limited.

Included in creditors is a net amount of £559,912 (2021: £385,988) due to Gorse Hill Hotel Limited.

The above companies are under common control.

Also included in creditors are shareholder loans amounting to £1,854,650 (2021: £1,334,650). There are no terms of interest and repayments attached to this balance.

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.