

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

BEST HOLDINGS GROUP
LIMITED

MENZIES

BEST HOLDINGS GROUP LIMITED

COMPANY INFORMATION

| | |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Director | A. Best |
| Registered number | 11815441 |
| Registered office | Lynton House 7 - 12 Tavistock Square London WC1H 9LT |
| Independent auditors | Menzies LLP Chartered Accountants & Statutory Auditor Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY |

BEST HOLDINGS GROUP LIMITED

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BEST HOLDINGS GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present the strategic report for the year ended 31 December 2020.

Business review

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Principal risks and uncertainties

The management of the business and the execution of the group's strategies are subject to risk, the main risk being the competition in the market place, current pandemic situation and the strain on our euro supply chain leading to increased costs of finished goods.

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and balances due from group and associated companies and individuals. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's trading activities.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts and bank loan.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring funds are available to meet amounts due.

In respect of balances due to and from related parties, the directors are aware of the individual group's finance requirements and had determined that these will only be repaid, in whole or in part, when sufficient funds are available.

Financial key performance indicators

The key performance indicators used to determine the progress and performance of the company are set out below:

| | 31.12.2020 | 31.12.2019 |
|-------------------|------------|------------|
| | 12 months | 8 months |
| | £ | £ |
| Turnover | 17,924,647 | 11,112,672 |
| Gross profit | 13,668,566 | 8,545,835 |
| Gross Profit | 76% | 77% |
| Operating profit | 7,382,837 | 4,206,954 |
| EBITDA | 9,474,650 | 5,616,100 |
| EBITDA percentage | 53% | 51% |

BEST HOLDINGS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

This report was approved by the board and signed on its behalf.

.....
A. Best

Director

Date: 30 September 2021

BEST HOLDINGS GROUP LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his report and the financial statements for the year ended 31 December 2020.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

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

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

Results and dividends

The profit for the year, after taxation, amounted to £3,919,852 (2019 - £6,581,830).

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

No preference dividends were paid.

Director

The director who served during the year was:

A. Best

Future developments

The group had a successful year and the directors remain confident that the strategy the business continues to deploy in the market place will ensure its future stability through continued growth.

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

BEST HOLDINGS GROUP LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Post balance sheet events

The coronavirus pandemic and the recent lockdown during 2020 and 2021 had a significant impact on most businesses but there has been limited impact on the group's operations. The group has been able to maintain its revenue stream and

property values have performed well during the pandemic. The group implemented work from home policy to ensure

that its staff can safely perform their duties without interruptions.

Auditors

There has been a change in auditors with Menzies LLP acting as the auditors for the year ended 31 December 2020 in accordance with section 485 of the Companies Act 2006. Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

.....
A. Best
Director

Date: 30 September 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEST HOLDINGS GROUP LIMITED

Opinion

We have audited the financial statements of Best Holdings Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 director's 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 or the 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 director 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 Auditors' Report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEST HOLDINGS GROUP LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEST HOLDINGS GROUP LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Group 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:

- Obtaining an understanding of the laws and regulations that are applicable to the Group, focusing on those laws and regulations that directly affect the financial statements, such as provisions of the UK Companies Act and tax legislation or that had a fundamental effect on the operations of the Group. We did not identify any law and regulations which had a fundamental effect on the operations of the Group other than The Mobile Homes Act 1983.
- We understood how the Group is complying with those legal and regulatory frameworks by, making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedure, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - posting of unusual journals and complex transactions; and
 - manipulation of the bad debt provision.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEST HOLDINGS GROUP LIMITED (CONTINUED)

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 Auditors' 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.

Andrew Hookway FCA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

Ashcombe House

5 The Crescent

Leatherhead

Surrey

KT22 8DY

30 September 2021

BEST HOLDINGS GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

| | | Year ended 31 December 2020 £ | Period from 30 April 2019 to 31 December 2019 £ |
|-----------------------------------------------------------------|------|----------------------------------------|-------------------------------------------------------------|
| | Note | | |
| Turnover | 4 | 17,924,647 | 11,112,672 |
| Cost of sales | | (4,256,081) | (2,566,837) |
| Gross profit | | 13,668,566 | 8,545,835 |
| Administrative expenses | | (6,410,564) | (4,338,881) |
| Other operating income | 5 | 124,835 | - |
| Operating profit | 6 | 7,382,837 | 4,206,954 |
| Income from shares in group undertakings | | - | 1,056,568 |
| Loss on disposal of tangible assets | | 27,314 | (80,937) |
| Fair value gains and losses on investment properties | | - | (6,759,149) |
| Gain on sales of investment properties | | - | 792,975 |
| Interest receivable and similar income | 10 | 42,376 | 7,901,559 |
| Interest payable and similar expenses | 11 | (2,276,020) | (1,927,569) |
| Profit before taxation | | 5,176,507 | 5,190,401 |
| Tax on profit | 12 | (1,256,655) | 1,391,429 |
| Profit for the financial year | | 3,919,852 | 6,581,830 |
| Unrealised surplus on revaluation of tangible fixed assets | | 38,788,954 | 37,996,066 |
| Other comprehensive income for the year | | 38,788,954 | 37,996,066 |
| Total comprehensive income for the year | | 42,708,806 | 44,577,896 |
| Profit for the year attributable to: | | | |
| Owners of the parent Company | | 3,919,852 | 6,581,830 |
| | | 3,919,852 | 6,581,830 |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the parent Company | | 42,708,806 | 44,577,896 |
| | | 42,708,806 | 44,577,896 |

The notes on pages 17 to 38 form part of these financial statements.

BEST HOLDINGS GROUP LIMITED

REGISTERED NUMBER:11815441

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|------------------------------------------------------------|------|---------------------|---------------------|
| Fixed assets | | | |
| Intangible assets | 13 | 13,574,369 | 15,277,970 |
| Tangible assets | 14 | 328,064,272 | 285,439,241 |
| Investments | 15 | 1,356,481 | 250,501 |
| Investment property | 16 | 40,421,159 | 40,421,159 |
| | | <u>383,416,281</u> | <u>341,388,871</u> |
| Current assets | | | |
| Stocks | 17 | 6,188,133 | 6,931,480 |
| Debtors | 18 | 25,307,023 | 12,668,571 |
| Cash at bank and in hand | 19 | 71,785 | 68,248 |
| | | <u>31,566,941</u> | <u>19,668,299</u> |
| Creditors: amounts falling due within one year | 20 | (31,333,854) | (21,239,521) |
| Net current assets/(liabilities) | | <u>233,087</u> | <u>(1,571,222)</u> |
| Total assets less current liabilities | | <u>383,649,368</u> | <u>339,817,649</u> |
| Creditors: amounts falling due after more than one year | 21 | (99,440,479) | (100,196,625) |
| Provisions for liabilities | | | |
| Deferred taxation | 23 | (43,557,837) | (40,578,778) |
| | | <u>(43,557,837)</u> | <u>(40,578,778)</u> |
| Net assets excluding pension asset | | <u>240,651,052</u> | <u>199,042,246</u> |
| Net assets | | <u>240,651,052</u> | <u>199,042,246</u> |
| Capital and reserves | | | |
| Called up share capital | 24 | 9,687,521 | 10,787,521 |
| Revaluation reserve | 25 | 190,454,870 | 151,665,916 |
| Profit and loss account | 25 | 40,508,661 | 36,588,809 |
| Equity attributable to owners of the parent Company | | <u>240,651,052</u> | <u>199,042,246</u> |
| | | <u>240,651,052</u> | <u>199,042,246</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
A. Best

Director

Date: 30 September 2021

The notes on pages 17 to 38 form part of these financial statements.

BEST HOLDINGS GROUP LIMITED

REGISTERED NUMBER:11815441

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|---------------------------------------------------------|------|-------------------------|--------------------------|
| Fixed assets | | | |
| Investments | 15 | 12,771,521 | 12,771,521 |
| | | <u>12,771,521</u> | <u>12,771,521</u> |
| Current assets | | | |
| Debtors | 18 | 52,907 | 52,907 |
| | | <u>52,907</u> | <u>52,907</u> |
| Creditors: amounts falling due within one year | 20 | (1,152,907) | (52,907) |
| | | <u>(1,152,907)</u> | <u>(52,907)</u> |
| Net current (liabilities)/assets | | <u>(1,100,000)</u> | <u>-</u> |
| Total assets less current liabilities | | <u>11,671,521</u> | <u>12,771,521</u> |
| Creditors: amounts falling due after more than one year | 21 | (1,984,000) | (1,984,000) |
| | | <u>(1,984,000)</u> | <u>(1,984,000)</u> |
| Net assets excluding pension asset | | <u>9,687,521</u> | <u>10,787,521</u> |
| Net assets | | <u><u>9,687,521</u></u> | <u><u>10,787,521</u></u> |
| Capital and reserves | | | |
| Called up share capital | 24 | 9,687,521 | 10,787,521 |
| | | <u><u>9,687,521</u></u> | <u><u>10,787,521</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
A. Best

Director

Date: 30 September 2021

The notes on pages 17 to 38 form part of these financial statements.

BEST HOLDINGS GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital | Share premium account | Revaluation reserve | Other reserves | Profit and loss account | Total equity |
|--------------------------------------------------|----------------------------|-----------------------------|------------------------|--------------------|----------------------------|--------------------|
| | £ | £ | £ | £ | £ | £ |
| At 30 April 2019 | 3,529 | 3,225,771 | 113,669,850 | 2,389,199 | 27,617,780 | 146,906,129 |
| Comprehensive income for the period | | - | | - | | |
| Profit for the period | - | - | - | - | 6,581,830 | 6,581,830 |
| Surplus on revaluation of freehold property | - | - | 37,996,066 | - | - | 37,996,066 |
| Total comprehensive income for the period | - | - | 37,996,066 | - | 6,581,830 | 44,577,896 |
| Shares issued during the period | 10,787,520 | - | - | - | - | 10,787,520 |
| Transfers | - | - | - | - | 2,389,199 | 2,389,199 |
| Other movements | (3,528) | (3,225,771) | - | (2,389,199) | - | (5,618,498) |
| Total transactions with owners | 10,783,992 | (3,225,771) | - | (2,389,199) | 2,389,199 | 7,558,221 |
| At 1 January 2020 | 10,787,521 | - | 151,665,916 | - | 36,588,809 | 199,042,246 |
| Comprehensive income for the year | | - | | - | | |
| Profit for the year | - | - | - | - | 3,919,852 | 3,919,852 |
| Surplus on revaluation of freehold property | - | - | 38,788,954 | - | - | 38,788,954 |
| Total comprehensive income for the year | - | - | 38,788,954 | - | 3,919,852 | 42,708,806 |
| Shares redeemed during the year | (1,100,000) | - | - | - | - | (1,100,000) |
| Total transactions with owners | (1,100,000) | - | - | - | - | (1,100,000) |
| At 31 December 2020 | 9,687,521 | - | 190,454,870 | - | 40,508,661 | 240,651,052 |

The notes on pages 17 to 38 form part of these financial statements.

BEST HOLDINGS GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital £ | Total equity £ |
|-----------------------------------------------------|---------------------------------|-------------------|
| At 30 April 2019 | 1 | 1 |
| Total comprehensive income for the period | - | - |
| Contributions by and distributions to owners | | |
| Shares issued during the period | 10,787,520 | 10,787,520 |
| At 1 January 2020 | 10,787,521 | 10,787,521 |
| Total comprehensive income for the year | - | - |
| Contributions by and distributions to owners | | |
| Shares redeemed during the year | (1,100,000) | (1,100,000) |
| At 31 December 2020 | 9,687,521 | 9,687,521 |

The notes on pages 17 to 38 form part of these financial statements.

BEST HOLDINGS GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 £ | Period from 30 April 2019 to 31 December 2019 £ |
|-----------------------------------------------------|--------------------|----------------------------------------------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 3,919,852 | 6,581,830 |
| Adjustments for: | | |
| Investment income | - | (8,958,127) |
| Amortisation of intangible assets | 1,703,601 | 1,170,267 |
| Depreciation of tangible assets | 388,213 | 238,878 |
| Loss on disposal of tangible assets | 27,314 | 89,037 |
| Decrease/(increase) in fixed assets held for sale | - | (792,975) |
| Interest paid | 2,276,820 | 1,927,569 |
| Interest received | (42,376) | - |
| Taxation charge | 1,256,655 | (1,391,429) |
| Decrease/(increase) in stocks | 743,347 | (6,148,196) |
| (Increase) in debtors | (12,638,452) | (9,646,770) |
| Increase in creditors | 6,935,662 | 12,801,992 |
| (Decrease) in provisions | (518,532) | (36,244,879) |
| Fair value loss on investment properties | - | 6,759,149 |
| Corporation tax received/(paid) | 131,219 | (9,440,535) |
| Interest paid | (1,295,098) | (1,927,569) |
| Net cash generated from operating activities | 2,888,225 | (44,981,758) |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | - | (16,448,237) |
| Purchase of tangible fixed assets | (724,417) | (5,678,122) |
| Sale of tangible fixed assets | (27,314) | 519,063 |
| Sale of investment properties | - | 821,415 |
| Sale of short term unlisted investments | - | 46,211,731 |
| Purchase of share in associates | (1,105,980) | (150,000) |
| Interest received | 42,376 | 7,901,559 |
| Dividends received | - | 1,056,568 |
| Net cash from investing activities | (1,815,335) | 34,233,977 |
| Cash flows from financing activities | | |
| Issue of ordinary shares | - | 10,787,520 |
| Purchase of ordinary shares | (1,100,000) | - |
| Repayment of loans | (3,199,992) | (2,184,845) |
| Other new loans | - | 1,500,000 |
| Repayment of other loans | 312,500 | - |
| Repayment of/new finance leases | (7,650) | 64,426 |

BEST HOLDINGS GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 £ | 2019 £ |
|---------------------------------------------------------------|--------------------|-------------------|
| Net cash used in financing activities | (3,995,142) | 10,167,101 |
| Net (decrease) in cash and cash equivalents | (2,922,252) | (580,680) |
| Cash and cash equivalents at beginning of year | (866,349) | (285,669) |
| Cash and cash equivalents at the end of year | (3,788,601) | (866,349) |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 71,785 | 68,248 |
| Bank overdrafts | (3,860,386) | (934,597) |
| | (3,788,601) | (866,349) |

The notes on pages 17 to 38 form part of these financial statements.

BEST HOLDINGS GROUP LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2020

| | At 1 January 2020 £ | Cash flows £ | At 31 December 2020 £ |
|--------------------------|---------------------------|-----------------|-----------------------------|
| Cash at bank and in hand | 68,248 | 3,537 | 71,785 |
| Bank overdrafts | (934,597) | (2,925,789) | (3,860,386) |
| Debt due after 1 year | (57,340,184) | 1,730,218 | (55,609,966) |
| Debt due within 1 year | (6,255,896) | 1,157,274 | (5,098,622) |
| Finance leases | (64,426) | 7,650 | (56,776) |
| | <u>(64,526,855)</u> | <u>(27,110)</u> | <u>(64,553,965)</u> |

The notes on pages 17 to 38 form part of these financial statements.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Best Holdings Group Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of its registered office is disclosed on the company information page. The principal place of business is Wyldecrest House, 857 London Road, Thurrock, Essex, RM20 3AT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.4 Revenue

Revenue represents amounts receivable from pitch fees, licence fees, interest on loans, rent received from properties, commissions and utilities recharged net of VAT. Sales of houses taken on part exchange are also recognised in revenue on completion. Revenue also includes income from the operation of the golf club.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Intangible assets

Goodwill

Goodwill is generated on the basis of the premium paid for the undeveloped pitches on the parks. The annual amortisation charge is the premium paid for each undeveloped pitch on a particular park multiplied by the number of pitches developed during the year.

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

| | | | |
|--------------------------------|---|-----|------------------|
| Plant and machinery | - | 25% | reducing balance |
| Motor vehicles | - | 20% | straight line |
| Fixtures, fittings & equipment | - | 25% | reducing balance |
| Computer equipment | - | 25% | reducing balance |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.14 Investment property

Investment property is carried at fair value determined annually by the directors and external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.15 Valuation of investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment.

2.16 Stocks

Stocks are stated at the lower of cost and estimated selling prices 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. Stock consists of mobile homes and houses taken in part exchange unsold at the year end.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.21 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.22 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key source of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual income. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Establishing useful economic lives for amortisation of intangible fixed assets

Property valuations

The key source of estimation uncertainty relates to the valuation of the freehold property portfolio, where valuations are conducted regularly. The evidence to support the valuations is based primarily on recent, comparable market transactions on an arm's-length basis or from consideration of yields on similar properties. However, the assumptions applied are inherently subjective and so are subject to a degree of uncertainty.

Provision for doubtful debts

The Company makes an estimate of the recoverable value of the trade and other debtors. The Company uses estimates based on historical experience determining the level of debts, which the company believes will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of the debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an ongoing basis and is disclosed in Note 15.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. Turnover

An analysis of turnover by class of business is as follows:

| | Year ended 31 December 2020 | <i>Period from 30 April 2019 to 31 December 2019</i> |
|--------------------------------------|--------------------------------------------|------------------------------------------------------------------|
| | £ | £ |
| Pitch fees, rentals and other income | 16,509,819 | 9,288,855 |
| Licence fees | 1,414,828 | 1,823,817 |
| | <u>17,924,647</u> | <u>11,112,672</u> |

All turnover arose within the United Kingdom.

5. Other operating income

| | Year ended 31 December 2020 | <i>Period from 30 April 2019 to 31 December 2019</i> |
|------------------------------|--------------------------------------------|------------------------------------------------------------------|
| | £ | £ |
| Other operating income | 119,722 | - |
| Government grants receivable | 1,179 | - |
| Insurance claims receivable | 2,100 | - |
| Sundry income | 1,834 | - |
| | <u>124,835</u> | <u>-</u> |

6. Operating profit

The operating profit is stated after charging:

| | Year ended 31 December 2020 | <i>Period from 30 April 2019 to 31 December 2019</i> |
|----------------------|--------------------------------------------|------------------------------------------------------------------|
| | £ | £ |
| Exchange differences | <u>-</u> | <u>41,028</u> |

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Auditors' remuneration

| | Year ended 31 December 2020 £ | Period from 30 April 2019 to 31 December 2019 £ |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | <u>5,000</u> | <u>5,000</u> |

8. Employees

Staff costs, including director's remuneration, were as follows:

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries | 2,309,094 | 1,505,309 | - | - |
| Social security costs | 250,804 | 140,307 | - | - |
| Cost of defined contribution scheme | 61,090 | 23,846 | - | - |
| | <u>2,620,988</u> | <u>1,669,462</u> | <u>-</u> | <u>-</u> |

The average monthly number of employees, including the director, during the year was as follows:

| | Group Year ended 31 December 2020 No. | Group Period from 30 April 2019 to 31 December 2019 No. | Company Year ended 31 December 2020 No. | Company Period from 30 April 2019 to 31 December 2019 No. |
|-----------|------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------|
| Employees | <u>122</u> | <u>145</u> | <u>1</u> | <u>1</u> |

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. Income from investments

| | Year ended 31 December 2020 | <i>Period from 30 April 2019 to 31 December 2019</i> |
|-------------------------------------|--------------------------------------------|------------------------------------------------------------------|
| | £ | £ |
| Income from fixed asset investments | - | 6,759,149 |
| | <u>-</u> | <u>6,759,149</u> |

10. Interest receivable

| | Year ended 31 December 2020 | <i>Period from 30 April 2019 to 31 December 2019</i> |
|------------------------------------------|--------------------------------------------|------------------------------------------------------------------|
| | £ | £ |
| Interest receivable from group companies | 41,452 | - |
| Other interest receivable | 924 | 7,901,559 |
| | <u>42,376</u> | <u>7,901,559</u> |

11. Interest payable and similar expenses

| | Year ended 31 December 2020 | <i>Period from 30 April 2019 to 31 December 2019</i> |
|--------------------------------------------|--------------------------------------------|------------------------------------------------------------------|
| | £ | £ |
| Bank interest payable | 1,220,807 | 1,145,107 |
| Other loan interest payable | 994,935 | 767,366 |
| Loans from group undertakings | 41,163 | 12,300 |
| Preference share dividends | 8,200 | - |
| Finance leases and hire purchase contracts | 2,773 | 2,450 |
| Other interest payable | 8,142 | 346 |
| | <u>2,276,020</u> | <u>1,927,569</u> |

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation

| | Year ended 31 December 2020 £ | <i>Period from 30 April 2019 to 31 December 2019 £</i> |
|---------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------|
| Corporation tax | | |
| Current tax on profits for the year | 1,418,814 | 845,673 |
| Adjustments in respect of previous periods | (159,877) | 6 |
| | 1,258,937 | 845,679 |
| Total current tax | 1,258,937 | 845,679 |
| Deferred tax | | |
| Origination and reversal of timing differences | (2,282) | (2,237,108) |
| Total deferred tax | (2,282) | (2,237,108) |
| Taxation on profit/(loss) on ordinary activities | 1,256,655 | (1,391,429) |

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | Year ended 31 December 2020 £ | Period from 30 April 2019 to 31 December 2019 £ |
|------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------|
| Profit on ordinary activities before tax | <u>5,176,507</u> | <u>5,190,401</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | <u>983,536</u> | <u>986,176</u> |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 231,026 | 778,934 |
| Capital allowances for year/period in excess of depreciation | (123,124) | - |
| Adjustments to tax charge in respect of prior periods | (159,877) | - |
| Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment | - | (200,748) |
| Group relief | - | (1,361,332) |
| Amortisation on assets not qualifying for tax allowances | 304,000 | 222,351 |
| Depreciation added back | - | 45,387 |
| Capital allowances | - | (177,895) |
| Other adjustment | 21,094 | - |
| Deferred tax | - | (1,822,416) |
| Chargeable gains | - | 138,114 |
| Total tax charge for the year/period | <u><u>1,256,655</u></u> | <u><u>(1,391,429)</u></u> |

Factors that may affect future tax charges

The Finance Bill 2020 was substantively enacted on 11 March 2020 and reversed the proposed reduction in the rate of corporation tax in the Finance Bill 2016. As a result, the rate of corporation tax has remained at 19% from 1 April 2020.

Changes to the UK corporation tax rates were published in the Finance Bill 2021 on 11 March 2021. These include increases to the main rate of corporation tax to 25% effective from 1 April 2023. The Finance Bill 2021 was substantively enacted in the second half of 2021. Deferred taxes at the balance sheet date have not been measured using these tax rates but at the UK Corporation Tax rate enacted at the year end, 19%.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Intangible assets

Group

| | Goodwill £ |
|-------------------------------------|-------------------|
| Cost | |
| At 1 January 2020 | 16,798,085 |
| At 31 December 2020 | <u>16,798,085</u> |
| Amortisation | |
| At 1 January 2020 | 1,520,115 |
| Charge for the year on owned assets | 1,703,601 |
| At 31 December 2020 | <u>3,223,716</u> |
| Net book value | |
| At 31 December 2020 | <u>13,574,369</u> |
| At 31 December 2019 | <u>15,277,970</u> |

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets

Group

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|----------------------------------------|---------------------------|-----------------------------|---------------------|-------------------------------|----------------------------|--------------------|
| Cost or valuation | | | | | | |
| At 1 January 2020 | 282,595,695 | 3,489,521 | 131,206 | 87,168 | 11,032 | 286,314,622 |
| Additions | 1,549,352 | 9,279 | 5,995 | 3,095 | 4,756 | 1,572,477 |
| Disposals | (363,953) | - | - | - | - | (363,953) |
| Revaluations | 41,804,720 | - | - | - | - | 41,804,720 |
| At 31 December 2020 | <u>325,585,814</u> | <u>3,498,800</u> | <u>137,201</u> | <u>90,263</u> | <u>15,788</u> | <u>329,327,866</u> |
| Depreciation | | | | | | |
| At 1 January 2020 | 146,757 | 634,067 | 36,157 | 58,198 | 202 | 875,381 |
| Charge for the year on owned assets | - | 352,554 | 22,401 | 9,531 | 3,727 | 388,213 |
| At 31 December 2020 | <u>146,757</u> | <u>986,621</u> | <u>58,558</u> | <u>67,729</u> | <u>3,929</u> | <u>1,263,594</u> |
| Net book value | | | | | | |
| At 31 December 2020 | <u>325,439,057</u> | <u>2,512,179</u> | <u>78,643</u> | <u>22,534</u> | <u>11,859</u> | <u>328,064,272</u> |
| At 31 December 2019 | <u>282,448,938</u> | <u>2,855,454</u> | <u>95,049</u> | <u>28,970</u> | <u>10,830</u> | <u>285,439,241</u> |

The net book value of land and buildings may be further analysed as follows:

| | 2020 £ | 2019 £ |
|----------|--------------------|--------------------|
| Freehold | <u>325,439,057</u> | <u>282,448,938</u> |
| | <u>325,439,057</u> | <u>282,448,938</u> |

In addition, the net carrying value of tangible fixed assets includes £114,437 (2019: £148,976) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £34,539 (2019: £18,726) for the period.

The freehold properties are revalued annually by the directors and independent chartered surveyors, Avison Young. The valuation was based on open market value basis by reference to market evidence and development value.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

| | 2020 £ | 2019 £ |
|--------------------------|-------------------|-------------------|
| Group | | |
| Cost | 96,050,957 | 95,349,665 |
| Accumulated depreciation | (159,134) | (142,600) |
| Net book value | 95,891,823 | 95,207,065 |

15. Fixed asset investments

Group

| | Investments in associates £ |
|--------------------------|-----------------------------------|
| Cost or valuation | |
| At 1 January 2020 | 250,501 |
| Additions | 1,105,980 |
| At 31 December 2020 | 1,356,481 |

Company

| | Investments in subsidiary companies £ |
|--------------------------|------------------------------------------------|
| Cost or valuation | |
| At 1 January 2020 | 12,771,521 |
| At 31 December 2020 | 12,771,521 |

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Class of shares | Holding |
|----------------------------------------|-------------------------------------------------------------------------|-----------------|---------|
| Best Holdings (UK) Limited | Lynton House, 7 - 12 Tavistock Square, London, United Kingdom, WC1H 9LT | Ordinary | 100 % |
| UK Properties Management Limited* | Lynton House, 7 - 12 Tavistock Square, London, United Kingdom, WC1H 9LT | Ordinary | 100 % |
| Wyldecrest Golf and Leisure Limited* | Lynton House, 7 - 12 Tavistock Square, London, United Kingdom, WC1H 9LT | Ordinary | 100 % |
| Wyldecrest Parks (Management) Limited* | Lynton House, 7 - 12 Tavistock Square, London, United Kingdom, WC1H 9LT | Ordinary | 100 % |
| Wyldecrest Parks (West) Limited* | Lynton House, 7 - 12 Tavistock Square, London, United Kingdom, WC1H 9LT | Ordinary | 100 % |
| Best Park Home Finance Limited* | Lynton House, 7 - 12 Tavistock Square, London, United Kingdom, WC1H 9LT | Ordinary | 100 % |

* Indirect holding

Best Holdings Group Limited has provided a statutory guarantee to Wyldecrest Golf and Leisure Limited, Wyldecrest Parks (Management) Limited, Wyldecrest Parks (West) Limited and Best Park Home Finance Limited, who have taken advantage of the exemption from audit for the year ended 31 December 2020 as conferred by section 479A of the Companies Act 2006 where such guarantees have been provided.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. Investment property

Group

**Freehold
investment
property**
£

Valuation

At 1 January 2020

40,421,159

At 31 December 2020

40,421,159

The 2020 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

| | 2020 £ | 2019 £ |
|---------------|-------------------|-------------------|
| Historic cost | 14,179,389 | 14,179,389 |
| | 14,179,389 | 14,179,389 |

17. Stocks

| | Group 2020 £ | Group 2019 £ |
|-------------------------------------|----------------------------|----------------------------|
| Work in progress | - | 135,200 |
| Finished goods and goods for resale | 6,188,133 | 6,796,280 |
| | 6,188,133 | 6,931,480 |

The difference between purchase price or production cost of stocks and their replacement cost is not material.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Debtors

| | Group 2020 £ | <i>Group 2019 £</i> | Company 2020 £ | <i>Company 2019 £</i> |
|------------------------------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Due after more than one year | | | | |
| Trade debtors | 514,937 | <i>466,661</i> | - | - |
| | 514,937 | <i>466,661</i> | - | - |
| Due within one year | | | | |
| Trade debtors | 3,517,994 | <i>2,565,257</i> | - | - |
| Amounts owed by joint ventures and associated undertakings | 168,446 | <i>168,446</i> | - | - |
| Other debtors | 20,825,475 | <i>8,828,765</i> | - | - |
| Prepayments and accrued income | 280,171 | <i>639,442</i> | 52,907 | <i>52,907</i> |
| | 25,307,023 | <i>12,668,571</i> | 52,907 | <i>52,907</i> |

19. Cash and cash equivalents

| | Group 2020 £ | <i>Group 2019 £</i> |
|--------------------------|-----------------------------|-----------------------------|
| Cash at bank and in hand | 71,785 | <i>68,248</i> |
| Less: bank overdrafts | (3,860,386) | <i>(934,597)</i> |
| | (3,788,601) | <i>(866,349)</i> |

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

20. Creditors: Amounts falling due within one year

| | Group | <i>Group</i> | Company | <i>Company</i> |
|-------------------------------------------------------------|-------------------|-------------------|------------------|----------------|
| | 2020 | <i>2019</i> | 2020 | <i>2019</i> |
| | £ | <i>£</i> | £ | <i>£</i> |
| Bank overdrafts | 3,860,386 | 934,597 | - | - |
| Bank loans | 3,286,122 | 4,755,896 | - | - |
| Other loans | 1,812,500 | 1,500,000 | - | - |
| Trade creditors | 6,583,034 | 6,255,043 | - | - |
| Amounts owed to group undertakings | - | - | 1,104,850 | 4,850 |
| Corporation tax | 2,200,659 | 810,503 | - | - |
| Other taxation and social security | 682,845 | 532,388 | - | - |
| Obligations under finance lease and hire purchase contracts | 16,920 | 16,920 | - | - |
| Other creditors | 9,118,264 | 3,586,468 | - | - |
| Accruals and deferred income | 3,773,124 | 2,847,706 | 48,057 | 48,057 |
| | 31,333,854 | <i>21,239,521</i> | 1,152,907 | <i>52,907</i> |

Disclosure of the terms and conditions attached to the non-equity shares is made in note 24.

21. Creditors: Amounts falling due after more than one year

| | Group | <i>Group</i> | Company | <i>Company</i> |
|------------------------------------------------------------------|-------------------|--------------------|------------------|------------------|
| | 2020 | <i>2019</i> | 2020 | <i>2019</i> |
| | £ | <i>£</i> | £ | <i>£</i> |
| Bank loans | 53,625,966 | 55,356,184 | - | - |
| Net obligations under finance leases and hire purchase contracts | 39,856 | 47,506 | - | - |
| Other creditors | 43,790,657 | 42,808,935 | - | - |
| Redeemable preference shares classified as non-equity | 1,984,000 | 1,984,000 | 1,984,000 | 1,984,000 |
| | 99,440,479 | <i>100,196,625</i> | 1,984,000 | <i>1,984,000</i> |

Disclosure of the terms and conditions attached to the non-equity shares is made in note 24.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. Loans

| | Group 2020 £ | <i>Group 2019 £</i> |
|--------------------------------------------|-----------------------------|-----------------------------|
| Amounts falling due within one year | | |
| Bank loans | 3,286,122 | 4,755,896 |
| Other loans | 1,812,500 | 1,500,000 |
| | 5,098,622 | 6,255,896 |
| Amounts falling due 1-2 years | | |
| Bank loans | 68,420 | - |
| Amounts falling due 2-5 years | | |
| Bank loans | 53,557,546 | 55,356,184 |
| | 53,557,546 | 55,356,184 |
| | 58,724,588 | 61,612,080 |

Bank loans are secured by a fixed and floating charge over the present and future assets of the company and its subsidiaries. Interest is charged on bank loans at commercial rates. The bank loans are fully repayable by 26 June 2023.

Other loans (within one year) are secured on the related assets of the company. A personal guarantee has also been provided by the director to secure this loan. The loan is fully repayable by 26 June 2021.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

23. Deferred taxation

Group

| | 2020 £ |
|---------------------------------------|---------------------|
| At beginning of year | (40,578,778) |
| Charged to profit or loss | 2,282 |
| Charged to other comprehensive income | (2,981,341) |
| Utilised in year | - |
| At end of year | (43,557,837) |

| | Group 2020 £ | Group 2019 £ |
|-------------------------------------------------|---------------------|---------------------|
| Accelerated capital allowances | (14,604) | (16,886) |
| Revaluations on freehold land and buildings | (39,379,250) | (35,575,956) |
| Fair value adjustments on Investment properties | (4,163,983) | (4,985,936) |
| | (43,557,837) | (40,578,778) |

24. Share capital

| | 2020 £ | 2019 £ |
|--------------------------------------------------------------------------|------------------|-------------------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 302 (2019 - 302) Ordinary shares of £1.00 each | 302 | 302 |
| 3,229 (2019 - 3,229) Preferred Ordinary shares of £1.00 each | 3,229 | 3,229 |
| 9,683,990 (2019 - 10,783,990) Redeemable Preference shares of £1.00 each | 9,683,990 | 10,783,990 |
| | 9,687,521 | 10,787,521 |

Redeemable preference shares are classified as equity in accordance with section 22 (liabilities and equity) as they are redeemable at the option of the issuer and do carry a right to a return. The company is not obliged to redeem these shares and merely has the option to do so. No premium is required to be paid on redemption.

| | 2020 £ | 2019 £ |
|----------------------------------------------------------------------------|-----------|-----------|
| Shares classified as debt | | |
| Allotted, called up and fully paid | | |
| 1,984,000 (2019 - 1,984,000) 4% Redeemable Preference shares of £1.00 each | 1,984,000 | 1,984,000 |

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

25. Reserves

Revaluation reserve

This reserve records accumulated revaluation gains in excess of any losses.

Profit and loss account

This reserve records retained earnings and accumulated losses.

26. Pension commitments

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge in the year amounted to £61,090 (Period end 31.12.2019: £23,846) in respect of defined contribution scheme paid by the company to the funds.

The group also provided pension benefits in respect of senior employees. Amounts payable are charged to the profit and loss account in the year the contracts are entered into between the company and the employees. The number of directors to whom pension benefits are accruing under these pension agreements is 1 (Period end 31.12.2019: 1). No contributions were made in the current or prior period.

The contributions and potential liabilities of the group in respect of the pension agreements are fixed at least until the date of retirement of the employees which is over 20 years from the year end date.

Although under section 28 of FRS 102 this pension arrangement is regarded as being a defined benefit scheme, the directors of the opinion that it does not bear any of the hallmarks of what is usually considered to be a defined benefit scheme and therefore no further disclosures are considered necessary in order to understand the nature and measurement of the liability.

The directors are also of the opinion that the liability as disclosed in the financial statements represents the full and final amount which could be expected, at this stage, to be paid in the future to settle the pension agreement liabilities.

27. Transactions with directors

As at the balance sheet date, £294,690 (2019: £918,895) was owed from a director. During the year, interest of 2.5% has been charged of £16,273 (2019: £5,316), advances of £552,884 (2019: £989,478) and £1,193,362 (2019: £25,899) has been repaid during the year.

28. Guarantees

There is a guarantee provided by some of the subsidiaries in respect of the bank borrowings. There is a personal guarantee given by the director, A Best, limited to £2,350,000.

BEST HOLDINGS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

29. Related party transactions

The company has taken the advantage of the exemptions provided by Section 33 under FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaken which is party to the transaction is wholly owned by a member of that group.

As at balance sheet date an amount of £18,614,813 (2019: £4,521,395) was due from and an amount of £48,514,547 (2019: £42,916,825) due to companies controlled by the ultimate controlling party.

As at balance sheet date an amount of £1,874,003 (2019: £2,796,678) was due from and an amount of £1,562,523 (2019: £1,337,699) other related parties which are controlled by close members of the ultimate controlling party.

During the year, the Group charged licence fees of £1,414,828 (2019: £1,039,714) to a company connected to A. Best.

30. Controlling party

The group is ultimately controlled by Mr A Best.

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