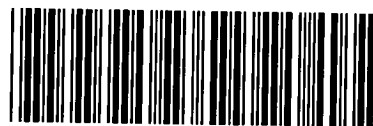


**Elite Hotels (Rotherwick) Limited**  
**Annual Report and Consolidated Financial Statements**  
**Year Ended 31 March 2021**  
Registration number: 01899376

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# **Elite Hotels (Rotherwick) Limited**

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# **Elite Hotels (Rotherwick) Limited**

## **Company Information**

**Directors**                G C Bateman  
                                 S J Willis  
                                 R S Callaghan  
                                 A H W Dixon

**Company secretary** R S Callaghan

**Registered office**    Ashdown Park  
                                 Wych Cross  
                                 Forest Row  
                                 East Sussex  
                                 RH18 5JR

**Auditors**                PKF Francis Clark  
                                 Statutory Auditor  
                                 Ground Floor  
                                 Blackbrook Gate 1  
                                 Blackbrook Business Park  
                                 Taunton  
                                 Somerset  
                                 TA1 2PX

# **Elite Hotels (Rotherwick) Limited**

## **Strategic Report**

### **Year Ended 31 March 2021**

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

#### **Principal activity**

Elite Hotels continues to operate in the luxury hotel market always aiming to deliver distinctly memorable experiences. The group comprises of 4 hotels in the south of England:

- The Ashdown Park Hotel & Country Club in Sussex;
- The Grand Hotel in Eastbourne;
- Tylney Hall Hotel & Gardens in Hampshire;
- Luton Hoo Hotel, Golf & Spa in Bedfordshire.

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

The financial year ending 31st March 2021 was severely impacted by the Covid-19 pandemic but trading performance when open was positive. With mandated closures for the majority of the 12 month period, revenue unsurprisingly fell and preserving cash reserves became the key objective. The group was forced to utilise its strong banking relationships backed by its extensive assets to help fund it through the financial year, and as a consequence now finds itself in a stronger position as we hopefully move away from the worst of the pandemic.

Whilst the group benefited from the CJRS to aid with employee related expenses, the cost to maintain and secure our buildings remained. Action was taken to align cost base with adjusted revenue. Employees have shown incredible loyalty, resilience and flexibility to support the company through the unprecedented period and help the business look to a positive future

When open the domestic leisure segment demand was extremely strong with our hotels ideally positioned with spacious rooms, buildings and surroundings. On the 1st August 2020 Ashdown Park opened its second restaurant the Forest Brasserie which is an example of the ongoing enhancement projects undertaken by the group.

#### **Key Performance Indicators**

Sales for the year ended 31 March 2021 were £12,158,215 (2020: £35,869,661). Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and loan arrangement fees were £(1,024,220) (2020: £2,962,640). Rooms Revenue per available room grew 16% with average room rate for the year growing 35%. These increases were driven by strong demand, a shift in market mix to domestic leisure and the change in VAT rate. In addition, revenue per room sold, revenue per hour employed, guest satisfaction & health and safety are also closely monitored to assess hotel performance. In the context of the pandemic, the directors are satisfied with the groups performance.

As a result of the debt restructure detailed in note 24, the company has significantly enhanced its net asset position to £28.9M. With the aid of additional bank financing utilised in the year the group has reduced net current liabilities and built strong cash reserves to protect it against future uncertainty including the risk of further lockdowns.

# **Elite Hotels (Rotherwick) Limited**

## **Strategic Report**

**Year Ended 31 March 2021**

### **Principal risks and uncertainties**

In pursuing our strategic priorities to create value for our stakeholders, we experience risk. The board is responsible for risk management and must ensure that the group maintains the appropriate level of risk to achieve its objectives whilst balancing the competing needs of these stakeholders.

The principal risks identified, separately or in combination, could have a material adverse effect on the implementation of the group strategy, our business, financial performance, shareholder value and returns and reputation. The principal risks identified by the directors are:

#### **Market, Economic and Competition risk**

The group is exposed to normal market and economic risk and manages competition risk by concentrating on its strengths and maintaining its established luxury brand with a focus on guest experience. Recruiting skilled staff remains a challenge across hospitality industry but the group is constantly looking at ways it can engage with potential employees in order to recruit and retain the best talent. The risk of further lockdowns in addition to a potential drop in the domestic leisure segment when confidence in the foreign travel market increases, are also key factors the directors constantly monitor.

#### **Financial Market risk**

The group is exposed to interest rate rises however the directors have fully considered financial risk and are confident these will not threaten the company's going concern presumption.

#### **Regulatory risk**

The group minimises regulatory risk by training key personnel and appointing external experts where appropriate, to assess any potential non compliance. Health and safety, hygiene and accounting are examples of externally audited areas.

#### **Impairment review**

The directors have considered the current business valuations conducted by Christie & Co in July 2021 which do not indicate any impairment to the business or underlying assets is necessary.

# **Elite Hotels (Rotherwick) Limited**

## **Strategic Report**

**Year Ended 31 March 2021**

### **S172 statement**

A company director must act in good faith and in a way that promotes the likely success of the company for the benefit of its members as a whole, and in doing so have regard to;

- Likely consequences of any decisions in the long-term;
- Interests of the company employees;
- Maintaining strong business relationships with guests, suppliers and others;
- The impact of the company's operations on the community and environment;
- The need to protect company reputation and maintain high standards of business conduct; and
- The responsibility to act fairly between company stakeholders.

In discharging their section 172 duties, the directors consider they have had regard to the above in all material respects.

- Our key stakeholders include employees, shareholders, suppliers, guests, creditors, HSBC and the local communities in proximity to our hotels. To ensure the board considers the likely consequences of decisions in the long term, they have set clear strategies, targets and development plans which extend out until 2027. Progress against these plans is reviewed at board meetings with plans updated annually.

- Our employees are fundamental to the delivery of our future success and as such we aim to recruit train and develop the best talent in order to deliver distinctively memorable experiences. The company has a range of initiatives and activities aimed at enhancing the interest of our employees such the Elite Supervisory Academy, Management Training and Apprenticeship programmes. Employee engagement is encouraged with employee forums regularly held at each hotel.

- Guests, corporate clients and suppliers are also pivotal to the delivery of our business plan. It is essential that we maintain our reputation for high standards operating in the luxury market. We constantly engage with our guests via various digital and other review platforms, carefully consolidating guest reviews from post stay surveys and digital sources to check how we are performing against targets set out in our plan. We hold regular meetings with key suppliers to ensure support for our business plans, objectives and to resolve any issues at an early stage.

- We aim to be a responsible member of the local community and to minimise impact on the environment. This includes supporting local charity initiatives, recycling as much of our waste as is possible and seeking to reduce energy usage wherever possible. This is supported by our Green Tourism accreditation.

- As a board, our intention is to behave responsibly toward our shareholders and fulfil this with regular and open communication with the trustees of our ultimate parent including ensuring they have a presence on the board of Elite Hotels.

# **Elite Hotels (Rotherwick) Limited**

## **Strategic Report**

**Year Ended 31 March 2021**

### **S172 report (continued)**

#### **Key decisions in the year**

The board confirms that during the year under review it has acted to promote the long-term success of the company for key stakeholders. Some examples of how the executive board considered these groups during the year include:

- The company placed the majority of the workforce on furlough at the point of the first lockdown. This was vital to protect the long term future of the company and its employees, whilst also protecting shareholder value. When on furlough staff received regular updates to keep them apprised of the status of the company and the impact of the unprecedented situation. A new online training platform was also set up to enhance staff training, with non mandatory sections so employees could continue to train & develop whilst on furlough.
- New employment contracts were issued in the year to help protect employees furlough rights and access to the CJRS.
- During the year the regularity of senior managements and board meetings were increased and at peak times of uncertainty conducted weekly. This ensured clear communication and allowed the board to closely monitor feedback from employees, customers and suppliers in order to rebuild the business and navigate through lockdowns.
- The company maintained a reservations presence and put in place a consistent refund policy to ensure positive guest communication and refunded guest where that was their preferred choice. The company continued to carefully monitor statistics on guest satisfaction across all available platforms including sending our own survey to following a guest stay.
- The company made the decision to take additional finance during in the year to support it through the pandemic. When considering the amount required the board carefully analysed several factors including maintaining and securing its assets and ensuring a strong enough staff presence to keep engagement with suppliers and customers.
- During hotel closures a core finance team was maintained to continue strong supplier communications and ensure standard payment terms were maintained.

#### **Engagement with employees**

Please refer to the previous s172 report and commentary included in the Directors Report.

#### **Engagement with suppliers, customers and other relationships**

Please refer to the previous s172 report and commentary included in the Directors Report.

# **Elite Hotels (Rotherwick) Limited**

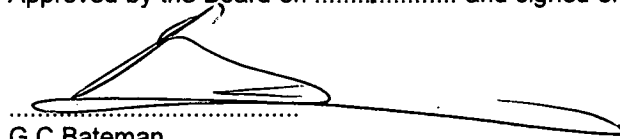
## **Strategic Report**

**Year Ended 31 March 2021**

### **Future developments**

The Directors' strategy remains to continue investment in refurbishing, upgrading and developing the hotel facilities to enhance the guest experience and increase return on investment.

Approved by the Board on 22/09/21 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'G C Bateman', is written over a horizontal dotted line.

G C Bateman  
Director

# **Elite Hotels (Rotherwick) Limited**

## **Directors' Report**

### **Year Ended 31 March 2021**

The directors present their report and the consolidated financial statements for the year ended 31 March 2021.

#### **Directors of the group**

The directors who held office during the year were as follows:

G C Bateman

S J Willis

R S Callaghan

A H W Dixon

D J Banks (resigned 8 March 2021)

#### **Information included in the Strategic Report**

Matters pertaining to the likely future developments of the company are incorporated in the Strategic Report.

#### **Financial instruments**

##### ***Objectives and policies***

The principal financial instruments of the group comprise of bank balances (including bank loans), trade debtors, trade creditors and other loans.

The main purpose of these instruments is to raise funds for the operations of the group.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

###### ***Liquidity risk***

The group manages this particular risk through a process of projecting incomes on a rolling basis, regular analysis of cashflow, regularly updated cashflow forecasts and regular review of performance against budget. Non-operational activities do not commence unless funding has been identified and secured.

###### ***Price risk***

All prices and pricing strategies are set in advance of trading periods and are constantly reviewed.

###### ***Credit risk***

The group is not adversely affected by credit risk as the bulk of trading is either based on cash transactions or deposits received in advance.

###### ***Operational risk***

The Directors are aware of the continual changes in laws and regulations and the associated compliance costs and plan ahead accordingly.

# **Elite Hotels (Rotherwick) Limited**

## **Directors' Report**

**Year Ended 31 March 2021**

### **People**

Elite Hotels understand and appreciate the vital role its employees play in the current and future success of the business. To encourage employee development the group continues to operate and enhance its training and development programmes and remains accredited by Investors in People. Employees are kept informed on a wide range of matters including the future strategy of company.

### **Compliance with the Modern Slavery Act**

Following the enactment of the Modern Slavery Act in October 2015 the Company has reviewed its procurement and human rights practices and those of its supply chain in light of this act. Elite Hotels (Rotherwick) Limited's suppliers are UK based entities and, having reviewed the requirements of the Modern Slavery Act, it has taken action to comply with the regulations. Elite does not support forced and compulsory labour or the exploitation of children.

### **Employment of disabled persons**

The group's policy is to give full and fair consideration to the recruitment of disabled persons having regards to their particular aptitudes and abilities. Where existing employees become disabled, it is the company's policy to making reasonable adjustments to support them and to provide training and career development and promotion to disabled employees wherever appropriate.

### **Employee involvement**

The group has continued its practice of keeping employees informed of matters affecting them as employees and of the financial and economic factors affecting the performance of the group.

### **Environmental matters**

Elite Hotels strongly believe that in order to make a big impact on our guests, we don't have to make a big impact on the environment. Environmental concerns and sustainable development are always at the forefront of decision making. It extends from our purchasing policies to transport, and pollution prevention to waste management, and informs all our working practices. All our hotels have gained silver accreditation from The Green Tourism Business Scheme (GTBS). GTBS is the leading sustainable tourism certification scheme in the UK. Green Tourism businesses are focused on being sustainable, responsible and green. This is demonstrated through three grading levels (Bronze, Silver and Gold) and businesses are assessed every two years to ensure standards are maintained.

Elite Hotels continue to actively monitor energy consumption and has made advancements in a number of areas in the financial year.

### **Social and community issues**

Elite Hotels places great importance on its Corporate Social Responsibility. We believe that all our hotels should play an active part in their local communities.

Our core aim is for that each hotel acts as a key player within the heart of their respective local communities, in line with the values of its ultimate parent The Incorporated Trustees of the Rotherwick Foundation, a UK registered charity.

# Elite Hotels (Rotherwick) Limited

## Directors' Report

Year Ended 31 March 2021

### Streamlined Energy and Carbon Reporting (SECR)

Elite Hotels streamlined energy and carbon figures are reported for activities within its financial and operational control. The UK Government emission conversion factors for greenhouse gas company reporting (2021 version) have been used to calculate emissions. Our scope 1 emissions are those from activities owned or controlled by the company for example, emissions from our own heating and hot water boilers whereas scope 2 emissions are those released into the atmosphere that are associated primarily with consumption of purchased electricity. Scope 3 includes all other indirect emissions that occur in the group's value chain.

The results relate to the consolidated position for the Elite Hotel Group of Companies.

#### GHG Emissions and Energy Use Data for Period 1 April 2020 to 31 March 2021

Energy Consumption Used to Calculate Emissions	Scope	Current Reporting Year 2019-2020		Current Reporting Year 2020-2021	
		kWh	tCO2e	kWh	tCO2e
Natural Gas	Scope 1	7,959,222 kWh	1,463.46 tCO2e	2,477,854 kWh	453.84 tCO2e
Electricity	Scope 2	6,257,189 kWh*	1,458.80 tCO2e	3,502,416 kWh	743.67 tCO2e
LPG (Propane)	Scope 1	1,823,014 kWh	391 tCO2e	2,151,959 kWh	460.76 tCO2e
Gas Oil	Scope 1	2,510,323 kWh	644.45 tCO2e	2,189,088 kWh	562.14 tCO2e
Burning Oil	Scope 1	86,840 kWh	21.42 tCO2e	95,689 kWh	23.61 tCO2e
Coal	Scope 1	58,557 kWh	20.18 tCO2e	2,008 kWh	0.69 tCO2e
Diesel (Estate vehicles)	Scope 1	236,547 kWh	56.91 tCO2e	41,838 kWh	9.91 tCO2e
Petrol (Estate vehicles)	Scope 1	59,330 kWh	13.60 tCO2e	37,135 kWh	8.53 tCO2e
Fuel for transport purposes (company cars): Diesel	Scope 1	76,833 kWh	19.59 tCO2e		
Business travel in employee owned vehicles (grey fleet): Petrol	Scope 3	16,295 kWh	3.93 tCO2e	3,362 kWh	0.81 tCO2e
Business travel in employee owned vehicles (grey fleet): Diesel	Scope 3	29,097 kWh	7.42 tCO2e	6,525 kWh	1.64 tCO2e
<b>Total</b>		<b>18,817,370 kWh</b>	<b>4,030.25 tCO2e</b>	<b>10,507,873 kWh</b>	<b>2,265.60 tCO2e</b>
Intensity Ratio: tCO2e total figure / bedrooms sold		n/a	0.04 tCO2e per bedroom sold	n/a	0.08 tCO2e per bedroom sold

### Energy efficient actions taken

The group has taken a phased rolling replacement programmed on high volume smaller value items, for example replacing LED lighting and thermostatic radiator valves ("TRV"). Larger plant replacement and projects are assessed annually with energy efficiency always a key consideration in the decision making process. Examples of success in the last 12 month include;

- Continuing the rolling programme to update lighting, with the vast majority now LED. In the groups 2019 ESOS report the lighting was described as 'excellent in terms of efficiency' by the groups ESOS lead assessor.
- Continuing with the rolling TRV's replacement programme.

## **Elite Hotels (Rotherwick) Limited**

### **Directors' Report**

**Year Ended 31 March 2021**

#### **Energy efficient actions taken (continued)**

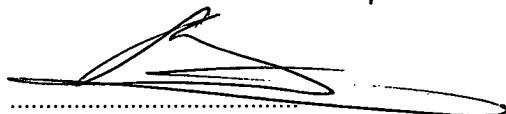
- Always considering energy efficiency when replacing plant, fixtures and fittings. Examples of efficiency advancements include window and boiler pump replacement.
- The Forest Brasserie opened at Ashdown Park during the year with its new kitchen containing more energy efficient electric induction hobs (replacing gas)

The above highlights some of the groups achievements, with many smaller scale improvements also completed during the period.

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on ...22/09/21 and signed on its behalf by:



G C Bateman  
Director

## **Elite Hotels (Rotherwick) Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **Elite Hotels (Rotherwick) Limited**

### **Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited**

#### **Opinion**

We have audited the financial statements of Elite Hotels (Rotherwick) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 group's and the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

## **Elite Hotels (Rotherwick) Limited**

### **Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

## **Elite Hotels (Rotherwick) Limited**

### **Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited**

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Company at the planning stage of the audit. Firstly, the Group and Company are subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Secondly, the Group and Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's licence to operate. In making this assessment we determined that the most significant elements of legislation include food standards and licencing laws, employment laws and regulations (including CJRS compliance), and health and safety legislation.

## **Elite Hotels (Rotherwick) Limited**

### **Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) Limited**

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)**

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Considering the filings made at Companies House, and any omissions thereon of which there were none identified.
- Reviewing the most recent Food Hygiene Ratings awarded to the hotel, and where there had been visits discussing with management their findings.
- Discussing with management compliance with licencing legislation and health and safety legislation.
- Undertaking transactional testing on CJRS claims made in the year.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business, of which there were none.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report.

## Elite Hotels (Rotherwick) Limited

### Independent Auditor's Report to the Members of Elite Hotels (Rotherwick) 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

Date: 23<sup>rd</sup> September 2021

## Elite Hotels (Rotherwick) Limited

### Consolidated Profit and Loss Account

Year Ended 31 March 2021

	Note	2021 £	(As restated) 2020 £
Turnover	3	12,158,215	35,869,661
Cost of sales		<u>(6,191,000)</u>	<u>(18,500,156)</u>
Gross profit		5,967,215	17,369,505
Administrative expenses		(13,893,415)	(16,869,919)
Other operating income	4	<u>4,763,773</u>	<u>227,131</u>
Operating (loss)/profit	5	(3,162,427)	726,717
Net loss on financial liabilities at fair value through profit and loss account		-	(1,480,318)
Interest payable and similar expenses	9	<u>(2,088,428)</u>	<u>(2,044,065)</u>
Loss before tax		<u>(5,250,855)</u>	<u>(2,797,666)</u>
Loss for the financial year		<u>(5,250,855)</u>	<u>(2,797,666)</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>(5,250,855)</u>	<u>(2,797,666)</u>

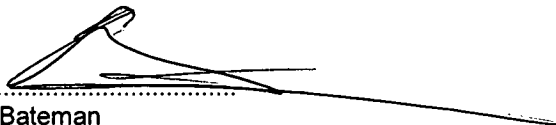
# Elite Hotels (Rotherwick) Limited

## Consolidated Balance Sheet

31 March 2021

	Note	2021 £	(As restated) 2020 £
<b>Fixed assets</b>			
Tangible assets	11	95,022,063	96,552,865
<b>Current assets</b>			
Stocks	13	318,761	355,552
Debtors	14	320,816	738,573
Cash at bank and in hand	15	3,803,134	1,645,626
		<u>4,442,711</u>	<u>2,739,751</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(4,958,200)</u>	<u>(5,722,786)</u>
<b>Net current liabilities</b>		<u>(515,489)</u>	<u>(2,983,035)</u>
<b>Total assets less current liabilities</b>		94,506,574	93,569,830
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(65,574,140)</u>	<u>(92,473,376)</u>
<b>Net assets</b>		<u>28,932,434</u>	<u>1,096,454</u>
<b>Capital and reserves</b>			
Called up share capital	22	110	110
Share premium reserve	21	5,412,490	5,412,490
Revaluation reserve	21	11,070,726	11,070,726
Other reserves	21	42,000,001	8,913,166
Profit and loss account	21	<u>(29,550,893)</u>	<u>(24,300,038)</u>
Equity attributable to owners of the company		<u>28,932,434</u>	<u>1,096,454</u>
Shareholders' funds		<u>28,932,434</u>	<u>1,096,454</u>

Approved and authorised by the Board on 22/04/21 and signed on its behalf by:

  
 .....  
 G C Bateman  
 Director

Company Registration Number: 01899376

# Elite Hotels (Rotherwick) Limited

## Balance Sheet

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	8,132	17,479
Investments	12	<u>52,750,400</u>	<u>52,750,400</u>
		<u>52,758,532</u>	<u>52,767,879</u>
<b>Current assets</b>			
Debtors due in more than one year	14	44,950,560	41,204,312
Debtors due in less than one year	14	11,400	8,863
Cash at bank and in hand	15	<u>2,604,830</u>	<u>1,468,782</u>
		47,566,790	42,681,957
<b>Creditors: Amounts falling due within one year</b>	17	<u>(678,976)</u>	<u>(880,342)</u>
<b>Net current assets</b>		<u>46,887,814</u>	<u>41,801,615</u>
<b>Total assets less current liabilities</b>		99,646,346	94,569,494
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(65,447,580)</u>	<u>(92,473,376)</u>
<b>Net assets</b>		<u>34,198,766</u>	<u>2,096,118</u>
<b>Capital and reserves</b>			
Called up share capital	22	110	110
Share premium reserve		5,412,490	5,412,490
Other reserves		42,000,001	8,913,166
Profit and loss account		<u>(13,213,835)</u>	<u>(12,229,648)</u>
<b>Shareholders' funds</b>		<u>34,198,766</u>	<u>2,096,118</u>

Approved and authorised by the Board on 22/09/21 and signed on its behalf by:



G C Bateman  
Director

Company Registration Number: 01899376

# **Elite Hotels (Rotherwick) Limited**

## **Consolidated Statement of Changes in Equity**

**Year Ended 31 March 2021**

	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 1 April 2020	110	5,412,490	11,070,726	8,913,166	(24,300,038)	1,096,454	1,096,454
Loss for the year	-	-	-	-	(5,250,855)	(5,250,855)	(5,250,855)
Total comprehensive income	-	-	-	-	(5,250,855)	(5,250,855)	(5,250,855)
Other movements on reserves	-	-	-	33,086,835	-	33,086,835	33,086,835
At 31 March 2021	110	5,412,490	11,070,726	42,000,001	(29,550,893)	28,932,434	28,932,434
	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 1 April 2019	110	5,412,490	11,070,726	10,393,484	(22,982,690)	3,894,120	3,894,120
Loss for the year	-	-	-	-	(2,797,666)	(2,797,666)	(2,797,666)
Total comprehensive income	-	-	-	-	(2,797,666)	(2,797,666)	(2,797,666)
Transfers	-	-	-	(1,480,318)	1,480,318	-	-
At 31 March 2020	110	5,412,490	11,070,726	8,913,166	(24,300,038)	1,096,454	1,096,454

The notes on pages 23 to 43 form an integral part of these financial statements.  
Page 20

## Elite Hotels (Rotherwick) Limited

### Statement of Changes in Equity

Year Ended 31 March 2021

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 April 2020	110	5,412,490	8,913,166	(12,229,648)	2,096,118
Loss for the year	-	-	-	(984,187)	(984,187)
Total comprehensive income	-	-	-	(984,187)	(984,187)
Other movements on reserves	-	-	33,086,835	-	33,086,835
At 31 March 2021	110	5,412,490	42,000,001	(13,213,835)	34,198,766

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 April 2019	110	5,412,490	10,393,484	(11,888,300)	3,917,784
Loss for the year	-	-	-	(1,821,666)	(1,821,666)
Total comprehensive income	-	-	-	(1,821,666)	(1,821,666)
Transfers	-	-	(1,480,318)	1,480,318	-
At 31 March 2020	110	5,412,490	8,913,166	(12,229,648)	2,096,118

The notes on pages 23 to 43 form an integral part of these financial statements.

# Elite Hotels (Rotherwick) Limited

## Consolidated Statement of Cash Flows

Year Ended 31 March 2021

	Note	2021 £	(As restated) 2020 £
<b>Cash flows from operating activities</b>			
Loss for the year		(5,250,855)	(2,797,666)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	2,136,438	2,246,722
Loss/(profit) on disposal of tangible assets		1,767	(10,795)
Finance costs	9	2,088,428	2,044,065
		<u>(1,024,222)</u>	<u>1,482,326</u>
Working capital adjustments			
Decrease in stocks	13	36,791	22,374
Decrease in trade debtors	14	417,757	1,066,952
Decrease in trade creditors	17	<u>(806,363)</u>	<u>(1,530,204)</u>
Net cash flow from operating activities		<u>(1,376,037)</u>	<u>1,041,448</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(416,643)	(2,618,349)
Proceeds from sale of tangible assets		<u>15,798</u>	<u>22,792</u>
Net cash flows from investing activities		<u>(400,845)</u>	<u>(2,595,557)</u>
<b>Cash flows from financing activities</b>			
Interest paid	9	(2,088,428)	(2,044,065)
Proceeds from bank borrowing draw downs		6,000,000	2,200,000
Proceeds from other borrowing draw downs		61,038	1,457,202
Payments to finance lease creditors		<u>(38,220)</u>	<u>(27,143)</u>
Net cash flows from financing activities		<u>3,934,390</u>	<u>1,585,994</u>
Net increase in cash and cash equivalents		2,157,508	31,885
Cash and cash equivalents at 1 April		<u>1,645,626</u>	<u>1,613,741</u>
Cash and cash equivalents at 31 March		<u><u>3,803,134</u></u>	<u><u>1,645,626</u></u>

# **Elite Hotels (Rotherwick) Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2021**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Ashdown Park  
Wych Cross  
Forest Row  
East Sussex  
RH18 5JR

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are summarised within this note.

The financial statements are prepared in pounds sterling which is the functional currency of the Group and Company.

Monetary amounts in these financial statements are rounded to the nearest pound.

#### **Summary of disclosure exemptions**

FRS102 allows a qualifying entity certain disclosure exemptions, which the company has taken advantage of:

- (i) From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows included in these financial statements includes the Company's cash flows;
- (ii) From the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A as the information is provided in the consolidated financial statement disclosures.
- (iii) The requirements of Section 33 Related Party Disclosures paragraph 33.7.

The group has also taken advantage of the exemption under FRS102 paragraph 33.1A in respect of transactions between members of the group, on the basis that the group companies are 100% owned.

# **Elite Hotels (Rotherwick) Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2021**

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006. The loss of the company for the year ended 31 March 2021 was £984,187 (2020 - £1,821,666)

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### **Going concern**

At the balance sheet date the Group had net current liabilities of £515,489 (2020 - £2,983,035).

Management have assessed a number of factors in respect of the appropriateness of the going concern assertion, and in particular the impact of the Covid 19 pandemic which has led to the closure of the hotels at certain points in the year and continuing post year end. Forecasts have been prepared which support the ability of the company to meet its obligations as and when they fall due, coupled with strong post year end performance once the hotels have been able to reopen.

After due consideration of the above factors the Directors continue to apply the going concern basis to the preparation of the financial statements.

#### **Reclassification of comparative amounts**

There have been adjustments recognised within the comparative financial statements to:

- a) Re-classify amounts from other debtors to payments on account;
- b) Re-classify rents previously recognised in sales and administrative expenses to other operating income

These adjustments have had no impact on the reported loss in the comparative period, or on net current liabilities or reported net assets.

# **Elite Hotels (Rotherwick) Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 March 2021**

#### **Revenue recognition**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Accommodation revenue is recognised at the point of the customer staying in the room. Deposits received in advance of customer stays are treated as payments on account and recognised within creditors due within one year. Gift vouchers purchased for services to be redeemed in future periods are recognised in accruals and deferred until they are used.

Food, beverage and other income are recognised at the point of sale.

Rental income is recognised on a straight line basis and is included in other operating income.

#### **Government grants**

During the current and prior year the company recognised Coronavirus Job Retention Scheme ("CJRS") grant income from the Government designed to mitigate the impact of Covid 19. The company has elected to account for such grants under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure.

#### **Tax**

Tax is recognised in the profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **Tangible assets**

Tangible fixed assets are initially measured at cost (or deemed cost) and subsequently measured at cost or valuation, net of depreciation or any impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

# Elite Hotels (Rotherwick) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	5% straight line
Furniture, fittings and equipment	Straight line between 3 and 8 years
Motor vehicles	30% on reducing balance

Depreciation is provided on freehold land and buildings at 0% per annum on the basis that the hotel are historical buildings, hence the useful economic life cannot be reasonably estimated. Additionally the directors' opinion is that the residual value of the property is so high that any depreciation charge would be negligible and immaterial. This is in accordance with accounting standard FRS 102. The directors have considered the value of the property, in light of the recent valuation, and do not believe any impairment to the value included in the financial statements is necessary.

The directors deem that fixtures and fittings are disposed of after eight years and so at the end of this period a disposal is included to remove the accumulated cost and depreciation from the financial statements.

### Revaluation of fixed assets

Properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

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

Revaluation gains and losses are recognised in the statement of 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.

# **Elite Hotels (Rotherwick) Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2021**

### **Impairment of non financial assets**

At each balance sheet date the directors review the carrying amount of the company's tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

### **Investments**

Investments in subsidiaries are recognised at cost.

### **Inventories**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **Defined contribution pension obligation**

For defined contribution schemes the amounts recognised in profit and loss is the contributions payable for the year.

Contributions that are unpaid at the balance sheet date are recognised in creditors less than one year.

## **Elite Hotels (Rotherwick) Limited**

### **Notes to the Financial Statements**

**Year Ended 31 March 2021**

#### **Financial instruments**

##### ***Classification***

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

##### ***Recognition and measurement***

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustment. Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

# **Elite Hotels (Rotherwick) Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2021**

### **Critical judgements and estimation uncertainty**

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

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

The following areas are where the Directors have applied judgement in the preparation of the financial statements:

### **Going concern**

In preparing and approving these financial statements the Board have given due consideration to the going concern risks, and in particular the net current liabilities position of £515,489 (2020 - £2,983,035) and the impact of the Coronavirus Pandemic. As outlined in the Strategic report and a separate accounting policy note the pandemic has led to widespread, profound economic shocks, and has significantly curtailed the operational activities of the Company due to government guidelines and restrictions.

After due consideration the Board are satisfied that the Group and Company will be able to operate within the available facilities and continue as a going concern for the foreseeable future - being a period of no less than 12 months from the date of approval of these financial statements. Further supporting commentary has been included within the accounting policies.

The following are regarded by the Directors as key areas of estimation:

### **Carrying value of fixed assets (note 11)**

Management have carefully considered the depreciation estimates applied on the tangible assets held by the Group and Company. This assessment is performed on an annual basis and would be amended when necessary to reflect current estimates based on technological advancements, future investments, economic utilisation and physical condition of each asset. The directors have considered the current business valuations conducted by Christie & Co in July 2021 which do not indicate any impairment to the business or underlying assets is necessary.

The carrying value of tangible fixed assets at the balance sheet date is £95,022,063 (2020 - £96,552,865), with depreciation being recognised in the year of £2,136,438 (2020 - £2,246,722).

### **Recognition of deferred tax asset (note 9)**

As outlined in a separate note the Group and Company has carried forward tax losses available to utilise in future periods. No deferred tax asset has been recognised on the basis of uncertainty over the timing of their utilisation.

The deferred tax asset not recognised in the financial statements is £9,143,496 (2020 - £8,159,772) at a group level.

## Elite Hotels (Rotherwick) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021	(As restated) 2020
	£	£
Rendering of services	<u>12,158,215</u>	<u>35,869,661</u>

The turnover for the year was derived from the Group's principal activity which is that of the operation of a hotel and provision of associated services.

The analysis of the group's turnover for the year by market is as follows:

	2021	(As restated) 2020
	£	£
UK	<u>12,158,215</u>	<u>35,869,661</u>

#### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021	(As restated) 2020
	£	£
Government grants receivable	4,531,112	109,397
Grants and subsidies receivable	121,565	-
Rental income	<u>111,096</u>	<u>117,734</u>
	<u>4,763,773</u>	<u>227,131</u>

During the current year and prior year the Group recognised CJRS income from the Government designed to mitigate the impact of Covid 19. The amounts disclosed as 'grants and subsidies receivable' relate to local authority grants.

#### 5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	2,136,438	2,246,722
Loss/(profit) on disposal of property, plant and equipment	<u>1,767</u>	<u>(10,795)</u>

## Elite Hotels (Rotherwick) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	10,559,003	15,355,379
Social security costs	718,453	1,102,318
Pension costs, defined contribution scheme	227,627	285,117
Redundancy costs	86,406	-
Other employee expense	71,109	147,010
	<u>11,662,598</u>	<u>16,889,824</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Operational	510	932
Administration and support	137	115
	<u>647</u>	<u>1,047</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	383,480	399,879
Contributions paid to money purchase schemes	19,137	23,932
	<u>402,617</u>	<u>423,811</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	166,783	163,790
Company contributions to money purchase pension schemes	<u>10,517</u>	<u>13,832</u>

## Elite Hotels (Rotherwick) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 8 Auditor's remuneration

	2021 £	2020 £
Audit of these financial statements	2,750	11,000
Audit of the financial statements of subsidiaries of the company pursuant to legislation	43,000	101,500
	<u>45,750</u>	<u>112,500</u>
<b>Other fees to auditors</b>		
Taxation compliance services	13,900	-
All other assurance services	10,150	-
	<u>24,050</u>	<u>-</u>

Auditors remuneration in the current year relates solely to the incumbent auditor PKF Francis Clark, with the comparative disclosure solely in relation to the predecessor auditor Oury Clark.

#### 9 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	1,800,006	1,934,165
Bank loan charges	171,753	109,900
Other interest payable	116,669	-
	<u>2,088,428</u>	<u>2,044,065</u>

## Elite Hotels (Rotherwick) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 10 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	-	-
Total current income tax	-	-
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	-	-
Tax expense/(receipt) in the income statement	-	-

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Loss before tax	(5,250,855)	(2,797,666)
Corporation tax at standard rate	(997,662)	(531,557)
Effect of expense not deductible in determining taxable profit (tax loss)	13,938	-
Deferred tax credit from unrecognised tax loss or credit	-	(100,968)
Tax increase from effect of unrelieved tax losses carried forward	983,724	632,525
Total tax charge/(credit)	-	-

## Elite Hotels (Rotherwick) Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2021

##### Deferred tax

##### Group

Deferred tax assets and liabilities

	Liability £
<b>2021</b>	
Capital allowances in excess of depreciation	522,145
Other timing differences	(2,159)
Tax losses carried forward	<u>(519,986)</u>
	<u>-</u>
<b>2020</b>	
Capital allowances in excess of depreciation	547,891
Other timing differences	(6,703)
Tax losses carried forward	<u>(541,188)</u>
	<u>-</u>

##### Group

The group has tax losses carried forward of £50,764,951 (2020 - £45,654,771). Deferred tax has not been recognised on all of the carried forward tax losses due to uncertainty surrounding the timing of their utilisation.

##### Company

The company has tax losses carried forward of £27,743,543 (2020 - £27,712,692). Deferred tax has not been recognised on any of the carried forward tax losses due to uncertainty surrounding the timing of their utilisation.

# Elite Hotels (Rotherwick) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 11 Tangible assets

#### Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost or valuation</b>					
At 1 April 2020	83,702,378	6,778,942	523,436	22,342,816	113,347,572
Additions	81,566	397,173	-	144,462	623,201
Disposals	-	(497,993)	(34,990)	-	(532,983)
At 31 March 2021	<u>83,783,944</u>	<u>6,678,122</u>	<u>488,446</u>	<u>22,487,278</u>	<u>113,437,790</u>
<b>Depreciation</b>					
At 1 April 2020	-	3,076,524	436,482	13,281,701	16,794,707
Charge for the year	-	992,967	19,107	1,124,364	2,136,438
Eliminated on disposal	-	(497,993)	(17,425)	-	(515,418)
At 31 March 2021	<u>-</u>	<u>3,571,498</u>	<u>438,164</u>	<u>14,406,065</u>	<u>18,415,727</u>
<b>Carrying amount</b>					
At 31 March 2021	<u>83,783,944</u>	<u>3,106,624</u>	<u>50,282</u>	<u>8,081,213</u>	<u>95,022,063</u>
At 31 March 2020	<u>83,702,378</u>	<u>3,702,418</u>	<u>86,954</u>	<u>9,061,115</u>	<u>96,552,865</u>

Included within the net book value of land and buildings above is £83,783,944 (2020 - £83,702,378) in respect of freehold land and buildings.

#### Assets held at deemed cost

The group elected to recognise assets held at valuation on transition to FRS102 at deemed cost.

Had freehold land and buildings been held at historical cost at the balance sheet date their carrying value would be £73,838,017 (2020 - £73,756,451).

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Fixtures, fittings and equipment	<u>176,640</u>	<u>50,153</u>

# Elite Hotels (Rotherwick) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### Company

	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	4,431	52,125	56,556
Additions	124	-	124
Disposals	(750)	(11,495)	(12,245)
At 31 March 2021	<u>3,805</u>	<u>40,630</u>	<u>44,435</u>
<b>Depreciation</b>			
At 1 April 2020	2,340	36,737	39,077
Charge for the year	911	2,927	3,838
Eliminated on disposal	(750)	(5,862)	(6,612)
At 31 March 2021	<u>2,501</u>	<u>33,802</u>	<u>36,303</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>1,304</u>	<u>6,828</u>	<u>8,132</u>
At 31 March 2020	<u>2,091</u>	<u>15,388</u>	<u>17,479</u>

## Elite Hotels (Rotherwick) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 12 Investments

##### Company

	2021 £	2020 £
Investments in subsidiaries	<u>52,750,400</u>	<u>52,750,400</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 April 2020 and 31 March 2021		<u>52,750,400</u>
<b>Carrying amount</b>		
At 31 March 2021		<u>52,750,400</u>
At 31 March 2020		<u>52,750,400</u>

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2021	2020
<b>Subsidiary undertakings</b>			
Ashdown Park (Sussex) Limited	Ordinary	100%	100%
The Grand Hotel (Eastbourne) Limited	Ordinary	100%	100%
Tylney Hall Hotel Limited	Ordinary	100%	100%
Luton Hoo Park Limited	Ordinary	100%	100%

The principal operation of each of the above named companies is that of a hotelier. The registered office of each of these companies is Ashdown Park, Wych Cross, Forest Row, East Sussex, RH18 5JR.

## Elite Hotels (Rotherwick) Limited

### Notes to the Financial Statements

Year Ended 31 March 2021

#### 13 Stocks

	2021 £	Group 2020 £	2021 £	Company 2020 £
Consumables	<u>318,761</u>	<u>355,552</u>	<u>-</u>	<u>-</u>

#### 14 Debtors

	2021 £	Group (As restated) 2020 £	2021 £	Company 2020 £
Trade debtors	55,205	321,509	-	-
Amounts due from group undertakings	-	-	44,950,560	41,204,312
Other debtors	40,089	112,067	11,400	6,641
Prepayments	<u>225,522</u>	<u>304,997</u>	<u>-</u>	<u>2,222</u>
	320,816	738,573	44,961,960	41,213,175
Less non-current portion	<u>-</u>	<u>-</u>	<u>(44,950,560)</u>	<u>(41,204,312)</u>
	<u>320,816</u>	<u>738,573</u>	<u>11,400</u>	<u>8,863</u>

#### Details of non-current trade and other debtors

##### Company

£44,950,560 (2020 - £41,204,312) of Amounts due from group undertakings is classified as non current.

#### 15 Cash and cash equivalents

	2021 £	Group 2020 £	2021 £	Company 2020 £
Cash on hand	1,630	3,085	-	-
Cash at bank	<u>3,801,504</u>	<u>1,642,541</u>	<u>2,604,830</u>	<u>1,468,782</u>
	<u>3,803,134</u>	<u>1,645,626</u>	<u>2,604,830</u>	<u>1,468,782</u>

# Elite Hotels (Rotherwick) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 16 Analysis of net debt

	At 1 April 2020 £	Cash flow	Other movement £	At 31 March 2021 £
Cash at bank and on hand	1,645,626	2,157,508	-	3,803,134
Bank overdrafts	-	-	-	-
Cash and cash equivalents	1,645,626	2,157,508	-	3,803,134
Bank loans	(54,950,000)	(6,000,000)	-	(60,950,000)
Amounts due under hire purchase	(19,027)	38,220	(206,558)	(187,365)
Net debt	<u>(53,323,401)</u>	<u>(3,804,272)</u>	<u>(206,558)</u>	<u>(57,334,231)</u>

### 17 Creditors

		2021 £	Group (As restated) 2020 £	2021 £	Company 2020 £
<b>Due within one year</b>					
Loans and borrowings	18	60,804	19,027	-	-
Trade creditors		353,314	1,547,233	28,463	-
Social security and other taxes		743,117	994,682	629,839	803,362
Outstanding defined contribution pension costs		47,444	61,412	7,816	9,350
Other creditors		112,055	143,623	-	-
Accrued expenses		405,106	475,242	12,858	67,630
Payments on account		<u>3,236,360</u>	<u>2,481,567</u>	<u>-</u>	<u>-</u>
		<u>4,958,200</u>	<u>5,722,786</u>	<u>678,976</u>	<u>880,342</u>
<b>Due after one year</b>					
Loans and borrowings	18	61,076,561	54,950,000	60,950,000	54,950,000
Amounts due to group undertakings		<u>4,497,579</u>	<u>37,523,376</u>	<u>4,497,580</u>	<u>37,523,376</u>
		<u>65,574,140</u>	<u>92,473,376</u>	<u>65,447,580</u>	<u>92,473,376</u>

# Elite Hotels (Rotherwick) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 18 Loans and borrowings

	2021 £	Group 2020 £	2021 £	Company 2020 £
<b>Current loans and borrowings</b>				
Hire purchase contracts	60,804	19,027	-	-

	2021 £	Group 2020 £	2021 £	Company 2020 £
<b>Non-current loans and borrowings</b>				
Bank borrowings	60,950,000	54,950,000	60,950,000	54,950,000
Hire purchase contracts	126,561	-	-	-
	<u>61,076,561</u>	<u>54,950,000</u>	<u>60,950,000</u>	<u>54,950,000</u>

The amounts shown as bank loans above are secured by means of:

- A first legal charge over the properties known as the Ashdown Park Hotel, The Grand Hotel Eastbourne, Tynley Hall Hotel and Luton Hoo Hotel;
- A fixed charge over the book debts of the subsidiary companies;
- A floating charge over the remainder of the groups assets.

# Elite Hotels (Rotherwick) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 19 Obligations under leases and hire purchase contracts

#### Group

##### Finance leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	60,804	19,027
Later than one year and not later than five years	126,561	-
	<u>187,365</u>	<u>19,027</u>

Amounts due under finance lease are secured against the assets to which they relate.

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	39,589	3,668
Later than one year and not later than five years	128,470	2,160
	<u>168,059</u>	<u>5,828</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £20,451 (2020 - £3,668).

##### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	75,525	86,275
Later than one year and not later than five years	79,965	131,640
Later than five years	4,833	12,083
	<u>160,323</u>	<u>229,998</u>

# Elite Hotels (Rotherwick) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

### 20 Pension and other schemes

#### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £227,627 (2020 - £285,117).

Contributions totalling £47,444 (2020 - £61,412) were payable to the scheme at the end of the year and are included in creditors.

### 21 Reserves

#### Group

The Group and Company have the following reserves on the balance sheet.

#### Called up share capital

This reserve records the nominal value of shares issued

#### Share premium reserve

This reserve records the amount above the nominal value received for the shares sold, less transaction costs

#### Revaluation reserve

This reserve reflects the upward revaluation of tangible fixed assets in excess of cost

#### Other reserve

This reserve reflects the recognition of amounts due from related parties at net present value

#### Profit and loss account

This reserve records the cumulative profits and losses made by the group and company

### 22 Share capital

#### Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	110	110	110	110

# **Elite Hotels (Rotherwick) Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2021**

### **23 Contingent liabilities**

The company's bankers, HSBC Bank Plc, hold unlimited cross guarantees between Elite Hotels (Rotherwick) Limited and its wholly owned subsidiaries. At the balance sheet date, the amount jointly guaranteed by the company was £60,950,000 (2020 - £54,950,000).

The directors believe that the guarantee will not be called upon and accordingly no provision has been recognised.

### **24 Related party transactions**

#### **Key Management Remuneration**

The directors consider that the key management personnel of the group are the directors themselves. Directors remuneration is disclosed in note 7 to the financial statements.

#### **Other related party transactions**

During the year the group has had a loan with its immediate parent undertaking, West Indies Investments Limited, an entity incorporated in Guernsey. The loan is interest bearing, and due for repayment in more than one year.

In September 2020 a formal deed of waiver was entered into to release £42m of the outstanding balance that was due. The release of this debt on a discounted basis has been accounted for as a capital contribution and recognised immediately in equity. Interest of £116,669 (2020 - £nil) has been recognised in profit and loss in the year in respect of the outstanding loan. On a discounted basis at the balance sheet date the amount due from the group to its immediate parent undertaking was £4,497,580 (2020 - £37,523,376).

During the year the group made no charitable donations to the Incorporated Trustees of the Rotherwick Foundation, a UK registered charity and ultimate shareholder in the group (2020 - £75,000).

### **25 Parent and ultimate parent undertaking**

The company's immediate parent is West Indies Investment Limited, incorporated in Guernsey.

The ultimate parent is Incorporated Trustees of the Rotherwick Foundation, a UK registered charity.