

Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 March 2022
for
Manorview Hotels Limited

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for the Year Ended 31 March 2022

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Manorview Hotels Limited

Company Information
for the Year Ended 31 March 2022

DIRECTORS:

S M Graham
D Tracey
C Graham

SECRETARY:

L Burns

REGISTERED OFFICE:

Bowfield Road
Howwood
Johnstone
Lanarkshire
PA9 1DZ

REGISTERED NUMBER:

SC276964 (Scotland)

AUDITORS:

O'Haras Accountants Limited
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

Strategic Report
for the Year Ended 31 March 2022

The directors present their Strategic Report for the year ended 31 March 2022.

As in previous years, the company's revenue for the financial year arose from the operation of a portfolio of suburban hotels, providing accommodation, dining, wedding and leisure facilities.

REVIEW OF BUSINESS

The directors are satisfied with the overall performance of the business in the year given the circumstances and restrictions presented by the COVID-19 pandemic. Hospitality has been one of the most impacted sectors since the middle of March 2020 with a series of enforced trading closures throughout 2020, 2021 and early 2022.

This year's trading has resulted in an income for the year of £16,659,529 compared to £2,448,656 in 2020/21. The company received government grant support totalling £698,005 (2021: £3,386,846). The gross profit achieved was 78% (2021: 76%) with net profit before tax of £1,509,889.

A key measurement metric for the company is 'earnings before interest, tax, depreciation and amortisation' (EBITDA), as adjusted for the annual movement in non refundable customer deposits. This was £4.6 million for 2022 as compared to a loss of £0.69 million for the prior year.

Postponed wedding business from 2020 was a main driver in the strong trading performance albeit there was significant challenge to deliver services including supply chain, labour market and the Coronavirus variant Omicron which caused disruption during the winter months.

The company continued to invest in the property assets with a number of significant projects fully delivered or commencing within the year.

Manorview was delighted to be awarded 'Multiple Independent Operator' at the 2021 SLTN Awards, retaining the crown in this category. This was great recognition for everyone involved in the Manorview team. Judges especially highlighted the people initiatives we had either commenced or grown including Real Living Wage status, our 'HeartCount Fund' profit share scheme, our commitment to our team's mental health and our community action during the pandemic.

The board is pleased with the company's performance and in particular the management of costs and cashflow during this period.

PRINCIPAL RISKS AND UNCERTAINTIES

The company faces a number of financial risks and uncertainties associated with the operation of a portfolio of hotels and leisure facilities.

The company has risks related to the cost of goods and materials; especially food, drink and utilities. Additional cost of living increases and interest rate rises will squeeze profit potential. The team have been working hard to mitigate the cost increases through menu and product engineering, procurement and pricing strategies.

Strategic Report
for the Year Ended 31 March 2022

SECTION 172(1) STATEMENT

The directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the company are appropriately informed by s172 factors.

As part of the board's decision-making process, we consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Engaging with stakeholders

The success of our business is dependent on the support of all of our stakeholders. Building positive relationships with stakeholders that share our values is important to us, as it helps deliver long-term sustainability. Details of key stakeholders and how we engage with them are set out below:

Employees: Our employees are key to our success. As mentioned, we try to ensure a safe and progressive working environment. This includes focusing on key areas including health and well-being, development opportunities and pay and benefits.

Customers: Our customers are key and we aim to deliver the best service possible to them. This involves working with customer to make their stay/wedding day as special as possible.

Suppliers: Our suppliers are important to the continued success of the company so we have built and continue to build strong relationships with them.

DEVELOPMENTS

The company was delighted to add two new hotels to the Manorview portfolio with the acquisition of Brisbane House Hotel in Largs and The Bothwell Bridge Hotel in Bothwell. Investment plans are progressing for both properties.

The company completed the full refurbishment of the Redhurst Hotel in Giffnock, Glasgow in May 2021 and first year trading has been positive.

A development of seven luxury lodges at Cornhill Castle were completed in early 2021 and has complemented the existing operation at the hotel.

The refurbishment of the swimming pool and heat treatment area at Bowfield Hotel along with the creation of a new café space has led to a positive increase in health club memberships of 50%.

Further projects took place at The Torrance Hotel with a full refurbishment of The Stuart honeymoon suite and at The Redhurst Hotel with the creation of the Garden House honeymoon suite and establishment of a garden area within the grounds.

Planning applications have either been granted or submitted for a number of additional developments including new cabin accommodation at Cornhill Castle, lodge accommodation at Bowfield and the creation of a new honeymoon suite at Brisbane House.

Manorview Hotels continues its ongoing programme of maintenance and refurbishment across its portfolio to underpin the trading results and protect the company's reputation for quality.

Strategic Report
for the Year Ended 31 March 2022

AWARDS AND RECOGNITION

The company received 'real Living Wage' accreditation during the year. This means that every Manorview employee, regardless of experience, role or age, will receive a minimum rate of pay as set out by the Real Living Wage Foundation. The new annual rate is published every September.

The company was recognised for its boldness and leadership at the real Living Wage Scotland Awards with the 'Trailblazer' award, this recognises companies and organisations that lead the way in their industry or field.

Winning the 2021 SLTN 'Multiple Independent Operator' award for the second consecutive year was also a special recognition for the full Manorview team who had worked relentlessly for our customers and each other across the year.

RECRUITMENT AND PERSONNEL DEVELOPMENT

The company remains committed to developing its' people and providing opportunities for long term career development within the hospitality industry and beyond. The board believes this investment in our team is critical to the company's future success and prospects for growth.

Despite severe challenges to recruit particular roles, our overall performance around recruitment has been strong with relatively minor impact on business trading levels.

Within the year the company removed all individual financial incentive schemes, replacing them with competitive salaries and a collective reward for every employee through our annual profit share scheme payment. 'The Heartcount Fund' distributes 10% of net profits to all employees after 12 months of service and is paid out on Heartcount Day every January. Our belief is one common reward will enhance our culture and teamwork ethos.

SOCIAL RESPONSIBILITY

The company has established a new charitable trust, The Manorview Foundation, to enhance and grow its charity initiatives and social responsibility aims.

OSCR registration has been achieved and the company looks forward to supporting the Foundation's trustees as it establishes itself and achieves its goals.

THE FINANCIAL RESULTS FOR THE YEAR TO 31 MARCH 2022 AND BEYOND

The immediate future still has a degree of some uncertainty but as we move forward into 2023, there is a very positive outlook with strong forward bookings in the pipeline, principally around weddings.

Recent acquisitions, property portfolio quality, our diverse offering and ongoing investments all contribute to the positive outlook.

The company continues to invest in the delivery of future growth.

ON BEHALF OF THE BOARD:

S M Graham - Director

6 January 2023

Report of the Directors
for the Year Ended 31 March 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2022.

DIRECTORS

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

S M Graham

D Tracey

Other changes in directors holding office are as follows:

A Cowley - resigned 30 June 2021

C Graham - appointed 29 April 2021

EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort would be made to ensure that their employment with the company continues and the appropriate training would be arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 March 2022

AUDITORS

The auditors, O'Haras Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S M Graham - Director

6 January 2023

Report of the Independent Auditors to the Members of Manorview Hotels Limited

Opinion

We have audited the financial statements of Manorview Hotels Limited (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Manorview Hotels Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- We gained an understanding of the legal and regulatory framework applicable to the company and the leisure and hospitality industry in which it operates. We made enquiries of management as to whether there were any known or suspected instances of non-compliance with laws and regulations or fraud, and reviewed available board minutes for any indication of such matters.
- We gained an understanding of management's internal controls designed to prevent and detect irregularities in their day-to-day operations.
- We considered laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement components. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of relevant third parties.
- We considered how fraud might occur in this company and designed our tests accordingly.
- As in all audits, we also addressed the risk of management override of internal controls, including reviewing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Manorview Hotels Limited**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John O'Hara CA (Senior Statutory Auditor)
for and on behalf of O'Haras Accountants Limited
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

6 January 2023

Income Statement
for the Year Ended 31 March 2022

	Notes	31/3/22 £	31/3/21 £
REVENUE		16,659,529	2,448,656
Cost of sales		<u>3,665,032</u>	<u>570,194</u>
GROSS PROFIT		12,994,497	1,878,462
Administrative expenses		<u>12,027,291</u> 967,206	<u>7,420,160</u> (5,541,698)
Other operating income		<u>981,546</u>	<u>3,628,331</u>
OPERATING PROFIT/(LOSS)	4	1,948,752	(1,913,367)
Irrecoverable loans	6	<u>-</u> 1,948,752	<u>15,179</u> (1,928,546)
Interest payable and similar expenses	7	<u>438,863</u>	<u>352,476</u>
PROFIT/(LOSS) BEFORE TAXATION		1,509,889	(2,281,022)
Tax on profit/(loss)	8	<u>186,905</u>	<u>(609,597)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>1,322,984</u>	<u>(1,671,425)</u>

Other Comprehensive Income
for the Year Ended 31 March 2022

	Notes	31/3/22 £	31/3/21 £
PROFIT/(LOSS) FOR THE YEAR		1,322,984	(1,671,425)
OTHER COMPREHENSIVE INCOME			
Deferred tax on revaluation reserve		(853,146)	150,554
Purchase of own shares		(98,904)	-
Revaluations		2,732,945	-
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>1,780,895</u>	<u>150,554</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,103,879</u>	
Prior year adjustment			<u>(2,357,428)</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT			<u>(3,878,299)</u>

Manorview Hotels Limited (Registered number: SC276964)**Balance Sheet**
31 March 2022

	Notes	31/3/22 £	£	31/3/21 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Property, plant and equipment	11		<u>31,188,359</u>		<u>28,231,755</u>
			31,188,359		28,231,755
CURRENT ASSETS					
Inventories	12	164,009		49,217	
Debtors	13	2,010,830		1,984,581	
Cash at bank		<u>5,844,085</u>		<u>2,148,555</u>	
		8,018,924		4,182,353	
CREDITORS					
Amounts falling due within one year	14	<u>3,756,974</u>		<u>2,779,430</u>	
NET CURRENT ASSETS			<u>4,261,950</u>		<u>1,402,923</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			35,450,309		29,634,678
CREDITORS					
Amounts falling due after more than one year	15		(23,027,803)		(21,326,691)
PROVISIONS FOR LIABILITIES	19		<u>(1,649,055)</u>		<u>(637,177)</u>
NET ASSETS			<u>10,773,451</u>		<u>7,670,810</u>
CAPITAL AND RESERVES					
Called up share capital	20		97,762		99,000
Revaluation reserve	21		6,383,909		4,542,234
Capital redemption reserve	21		1,238		-
Retained earnings	21		<u>4,290,542</u>		<u>3,029,576</u>
SHAREHOLDERS' FUNDS			<u>10,773,451</u>		<u>7,670,810</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 January 2023 and were signed on its behalf by:

S M Graham - Director

Statement of Changes in Equity
for the Year Ended 31 March 2022

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2020	99,000	7,088,405	4,429,804	-	11,617,209
Prior year adjustment	-	(2,357,428)	-	-	(2,357,428)
As restated	99,000	4,730,977	4,429,804	-	9,259,781
Changes in equity					
Dividends	-	(68,100)	-	-	(68,100)
Total comprehensive income	-	(1,633,301)	112,430	-	(1,520,871)
Balance at 31 March 2021	99,000	3,029,576	4,542,234	-	7,670,810
Changes in equity					
Issue of share capital	(1,238)	-	-	-	(1,238)
Total comprehensive income	-	1,260,966	1,841,675	1,238	3,103,879
Balance at 31 March 2022	97,762	4,290,542	6,383,909	1,238	10,773,451

**Cash Flow Statement
for the Year Ended 31 March 2022**

	Notes	31/3/22 £	31/3/21 £
Cash flows from operating activities			
Cash generated from operations	1	5,373,593	1,738
Interest paid		(393,009)	(335,862)
Interest element of hire purchase and finance lease rental payments paid		(24,117)	(7,525)
Finance costs paid		(21,737)	(9,089)
Tax paid		8,305	-
Net cash from operating activities		<u>4,943,035</u>	<u>(350,738)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,103,184)	(4,084,155)
Sale of tangible fixed assets		5,000	-
Net cash from investing activities		<u>(1,098,184)</u>	<u>(4,084,155)</u>
Cash flows from financing activities			
New loans in year		-	5,934,991
Capital repayments in year		(114,723)	(26,173)
Amount introduced by directors		52,124	-
Amount withdrawn by directors		(13,576)	-
Share buyback		(100,142)	-
New HP contracts and finance leases		26,996	507,109
Equity dividends paid		-	(68,100)
Net cash from financing activities		<u>(149,321)</u>	<u>6,347,827</u>
Increase in cash and cash equivalents		<u>3,695,530</u>	<u>1,912,934</u>
Cash and cash equivalents at beginning of year	2	2,148,555	235,621
Cash and cash equivalents at end of year	2	<u>5,844,085</u>	<u>2,148,555</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2022****1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31/3/22 £	31/3/21 £
Profit/(loss) before taxation	1,509,889	(2,281,022)
Depreciation charges	864,590	654,237
Loss on disposal of fixed assets	9,936	14,119
Finance costs	438,863	352,476
	<u>2,823,278</u>	<u>(1,260,190)</u>
(Increase)/decrease in inventories	(114,792)	47,213
Increase in trade and other debtors	(62,727)	(211,889)
Increase in trade and other creditors	2,727,834	1,426,604
Cash generated from operations	<u><u>5,373,593</u></u>	<u><u>1,738</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31.3.22 £	1.4.21 £
Cash and cash equivalents	<u>5,844,085</u>	<u>2,148,555</u>

Year ended 31 March 2021

	31.3.21 £	1.4.20 £
Cash and cash equivalents	<u>2,148,555</u>	<u>235,621</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank	<u>2,148,555</u>	<u>3,695,530</u>	<u>5,844,085</u>
	<u>2,148,555</u>	<u>3,695,530</u>	<u>5,844,085</u>
Debt			
Hire purchase and finance leases	(520,759)	87,727	(433,032)
Debts falling due after 1 year	<u>(17,999,888)</u>	<u>(1)</u>	<u>(17,999,889)</u>
	<u>(18,520,647)</u>	<u>87,726</u>	<u>(18,432,921)</u>
Total	<u><u>(16,372,092)</u></u>	<u><u>3,783,256</u></u>	<u><u>(12,588,836)</u></u>

Notes to the Financial Statements
for the Year Ended 31 March 2022

1. STATUTORY INFORMATION

Manorview Hotels Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going Concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

No significant judgements have had to be made by management in preparing these financial statements.

Revenue

Turnover represents the amounts derived from the provision of goods and services of hotels and a nightclub excluding value added tax and trade discounts. It is the company's policy to recognise deposit income when the event relating to that deposit happens.

Goodwill

Goodwill, being the amounts paid in connection with the acquisition of businesses in 2014, is now fully amortised.

Intangible assets

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on cost
Assets under construction	- not provided
Plant & equipment	- 15% on reducing balance
Fixtures and fittings	- 5% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Impairment of tangible fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Government grants

Income from government and other grants, whether 'capital' or 'revenue' grants is also recognised when the company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Capital grants receivable during the year are credited to the Balance Sheet when receivable and released to the profit and loss in line with the depreciation charges for the assets acquired.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

All interest-bearing loans and borrowings which are basic financial instruments are recognised at the present value of cash payable to the bank (including interest).

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

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.

Cash and cash equivalents

Cash at bank and cash in hand includes cash for the various hotels, together with the overdraft facility utilised for the day to day running of the company.

3. EMPLOYEES AND DIRECTORS

	31/3/22	31/3/21
	£	£
Wages and salaries	7,315,902	4,832,290
Social security costs	456,441	231,709
Other pension costs	103,192	82,480
	<u>7,875,535</u>	<u>5,146,479</u>

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

	31/3/22	31/3/21
Hotel staff	500	412
Maintenance staff	25	-
Directors and Administration staff	25	-
	<u>550</u>	<u>412</u>

	31/3/22	31/3/21
	£	£
Directors' remuneration	<u>122,169</u>	<u>71,266</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (2021 - operating loss) is stated after charging:

	31/3/22	31/3/21
	£	£
Hire of plant and machinery	28,553	40,077
Depreciation - owned assets	864,589	654,236
Loss on disposal of fixed assets	<u>9,936</u>	<u>14,119</u>

5. AUDITORS' REMUNERATION

	31/3/22	31/3/21
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	15,000	10,000
Auditors' remuneration for non audit work	<u>69,939</u>	<u>21,361</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

6. EXCEPTIONAL ITEMS

	31/3/22	31/3/21
	£	£
Irrecoverable loans	-	(15,179)

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/3/22	31/3/21
	£	£
Bank loan interest	393,009	335,862
Hire purchase	19,614	1,524
Leasing	4,503	6,001
Other finance charges	21,737	9,089
	<u>438,863</u>	<u>352,476</u>

8. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	31/3/22	31/3/21
	£	£
Current tax:		
UK corporation tax	28,173	(379,978)
Deferred tax	158,732	(229,619)
Tax on profit/(loss)	<u>186,905</u>	<u>(609,597)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

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

	31/3/22	31/3/21
	£	£
Profit/(loss) before tax	<u>1,509,889</u>	<u>(2,281,022)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	286,879	(433,394)
Effects of:		
Adjustments to tax charge in respect of previous periods	27,969	(447,889)
Deferred tax movement for year	-	278,579
Deferred tax prior year adjustments	(37,238)	-
Rates change	(49,106)	-
Permanent differences	(41,599)	(6,893)
Total tax charge/(credit)	<u>186,905</u>	<u>(609,597)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

		31/3/22	
	Gross £	Tax £	Net £
Deferred tax on revaluation reserve	(853,146)	-	(853,146)
Purchase of own shares	(98,904)	-	(98,904)
Revaluations	2,732,945	-	2,732,945
	<u>1,780,895</u>	<u>-</u>	<u>1,780,895</u>

		31/3/21	
	Gross £	Tax £	Net £
Deferred tax on revaluation reserve	150,554	-	150,554

9. DIVIDENDS

	31/3/22	31/3/21
	£	£
Ordinary 'A' shares of £1 each		
Interim dividend 'A' shares	<u>-</u>	<u>68,100</u>

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2021	330,000
Reclassification/transfer	143,750
At 31 March 2022	<u>473,750</u>
AMORTISATION	
At 1 April 2021	330,000
Reclassification/transfer	143,750
At 31 March 2022	<u>473,750</u>
NET BOOK VALUE	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>-</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Assets under construction £	Plant & equipment £
COST OR VALUATION			
At 1 April 2021	20,507,570	3,374,153	172,681
Additions	-	839,131	78,995
Disposals	-	-	(7,475)
Revaluations	1,907,691	-	-
Reclassification/transfer	1,522,696	(4,072,220)	-
At 31 March 2022	23,937,957	141,064	244,201
DEPRECIATION			
At 1 April 2021	393,674	-	92,558
Charge for year	431,581	-	25,689
Eliminated on disposal	-	-	(5,521)
Revaluation adjustments	(825,255)	-	-
At 31 March 2022	-	-	112,726
NET BOOK VALUE			
At 31 March 2022	23,937,957	141,064	131,475
At 31 March 2021	20,113,896	3,374,153	80,123

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2021	6,376,241	122,499	185,036	30,738,180
Additions	112,007	30,270	43,130	1,103,533
Disposals	(12,572)	(25,251)	-	(45,298)
Revaluations	-	-	-	1,907,691
Reclassification/transfer	2,549,175	-	-	(349)
At 31 March 2022	9,024,851	127,518	228,166	33,703,757
DEPRECIATION				
At 1 April 2021	1,774,845	70,920	174,428	2,506,425
Charge for year	360,521	23,450	23,348	864,589
Eliminated on disposal	(3,053)	(21,787)	-	(30,361)
Revaluation adjustments	-	-	-	(825,255)
At 31 March 2022	2,132,313	72,583	197,776	2,515,398
NET BOOK VALUE				
At 31 March 2022	6,892,538	54,935	30,390	31,188,359
At 31 March 2021	4,601,396	51,579	10,608	28,231,755

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022****11. PROPERTY, PLANT AND EQUIPMENT - continued**

Cost or valuation at 31 March 2022 is represented by:

	Freehold property £	Assets under construction £	Plant & equipment £
Valuation in 2010	1,466,881	-	-
Valuation in 2012	2,846,119	-	-
Valuation in 2013	(631,960)	-	-
Valuation in 2014	2,199,809	-	-
Valuation in 2017	3,830,520	-	-
Valuation in 2019	(80,000)	-	-
Valuation in 2020	(5,449,885)	-	-
Valuation in 2022	1,907,691	-	-
Cost	17,848,782	141,064	244,201
	<u>23,937,957</u>	<u>141,064</u>	<u>244,201</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2010	-	-	-	1,466,881
Valuation in 2012	-	-	-	2,846,119
Valuation in 2013	-	-	-	(631,960)
Valuation in 2014	-	-	-	2,199,809
Valuation in 2017	-	-	-	3,830,520
Valuation in 2019	-	-	-	(80,000)
Valuation in 2020	-	-	-	(5,449,885)
Valuation in 2022	-	-	-	1,907,691
Cost	9,024,851	127,518	228,166	27,614,582
	<u>9,024,851</u>	<u>127,518</u>	<u>228,166</u>	<u>33,703,757</u>

The freehold properties were valued on an open market basis in August 2022 by DM Hall. The directors consider that the fair value of the whole portfolio of properties and their related fixtures and fittings, is not materially different to the carrying amount in the financial statements.

Included in the fixed assets are assets held under finance leases and hire purchase contracts. In respect of these leases, depreciation of £34,077 has been charged and the assets have a net book value of £533,275.

12. INVENTORIES

	31/3/22 £	31/3/21 £
Stocks	<u>164,009</u>	<u>49,217</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022****13. DEBTORS**

	31/3/22 £	31/3/21 £
Amounts falling due within one year:		
Trade debtors	82,180	7,996
Tax	149,045	185,523
VAT	-	42,652
Prepayments	<u>143,227</u>	<u>103,065</u>
	<u>374,452</u>	<u>339,236</u>
Amounts falling due after more than one year:		
Other debtors	<u>1,636,378</u>	<u>1,645,345</u>
Aggregate amounts	<u>2,010,830</u>	<u>1,984,581</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/22 £	31/3/21 £
Hire purchase contracts and finance leases (see note 17)	110,890	122,131
Trade creditors	1,539,628	1,228,637
Social security and other taxes	508,246	702,764
VAT	463,528	-
Directors' current accounts	38,548	-
Accrued expenses	<u>1,096,134</u>	<u>725,898</u>
	<u>3,756,974</u>	<u>2,779,430</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/3/22 £	31/3/21 £
Bank loans (see note 16)	17,999,889	17,999,888
Hire purchase contracts and finance leases (see note 17)	322,142	398,628
Non-refundable deposits	<u>4,705,772</u>	<u>2,928,175</u>
	<u>23,027,803</u>	<u>21,326,691</u>

16. LOANS

An analysis of the maturity of loans is given below:

	31/3/22 £	31/3/21 £
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>1,199,993</u>	<u>510,300</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>3,599,978</u>	<u>4,580,778</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022****16. LOANS - continued**

	31/3/22 £	31/3/21 £
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans > 5 years	<u>13,199,918</u>	<u>12,908,810</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts		Finance leases	
	31/3/22	31/3/21	31/3/22	31/3/21
	£	£	£	£
Net obligations repayable:				
Within one year	110,890	109,761	-	12,370
Between one and five years	<u>322,142</u>	<u>398,628</u>	<u>-</u>	<u>-</u>
	<u>433,032</u>	<u>508,389</u>	<u>-</u>	<u>12,370</u>

The company use finance leases and hire purchase contracts to acquire plant and machinery and motor vehicles. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the lessee. Future minimum lease payments due under finance leases and hire purchase contracts are noted above.

18. SECURED DEBTS

The following secured debts are included within creditors:

	31/3/22 £	31/3/21 £
Bank loans	<u>17,999,889</u>	<u>17,999,888</u>

The company's bankers, Barclays, hold a legal charge and floating charge over all the assets of the company. Barclays also has an unlimited guarantee between the company and Manorview Investments Limited.

19. PROVISIONS FOR LIABILITIES

	31/3/22 £	31/3/21 £
Deferred tax	<u>1,649,055</u>	<u>637,177</u>
		Deferred tax
		£
Balance at 1 April 2021		637,177
Provided during year		<u>1,011,878</u>
Balance at 31 March 2022		<u>1,649,055</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022****20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31/3/22	31/3/21
Number:	Class:		£	£
89,010 (31/3/21 - 98,900)	Ordinary 'A'	£1	89,010	98,900
100	Ordinary 'B'	£1	100	100
8,652	Ordinary 'C'	£1	8,652	-
			<u>97,762</u>	<u>99,000</u>

Ordinary 'A' shares carry full voting rights and dividends. Ordinary 'B' shares have no voting rights and are dividend only shares. Ordinary 'C' shares have no voting rights or dividends rights.

21. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2021	3,029,576	4,542,234	-	7,571,810
Profit for the year	1,322,984			1,322,984
Purchase of own shares	(100,142)	-	1,238	(98,904)
Revaluations	-	2,732,946	-	2,732,946
Transfer between reserves	38,124	(38,124)	-	-
Deferred tax movement	-	(853,147)	-	(853,147)
At 31 March 2022	<u>4,290,542</u>	<u>6,383,909</u>	<u>1,238</u>	<u>10,675,689</u>

22. CAPITAL COMMITMENTS

At 31 March 2022, the company had capital commitments contracted for but not provided for of £699,858 (2021: £nil).

After the year end, the company purchased an additional two hotels for its portfolio.

23. RELATED PARTY DISCLOSURES**Entities over which the entity has control, joint control or significant influence**

	31/3/22 £	31/3/21 £
Purchases	-	85,693
Management charges	100,500	-
Amount due from related parties	1,636,378	1,545,213
Recognised write off for uncollectible receivables relating to amount of outstanding balances	<u>-</u>	<u>15,179</u>

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is S M Graham.

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.