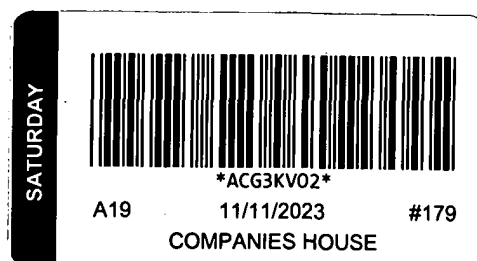


**REGISTERED NUMBER: SC281949 (Scotland)**

**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022  
FOR  
STARDON (BRIGHTON WEST PIER) LIMITED**



**STARDON (BRIGHTON WEST PIER) LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Directors' Report</b>	<b>5</b>
<b>Directors' Responsibilities Statement</b>	<b>7</b>
<b>Report of the Independent Auditors</b>	<b>8</b>
<b>Statement of Comprehensive Income</b>	<b>11</b>
<b>Statement of Financial Position</b>	<b>12</b>
<b>Statement of Changes in Equity</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14</b>

**STARDON (BRIGHTON WEST PIER) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**DIRECTORS:**

Mr C Dexter  
Mr X Zhao  
Mr X Xue

**SECRETARY:**

Mr X Zhao

**REGISTERED OFFICE:**

Holiday Inn East Kilbride Stewartfield Way  
East Kilbride  
Glasgow  
G74 4LA

**REGISTERED NUMBER:**

SC281949 (Scotland)

**INDEPENDENT AUDITORS:**

MHA  
Statutory Auditor  
2 London Wall Place  
London  
EC2Y 5AU

## **STARDON (BRIGHTON WEST PIER) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **BUSINESS REVIEW**

The Company recorded an operating profit for the year of £346,894 (2021: £611,515), and profit after tax for the year of £360,664 (2021: £628,185).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors consider the following to be the principal risks and uncertainties facing the company and the wider group. The impact of Brexit and Covid-19 are disclosed separately on page 4.

##### Competition, trading and market factors

The Company continued to recover after the disruption in the prior year arising from the COVID-19 pandemic. Corporate demand strengthened in the 2nd half of the year. The UK Government also changed its stance on quarantine during the year which saw significant decrease in the number of quarantine hotels.

With the lifting of travel restrictions, outbound international travel rebounded over the summer months. Demand for domestic holidaying remained consistent with the prior year, once again exceeding pre-pandemic trading. Spiralling food inflation together with a rise in interest rates has seen a notable decline in consumer spending and the hospitality sector continued to be plagued by supply chain and staffing issues.

##### Investment and asset management

The Company participates in the group's centralised treasury arrangements and shares banking arrangements with members of the group headed by CTG Metropark Limited. Investment and expenditure is being closely controlled with group funding and treasury arrangements are managed centrally.

##### Brand equity and customer loyalty

Brand equity continues to play a key role in positioning the business as easily recognisable and superior in quality. The Hotel is audited annually by its brand partners against set criteria to ensure they meet operational standards and customer expectations. Activity did see a tangible ramping up through the first quarter of the year where trading began to return to pre-pandemic levels. Brand perception continued to support sales with corporate demand strengthening through the year, together with a solid staycation base.

##### Health, Safety and Security

We continue to take the necessary actions to ensure safety of our staff and customers in line with our statutory obligations. We have comprehensive health and safety operating procedures in place across all workplaces and we conduct regular online and in person training and carry out twice yearly health and safety audits in all locations. These audits assess general health and safety arrangements, food safety measures and leisure facility safety provisions.

##### Revenue Channel Optimisation

OTAs (Online Travel Agents) continued to show growth and remains a particularly lucrative channel. The Global Distribution System (GDS) returned to pre-pandemic levels, as travel restrictions were lifted. Direct reservations also strengthened as a result of increased group and leisure business. Transient voice and web remain volatile, although retain a significant contribution.

## **STARDON (BRIGHTON WEST PIER) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **FINANCIAL PERFORMANCE KEY INDICATORS**

In order to deliver the Company's business objectives, the Company needs to deliver to three key stakeholder's groups:

- 1) People
- 2) Guests
- 3) Investors

The Company uses several measures to assess how well the Company is delivering to its stakeholders.

#### **People Measures:**

**Team Turn-over:** This measures how many people leave the Company each year and is an indicator of engagement and job satisfaction. Motivated and committed staff are key to delivering good customer service. There is also a cost associated with recruiting and training staff.

**Health and Safety:** This measures how well the Company looks after its people and its guests. It is critical to the Company to provide safe working environments and safe hotels for its guests to stay in. This is measured by twice yearly Health and Safety audits by external independent experts.

#### **Guest Measures:**

**Brand Standards:** All of the Company's hotels are audited annually by its brand partners against set criteria to make sure they meet high standards and its customer expectations.

**Guest Satisfaction:** The Company actively seeks feedback from its guests so that it can act on their experiences to improve the services provided. Guests satisfaction is measured continually and analysed on a monthly basis.

#### **Investor Measures:**

**Profit Growth:** The Company measures its profit growth against last year focusing on Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA), and against its budgets and reports and analyses this every month. EBITDA for the current year amounted to £817,726 (2021: £1,157,218).

**STARDON (BRIGHTON WEST PIER) LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**IMPACT OF BREXIT:**

The UK economy is now less open to trade than before Brexit and trade has suffered directly by its departure from the single market 3 years ago and whilst the COVID-19 pandemic adversely affected trade for the UK as it did for other economies, the economic effects of Brexit remain.

Trade in goods with the EU fell sharply after the Brexit transition period ended, a trend which has persisted throughout 2022 and forecasts indicate it will be the only leading economy to shrink this year. The adverse economic shock of Brexit is exacerbating inflation rates further. Price rises across the economy accelerated sharply after Russia's full-scale invasion of Ukraine in February 2022, which sent natural gas prices soaring across Europe.

The Company continues to take a proactive approach to controlling costs in the event of further downturn. In terms of the Company's cost base, labour shortages remain mainly due to Brexit and which are having an adverse effect with increased labour costs and food prices rising. The energy markets remain volatile and to mitigate further increases, the Company is in the process of securing volume in 2023.

**ON BEHALF OF THE BOARD:**



.....  
Mr X Zhao - Director

Date: 06/10/2023 .....

## **STARDON (BRIGHTON WEST PIER) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that of the operation of a Holiday Inn Hotel in Brighton.

#### **DIVIDENDS**

The directors do not recommend payment of a dividend for the year (2021: £Nil).

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mr C Dexter  
Mr X Zhao

Other changes in directors holding office are as follows:

Mr D Hao - resigned 25 April 2022  
Mr X Xue - appointed 25 April 2022

#### **GOING CONCERN**

The directors have made an assessment in preparing these financial statements as to whether the Company is a going concern, and have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern based upon the support of its ultimate holding company. See note 2.11.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk are not disclosed on the basis that they are not material to the Company.

#### **POST BALANCE SHEET EVENTS**

During the course 1st quarter of 2022, the Company continued to use the business support measures introduced by the government, which ended on the 31 March 2022. From 1 April 2023, the company benefitted from the most recent rating valuation, which was based on rateable values from 1 April 2021. Downward phasing limits which have been applied for previous revaluations have been abolished and the amounts payable are based directly on the 2023 Rateable Values. The benefit of the reductions in assessment has been received from the outset. Business recovery has continued strongly into 2023 although is partially compensated with high levels of inflation, which have resulted in rising costs, including the global cost of energy and remains volatile.

#### **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.

**STARDON (BRIGHTON WEST PIER) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**AUDITORS**

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA.

**ON BEHALF OF THE BOARD:**



.....  
Mr X Zhao - Director

Date: 06/10/2023 .....



## **STARDON (BRIGHTON WEST PIER) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STARDON (BRIGHTON WEST PIER) LIMITED**

### **Opinion**

We have audited the financial statements of Stardon (Brighton West Pier) Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and 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 December 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, the Directors' Report and the Directors' Responsibilities Statement, 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STARDON (BRIGHTON WEST PIER) LIMITED**

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

### **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 Directors' Report.

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

- adequate accounting records have not been kept, 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 Directors' Responsibilities Statement set out on page seven, 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STARDON (BRIGHTON WEST PIER) LIMITED**

### **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.

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:

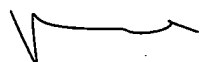
- Obtaining an understanding of the legal and regulatory frameworks that the Company operates in.
- Reviewing key correspondence with regulatory authorities.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management around actual and potential litigation and claims.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Discussing and reviewing among the engagement team regarding how and where fraud might occur.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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.



Yogan Patel FCA, Senior Statutory Auditor  
For and on behalf of MHA  
Statutory Auditor  
London, United Kingdom

12 October 2023  
Date: .....

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

**STARDON (BRIGHTON WEST PIER) LIMITED**

**STATEMENT OF COMPREHENSIVE  
INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	4	<b>4,804,196</b>	3,930,386
Cost of sales		<u>(1,960,680)</u>	<u>(1,500,637)</u>
<b>GROSS PROFIT</b>		<b>2,843,516</b>	2,429,749
Administrative expenses		<u>(2,503,035)</u>	<u>(1,890,632)</u>
		<b>340,481</b>	539,117
Other operating income	5	<u>6,413</u>	<u>72,398</u>
<b>PROFIT BEFORE TAXATION</b>	7	<b>346,894</b>	611,515
Tax on profit	8	<u>13,770</u>	<u>16,670</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>360,664</b>	628,185
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>360,664</b></u>	<u><b>628,185</b></u>

The notes on pages 14 to 23 form part of these financial statements

**STARDON (BRIGHTON WEST PIER) LIMITED**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	10	9,029,804	9,337,125
<b>CURRENT ASSETS</b>			
Stocks	11	14,575	16,537
Debtors	12	5,569,068	4,812,453
Cash at bank and in hand		<u>56,554</u>	<u>35,524</u>
		5,640,197	4,864,514
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(772,738)</u>	<u>(602,145)</u>
<b>NET CURRENT ASSETS</b>		<u>4,867,459</u>	<u>4,262,369</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		13,897,263	13,599,494
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(77,781)	(126,906)
<b>PROVISIONS FOR LIABILITIES</b>	15	<u>(1,760)</u>	<u>(15,530)</u>
<b>NET ASSETS</b>		<u>13,817,722</u>	<u>13,457,058</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	101	101
Share premium	17	6,623,670	6,623,670
Retained earnings	17	<u>7,193,951</u>	<u>6,833,287</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>13,817,722</u>	<u>13,457,058</u>

The financial statements were approved by the Board of Directors and authorised for issue on 06/10/2023 and were signed on its behalf by:



Mr X Zhao - Director

Type text here

The notes on pages 14 to 23 form part of these financial statements

**STARDON (BRIGHTON WEST PIER) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2021</b>	101	6,205,102	6,623,670	12,828,873
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	628,185	-	628,185
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2021</b>	101	6,833,287	6,623,670	13,457,058
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	360,664	-	360,664
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2022</b>	101	7,193,951	6,623,670	13,817,722
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 23 form part of these financial statements

## **STARDON (BRIGHTON WEST PIER) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. General information**

Stardon (Brighton West Pier) 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**

##### **2.1 Basis of preparing the financial statements**

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

The financial statements are presented in Sterling (£), rounded to the nearest pound.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

##### **2.2 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less cost to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets, the cost of replacing part of such item when that cost is incurred and if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is de-recognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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, using the straight-line method.

The estimated useful lives range as follows:

- Freehold property - 50 years
- Fixture and fittings - 10 years



## **STARDON (BRIGHTON WEST PIER) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. Accounting policies - continued**

The asset's 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 disposal are determined by comparing the proceeds with the carrying value amount and are recognised in the Statement of comprehensive income.

#### **2.3 Government grants**

Government grants are recognised in the Statement of Comprehensive Income so as to match them with expenditure they are intended to contribute.

#### **2.4 Stocks**

Stocks are valued at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

#### **2.5 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and related party balances. 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 the objective evidence of impairment. If the objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying value and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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.

## **STARDON (BRIGHTON WEST PIER) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. Accounting policies - continued**

##### **2.6 Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 Statement of Financial Position date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position 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.

##### **2.7 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 effective interest method, less any impairment.

##### **2.8 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.

##### **2.9 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.

##### **2.10 Pensions**

###### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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 Company in an independently administered fund.

## **STARDON (BRIGHTON WEST PIER) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. Accounting policies - continued**

##### **2.11 Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report pages 2 to 4 and the Directors Report pages 5 to 6. At the 31 December 2022 the Company has net assets of £13,817,722 and made a profit after tax of £360,664 for the year then ended.

On 24 February 2022 all domestic legal restrictions were officially lifted in England. Occupancy and revenue have returned to pre-pandemic levels and are forecast to increase.

Since the start of the COVID-19 pandemic, the business dynamic has shifted to the new normal, resulting in significantly shorter lead times. Notwithstanding the short-term uncertainty, particularly during the low season winter months, directors of the UK Parent Group are confident that the trading targets are achievable and appropriate risk contingency has been included within the primary modelling. However, whilst the pandemic persists there is an inherent uncertainty which is beyond the control of the Directors. The Group continues to mitigate the risk through agile management of resources.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least for a period of 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

##### **2.12 Revenue**

Revenue, in respect of goods and services supplied, is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other taxes.

Hotel revenue, including rental of rooms and food and beverage sales, is recognised when rooms are occupied and food and beverage is sold.

##### **2.13 Hotel operating items**

The hotel's initial operating items such as glass and china and certain other loose equipment of the hotel have been capitalised and are not depreciated. The cost of replacement of these items will be charged to profit and loss in the year in which it is incurred.

## STARDON (BRIGHTON WEST PIER) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3. Critical accounting judgements and key sources of estimation uncertainty

The following are the key judgements that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### a) Estimated impairment of tangible fixed assets

The Company is required to review hotels and fixtures and fittings for impairment if events or changes in circumstance indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations or the fair value (market value), which are prepared on the basis of management's assumption and estimates.

##### b) Depreciation

Depreciation is provided so as to write down assets to their residual values over their estimated useful lives. The selection of these residual values and estimated lives requires the exercise of management's judgement.

##### c) Taxation

Tax benefits are not recognised unless it is probable that they will be obtained; tax provisions are made if it is probable that a liability will arise. The company reviews each significant tax liability or benefit to assess the appropriate accounting treatment.

#### 4. Turnover

The whole of the turnover is attributable to the principal activity of the Company, being the operation of the Holiday Inn Hotel at Brighton seafront.

All turnover arose within the United Kingdom.

#### 5. Other operating income

	2022	2021
	£	£
Government grants	<u>6,413</u>	<u>72,398</u>

Other operating income relates to monies received as a grant from the government under coronavirus business support grant scheme.

**STARDON (BRIGHTON WEST PIER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. Employees and directors**

	2022	2021
	£	£
Wages and salaries	737,822	607,380
Social security costs	68,662	48,149
Pension costs	<u>12,485</u>	<u>10,277</u>
	<u><u>818,969</u></u>	<u><u>665,806</u></u>

Directors are remunerated through Kew Green Group Ltd. Directors do not consider any other personnel as key management personnel other than the directors themselves.

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

	2022	2021
Hotel employees	<u><u>34</u></u>	<u><u>29</u></u>

**7. Profit before taxation**

The profit is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	470,832	545,703
Cost of defined contribution scheme	<u><u>12,485</u></u>	<u><u>10,277</u></u>

**8. Taxation**

**Analysis of the tax credit**

The tax credit on the profit for the year was as follows:

	2022	2021
	£	£
Deferred tax	<u><u>(13,770)</u></u>	<u><u>(16,670)</u></u>
Tax on profit	<u><u>(13,770)</u></u>	<u><u>(16,670)</u></u>

**STARDON (BRIGHTON WEST PIER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. Taxation - continued**

**Reconciliation of total tax 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:

	2022 £	2021 £
Profit before tax	<u>346,894</u>	<u>611,515</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	65,910	116,188
Effects of:		
Capital allowances in excess of depreciation	(2,787)	(25)
Adjustments to tax charge in respect of previous periods	-	(277)
Adjustments to tax charge in respect of prior periods - deferred tax	-	(6,375)
Fixed asset differences	24,856	24,856
Transfer pricing adjustments	50,668	42,366
Group relief claimed	(131,492)	(203,571)
periods (current & inter-co)		
Remeasurement of deferred tax for changes in tax rates	(3,305)	10,168
Short term timing difference	<u>(17,620)</u>	<u>-</u>
Total tax credit	<u>(13,770)</u>	<u>(16,670)</u>

**Factors that may affect future tax charge**

During the year, the UK Government passed legislation to increase the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. Deferred tax for the year has been calculated at 25%.

**9. Auditor's remuneration**

	2022 £	2021 £
Fees payable to Company's auditor for the audit of the Company's annual financial statements	<u>6,500</u>	<u>6,500</u>
<b>Fees payable to Company's auditor in respect of:</b>		
Taxation compliance services	<u>1,800</u>	<u>1,800</u>

**STARDON (BRIGHTON WEST PIER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. Tangible fixed assets**

	<b>Freehold property £</b>	<b>Fixtures and fittings £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2022	8,386,315	8,249,341	16,635,656
Additions	-	163,511	163,511
Disposals	-	(17,115)	(17,115)
	<u>8,386,315</u>	<u>8,395,737</u>	<u>16,782,052</u>
<b>DEPRECIATION</b>			
At 1 January 2022	1,045,093	6,253,438	7,298,531
Charge for year	38,091	432,741	470,832
Eliminated on disposal	-	(17,115)	(17,115)
	<u>1,083,184</u>	<u>6,669,064</u>	<u>7,752,248</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>7,303,131</u>	<u>1,726,673</u>	<u>9,029,804</u>
At 31 December 2021	<u>7,341,222</u>	<u>1,995,903</u>	<u>9,337,125</u>

Included in cost of land and buildings is freehold land of £1,700,000 (2021 - £1,700,000) which is not depreciated.

**11. Stocks**

	<b>2022 £</b>	<b>2021 £</b>
Stocks	<u>14,575</u>	<u>16,537</u>

**12. Debtors: amounts falling due within one year**

	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	37,310	1,465
Amounts owed by group undertakings	5,263,820	4,733,270
Other debtors	176,698	41,643
Prepayments and accrued income	<u>91,240</u>	<u>36,075</u>
	<u>5,569,068</u>	<u>4,812,453</u>

**STARDON (BRIGHTON WEST PIER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. Creditors: amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	273,719	224,152
Social security and other taxes	28,646	37,549
Other creditors	7,179	6,450
Accruals and deferred income	463,194	333,994
	<u>772,738</u>	<u>602,145</u>

**14. Creditors: amounts falling due after more than one year**

	2022	2021
	£	£
Accruals and deferred income	<u>77,781</u>	<u>126,906</u>

**15. Provisions for liabilities**

	2022	2021
	£	£
Deferred tax	<u>1,760</u>	<u>15,530</u>

	Deferred tax £
Balance at 1 January 2022	15,530
Credit to Statement of Comprehensive Income during year	<u>(13,770)</u>
Balance at 31 December 2022	<u>1,760</u>

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Fixed asset timing differences	3,170	19,823
Short term timing differences	(1,410)	(4,293)
	<u>1,760</u>	<u>15,530</u>

**16. Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
101	Ordinary	£1	<u>101</u>	<u>101</u>



**STARDON (BRIGHTON WEST PIER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**17. Reserves**

	Retained earnings £	Share premium £	Totals £
At 1 January 2022	6,833,287	6,623,670	13,456,957
Profit for the year	<u>360,664</u>	<u>          </u>	<u>360,664</u>
At 31 December 2022	<u>7,193,951</u>	<u>6,623,670</u>	<u>13,817,621</u>

**18. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,485 (2021: £10,277). Contributions totalling £2,338 (2021: £2,769) were payable to the fund at the reporting date and are included in creditors.

**19. Related party disclosures**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 section 33 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**20. Controlling party**

The Company's immediate parent is Kew Green Group Ltd. The Company's ultimate UK parent undertaking is CTG Metropark Limited. The Company's ultimate parent undertaking is China Tourism Group Corporation Limited.

The largest group in which the results of the Company are consolidated is that headed by China Tourism Group Corporation Limited, 217 Chongqing International Business Center, Kuajing Dianshang Industrial Park, Integrated Free Trade Zone, Haikou 570000 Hainan, China. The smallest group in which they are consolidated is that headed by CTG Metropark Limited, 1 Towers Place, Eton Street, Richmond, Surrey, TW9 1EG.