Registration number: 06126450

Cameron House Resort (Loch Lomond) Limited

Report and Financial Statements

for the Year Ended 31 December 2021

Company Information

Directors	Coley Brenan Richard Weissmann Stephen Walker
Registered number	06126450
Registered office	3rd Floor 63 St. James's Street London SW1A 1LY
Auditors	Ernst & Young LLP G1 Building 5 George Square G2 1DY

Contents

Strategic Report
for the Year Ended 31 December 2021

The directors present their strategic report for Cameron House Resort (Loch Lomond) Limited (the Company) for the year ended 31 December 2021.

Principal activity
The principal activity of the Company continues to be owning and managing a freehold hotel. Cameron House Resort (Loch Lomond) Limited was acquired by CMH Investment II (UK) Limited, an acquisition vehicle set up for this purpose in 2015, ultimately owned by investment funds managed by KSL Capital Partners. KSL Capital Partners is a private equity firm specialising in travel and leisure enterprises.

The ultimate parent of the Company is Monroe Offshore Holdings XI Limited.

The hotel trades independently under the name Cameron House and is renowned in its own local market place. The hotel trades in the three principal accommodation markets of business, events (essentially conference and banqueting) and leisure.

The management of all aspects of the business is retained and driven by the directors and senior employees of the Company. The directors have also sought to retain the freehold interest in its property in the belief that the long term objective to maximise stable operating profits complements the objective of maximising enterprise value, because there is a direct relationship between hotel profitability and property valuation.

With the significant value held within the freehold property there is a requirement for the Company to have access to significant sources of funds. This is provided through a combination of shareholders loans from the immediate holding company.

Business review and results
Following on from the fire on 18th December 2017 which destroyed a portion of the main building of the Cameron House Resort, Reinstatement of the hotel was completed in September 2021 and full resort resumed trading.

COVID-19 continues to impact global economies and businesses generally. Similar to businesses across many sectors and specifically in the hospitality industry. Government imposed restrictions through May 2021 had a significant impact on revenues with lockdown reintroduced. Due to the closure of the resort, the majority of the Company's employees were furloughed until May 2021. A new variant of COVID 19 - Omicron impacted the world in December 2021 and whilst there were no government induced lockdowns, travel was severely discouraged. This disruption encountered had the impact of delaying the reopening of the Hotel and reducing footfall on resort.

The hotel reopening was successful and COP26 which was held in Glasgow during November contributed to a strong average room rate being achieved, unfortunately Omicron slowed the successful reopening with travelling discouraged over the key festive period.

With reinstatement now complete and insurance proceeds received the excess cost of reinstatement was funded by contributions from the Company's parent.

Strategic Report
for the Year Ended 31 December 2021 (continued)

During 2021, the Company's parent made funding loans to the Company totalling £27,000,000.

The trading performance of the Company is set out in the statement of comprehensive income within these financial statements. The Company made a loss after tax of £998,000 (2020: a profit after tax of £13,846,000).

The balance sheet of the Company sets out the financial position of the Company at the year end.

Future developments
The Company is currently working on a 68 bedroom extension to the main hotel and extensive banqueting facilities which is due to open late summer 2022.

Principal risks and uncertainties
Financing and interest rates

The Company finances its activities through operations and loans provided by fellow group undertakings on commercial terms.

Interest rates on loans to and from group undertakings are set by the directors of the parent company and ultimately are a function of the financing arrangements of the group. The Company does not trade in financial instruments and has no other forms of derivatives.

Credit

The Company's objective is to reduce the risk of financial loss due to a countparty's failure to honour its obligations. Credit is only given to corporate customers and standard payment terms are quoted on all contracts. The hotel is primarily responsible for implementing the Company's credit control procedures and responsibility includes the determination of credit-worthy customers, management of individual exposures and ensuring payment is secured in accordance with the agreed terms.

Liquidity

The Company aims to mitigate liquidity risk by managing cash generation by its operations.

Investment is approved following a detailed appraisal process and an assessment of the financial needs of the investment. All capital items are approved at board level whether purchased outright, leased, rented or subject to hire purchase agreements. The method of funding for each is dictated in each case by cash flow implications.

Competition

Competition risk exists in all businesses and the Company's objective is to be able to identify such risks at an early stage so that an appropriate strategy can be implement to reduce that risk. This is achieved through a regime of regular forecasting and budgeting together with a systematic review process of historic and future performance by senior management.

Strategic Report
for the Year Ended 31 December 2021 (continued)

Property insurance and consequential loss

The Company's key asset is its hotel which allows it to generate operating profits. The risk of an impact on operating profits from damage or destruction of the hotel is mitigated by putting in place appropriate insurance cover. The main building of the property is covered by a contractors' all risk policy during the period of reinstatement.

Approved by the board on 29/6/22 and signed on its behalf by:

....
Stephen Walker
Director

Directors' Report
for the Year Ended 31 December 2021

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

Results and dividends
The loss for the year, after taxation, amounted to £998,000 (2020: profit £13,846,000).

The directors paid no dividends during the year (2020: £Nil).

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

Coley Brenan

Richard Weissmann

Stephen Walker

Going concern
In assessing the basis of preparation of the financial statements, we have undertaken a rigorous assessment of going concern, considering financial forecasts, external debt and financial covenants as set out in Note 19 and performed scenario analysis to test the adequacy of the Company's liquidity. These included normal and downside scenarios and stress testing the key assumptions including sensitivity on economic and market conditions, occupancy levels and room rates which model the potential impact on the Company's performance.

The directors recognise that COVID-19 has had a significant impact on the trading and liquidity of the Company since the hotel re-opened. Similar to businesses across many sectors and specifically the hospitality industry, Government imposed restrictions through May 2021 effectively closed the resort, the majority of Company employees were furloughed and lockdown had the effect of delaying the hotel reopening until September 2021. The emergence of Omicron variant in December 2021, whilst not under lockdown only strong guidance not to travel had a detrimental impact on the Company's trading position.

At the time of preparation, the base case and downside forecast identified that the Company would require additional funding by the end of the forecast period in order to meet its liabilities as they fall due and to complete hotel reinstatement invoicing and extension works. KSL Capital Partners III has provided funding in February and April 2022 with further funding expected June 2022. The final amount required is dependent on the future trading performance. The Company has received a commitment from KSL Capital Partners III that they will provide additional support as necessary to meet any further amounts that may be required to support the business in the 12 months from signing the accounts.

Furthermore, the directors have assessed the ability of the company to meet their covenants through to June 2023. It has been identified that there is a forecast breach of the Debt Yield covenant as this is measure based on last 12 months trading. Based on current forecasts this covenant will not be met until June 2023 due to delays in hotel reopening, COVID disruption and hotel extension opening delays. As such confirmation has been obtained that KSL Capital Partners III will inject funds to effect a cure of a breach of this financial covenant.

Management have reviewed the forecast financial position of KSL Capital Partners III for the duration of the going concern review period including downside scenarios and it's forecasted funding to the other investments. After considering these factors, including the financial and operational ability of the Company and KSL Capital Partners III to continue as a going concern, the directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis for preparing the financial statements.

Directors' Report

for the Year Ended 31 December 2021 (continued)

Employees

The Company is committed to employee involvement throughout the business and aims to keep employees informed about the Company's progress and affairs by the way of various internal communications.

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitude and abilities.

Matters covered in the Strategic Report

The Company's key business risks and future developments are disclosed within the Strategic Report.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the board on 29/6/22 and signed on its behalf by:

....

Stephen Walker
Director

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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.

Independent Auditor's Report

to the Members of Cameron House Resort (Loch Lomond) Limited

Opinion

We have audited the financial statements of Cameron House Resort (Loch Lomond) Limited for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, 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 FRS 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 2021 and of its 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 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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent Auditor's Report

to the Members of Cameron House Resort (Loch Lomond) Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 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.

Independent Auditor's Report

to the Members of Cameron House Resort (Loch Lomond) Limited (continued)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in which the Group operates.
- We understood how Cameron House Resort (Loch Lomond) Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated our enquiries by reading board minutes, and we noted no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of stakeholders. Where this risk was considered higher, we performed audit procedures to address the fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reading board minutes to identify non-compliance with laws and regulations, enquiries of management and journal testing, as outlined above.

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

Independent Auditor's Report

to the Members of Cameron House Resort (Loch Lomond) Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

Ernst & Young LLP.

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Nicola McIntyre (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

G1 Building
5 George Square
G2 1DY

Date: 29 June 2022

Statement of Comprehensive Income

for the year ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover	3	8,384	2,367
Cost of sales		(1,333)	(400)
Gross profit		**7,051**	**1,967**
Administrative expenses		(13,721)	(8,240)
Exceptional items	4	(660)	(2,744)
Other operating income	5	534	22,863
(Loss)/profit before tax	6	**(6,796)**	**13,846**
Tax credit	9	5,798	-
(Loss)/profit for the financial year		**(998)**	**13,846**

Statement of Other Comprehensive Income

	2021 £ 000	2020 £ 000
(Loss)/Profit for the year	(998)	13,846
Total comprehensive (loss)/income for the year	**(998)**	**13,846**

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.

The notes on pages 14 to 27 form an integral part of these financial statements.

Balance Sheet
as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	10	93,669	61,241
Current assets			
Stocks	11	649	322
Debtors: Amounts falling due after more than one year	12	5,798	-
Debtors: Amounts falling due within one year	13	3,858	2,384
Cash at bank and in hand		1,607	1,881
		11,912	4,587
Creditors: Amounts falling due within one year	14	(80,467)	(3,583)
Net current (liabilities)/assets		(68,555)	1,004
Total assets less current liabilities		25,114	62,245
Creditors: Amounts falling due after more than one year	15	-	(36,133)
Net assets		25,114	26,112
Capital and reserves			
Called up share capital	16	2,840	2,840
Profit and loss account		22,274	23,272
Total shareholders' funds		25,114	26,112

The financial statements were approved and authorised by the board on 29/6/22 and signed on its behalf by:

S Walker

Stephen Walker
Director

The notes on pages 14 to 27 form an integral part of these financial statements.

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £ 000	*Profit and loss account £ 000*	*Total £ 000*
At 1 January 2020	2,840	9,426	12,266
Profit for the year	-	13,846	13,846
Total comprehensive income	-	13,846	13,846
At 31 December 2020	2,840	23,272	26,112
Loss for the year	-	(998)	(998)
Total comprehensive loss	-	(998)	(998)
At 31 December 2021	2,840	22,274	25,114

The notes on pages 14 to 27 form an integral part of these financial statements.

Notes to the Financial Statements
for the Year Ended 31 December 2021

1 General information

The Company is a private company limited by shares, incorporated in England and Wales.

The address of its registered office is:
3rd Floor
63 St. James's Street
London
SW1A 1LY

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.

The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

Judgements and key sources of estimation uncertainty
The preparation of financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period, However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the Company's key sources of estimation uncertainty:

Impairment of non-financial assets
Tangible assets are carried at depreciated cost less impairment. The Company performs its impairment reviews annually. During the year, the directors reviewed the carrying value of the hotel asset and were satisfied that there was no impairment.

Summary or disclosure exemptions
The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;

Notes to the Financial Statements
for the Year Ended 31 December 2021

2 Accounting policies (continued)

- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a) (iv), 11.48(b) and 11.48(c).

Going concern

In assessing the basis of preparation of the financial statements, we have undertaken a rigorous assessment of going concern, considering financial forecasts, external debt and financial covenants as set out in Note 19 and performed scenario analysis to test the adequacy of the Company's liquidity. These included normal and downside scenarios and stress testing the key assumptions including sensitivity on economic and market conditions, occupancy levels and room rates which model the potential impact on the Company's performance.

The directors recognise that COVID-19 has had a significant impact on the trading and liquidity of the Company since the hotel re-opened. Similar to businesses across many sectors and specifically the hospitality industry, Government imposed restrictions through May 2021 effectively closed the resort, the majority of Company employees were furloughed and lockdown had the effect of delaying the hotel reopening until September 2021. The emergence of Omicron variant in December 2021, whilst not under lockdown only strong guidance not to travel had a detrimental impact on the Company's trading position.

At the time of preparation, the base case and downside forecast identified that the Company would require additional funding by the end of the forecast period in order to meet its liabilities as they fall due and to complete hotel reinstatement invoicing and extension works. KSL Capital Partners III has provided funding in February and April 2022 with further funding expected June 2022. The final amount required is dependent on the future trading performance. The Company has received a commitment from KSL Capital Partners III that they will provide additional support as necessary to meet any further amounts that may be required to support the business in the 12 months from signing the accounts.

At the time of preparation, the base case and downside forecast identified that the Company would require additional funding by the end of the forecast period in order to meet its liabilities as they fall due and to complete hotel reinstatement invoicing and extension works. KSL Capital Partners III has provided funding in February and April 2022 with further funding expected June 2022. The final amount required is dependent on the future trading performance. The Company has received a commitment from KSL Capital Partners III that they will provide additional support as necessary to meet any further amounts that may be required to support the business in the 12 months from signing the accounts.

Management have reviewed the forecast financial position of KSL Capital Partners III for the duration of the going concern review period including downside scenarios and it's forecasted funding to the other investments. After considering these factors, including the financial and operational ability of the Company and KSL Capital Partners III to continue as a going concern, the directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis for preparing the financial statements.

Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as exceptional items. These are disclosed separately to provide further understanding of the financial performance of the Company.

Notes to the Financial Statements
for the Year Ended 31 December 2021

2 Accounting policies (continued)

Revenue recognition
Sales of goods

The Company operates restaurants and bars at its hotel. Sales of goods to third parties are recognised when a product is sold to a customer at a value after deducting discounts and sales based taxes.

Rendering of services

The Company supplies conference and event facilities as well as hotel rooms to business and private customers. Sales of rooms and conference and event facilities are recognised on the dates those facilities are used. Deposits received in advance are not recognised as revenue until the day of the stay or event.

Other operating income
Other operating income relates to amounts received in relation to buildings insurance claims and income was claimed under the Government Job Retention Scheme (JRS) for employees placed on furlough. The income was recognised in the same period to which the underlying furloughed staff costs relate. For employees placed on furlough the company incurred the payroll liability and therefore met the conditions to claim under the JRS grant for related payroll accounting period. No unfulfilled conditions or other contingencies are attached to grant income recognised.

Tangible assets
Tangible assets are carried at cost less depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Plant and equipment contains items of plant, machinery, fixtures and fittings and equipment.

Depreciation on tangible fixed assets is provided to write off the cost or valuation less any estimated residual values over their estimated useful lives and is calculated by the straight line method at the following rates:

Freehold property	up to 50 years
Plant & equipment	3 to 20 years

The carrying values of tangible fixed assets are reviewed for impairments when events or changes in circumstances indicate that the carrying value may not be recoverable.

Lease commitments
The Company leases The Carrick Golf Course from Luss Estates. Rental payments in respect of operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the lease and subject to annual inflationary increase at the option of the landlord.

Stocks
Stocks are valued at the lower of cost and realisable value. Cost comprises expenditure directly incurred in purchasing stocks.

Notes to the Financial Statements

for the Year Ended 31 December 2021

2 Accounting policies (continued)

Debtors

Short term debtors are measure at transaction price, less any impairment.

Cash and cash equivalents

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

Creditors

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

Finance costs

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

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Defined contribution pension obligation

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions 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 balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Notes to the Financial Statements

for the Year Ended 31 December 2021

2 Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Turnover

The analysis of the Company's turnover for the year by class of business is as follows:

	2021 *£ 000*	*2020* *£ 000*
Rendering of services	7,058	1,984
Sale of goods	1,326	383
	8,384	2,367

All turnover arose in the United Kingdom.

Notes to the Financial Statements

for the Year Ended 31 December 2021

4 Exceptional items

Recognised in arriving at operating (loss)/profit:

	2021 £ 000	2020 £ 000
Other costs associated with fire damage	-	2,575
Pre-opening costs	660	121
Other exceptional costs	-	48
	660	2,744

5 Other operating income

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

	2021 £ 000	2020 £ 000
Insurance income	-	12,872
Reinstatement insurance recognised	-	8,658
Coronavirus Job Retention Scheme benefit	534	1,333
	534	22,863

6 (Loss)/profit before tax

Arrived at after charging/(crediting):

	2021 £ 000	2020 £ 000
Depreciation of tangible assets - owned	2,063	1,886
Operating lease rentals - other operating leases	245	232
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	30	37
Fees payable to the Company's auditor for non-audit services	14	14

Notes to the Financial Statements
for the Year Ended 31 December 2021

7 Staff costs

	2021 *£ 000*	*2020* *£ 000*
Wages and salaries	6,105	3,443
Social security costs	512	284
Pension costs, defined contribution scheme	247	182
	6,864	3,909

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

	2021 *No.*	*2020* *No.*
Staff in hotel outlets	326	184

8 Directors' remuneration

None of the directors received remuneration from the Company, as they are remunerated by other group companies. The directors do not believe it is practicable to apportion their remuneration between services as directors of the individual group companies.

9 Taxation

Tax (credited)/charged in the statement of comprehensive income

	2021 *£ 000*	*2020* *£ 000*
Corporation tax		
Current tax on (loss)/profit for the year	-	-
Total current tax	-	-
Deferred taxation		
Arising from origination and reversal of timing differences	(5,798)	-
Total tax	(5,798)	-

Notes to the Financial Statements
for the Year Ended 31 December 2021

9 Taxation (continued)

The tax on (loss)/profit for the year is different to the standard rate of corporation tax in the UK (2020: different to the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 *£ 000*	*2020* *£ 000*
(Loss)/profit before tax	(6,796)	13,846
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%).	(1,291)	2,631
Effects of:		
Fixed asset differences	34	119
Expenses not deductible for tax purposes	5	-
Income not taxable for tax purposes	-	(1,283)
Other permanent differences	2	-
Movement on tax losses	-	(1,189)
Transfer pricing not reflected in the accounts	(402)	(278)
Tax increase arising from group relief	48	-
Remeasurement of deferred tax for changes in tax rates	(1,687)	-
Movement in deferred tax not recognised	(2,507)	-
Total tax credit	(5,798)	-

Deferred tax

	2021 *£ 000*
At the beginning of the year	-
Deferred tax credit through profit and loss	5,798
At the end of the year	5,798

Notes to the Financial Statements

for the Year Ended 31 December 2021

9 Taxation (continued)

The deferred taxation balance is made up as follows:

	2021 £ 000	2020 £ 000
Deferred tax liability on fixed assets	(1,040)	(56)
Deferred tax asset on losses	6,831	56
Short term timing differences	7	-
	5,798	-

The increase in corporation tax rate to 25% has been enacted by the Company at 31 December 2021, and the deferred tax asset has been calculated at this rate.

Factors which may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25% for companies generating profits in excess of £250,000, which is due to be effective from 1 April 2023. Companies generating profits below £50,000 will continue to be charged at 19%, with marginal relief available for profits between £50,000 and £250,000. The rate change was substantially enacted on 24 May 2021 and it received Royal Assent on 10 June 2021.

Notes to the Financial Statements
for the Year Ended 31 December 2021

10 Tangible assets

	Land and buildings £ 000	*Plant and equipment £ 000*	*Total £ 000*
Cost			
At 1 January 2021	79,458	9,348	88,806
Additions	31,574	2,917	34,491
At 31 December 2021	111,032	12,265	123,297
Depreciation			
At 1 January 2021	21,636	5,929	27,565
Charge for the year	1,000	1,063	2,063
At 31 December 2021	22,636	6,992	29,628
Carrying amount			
At 31 December 2021	88,396	5,273	93,669
At 31 December 2020	57,822	3,419	61,241

The value of land not being depreciated is £6,558,000 (2020: £6,558,000).

Impairment

The carrying value of the Company's assets at 31 December 2021 were compared to their recoverable amounts represented by their fair value less costs to sell to the Company. This resulted in impairment in the year of £Nil (2020: £Nil).

Notes to the Financial Statements
for the Year Ended 31 December 2021

11 Stocks

	2021 £ 000	2020 £ 000
Raw materials and consumables	42	4
Finished goods and goods for resale	607	318
	649	322

The cost of stocks recognised as an expense in the year amounted to £1,326,000 (2020: £400,000).

12 Debtors: Amounts falling due after more than one year

	Note	2021 £ 000	2020 £ 000
Deferred tax asset	9	5,798	-

13 Debtors: Amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade debtors	216	100
Other debtors	2,633	1,692
Prepayments and accrued income	1,009	592
	3,858	2,384

Notes to the Financial Statements
for the Year Ended 31 December 2021

14 Creditors: Amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	764	143
Other taxation and social security	213	103
Other creditors	953	66
Accruals and deferred income	8,884	3,271
Amounts due to parent undertaking	69,653	-
	80,467	3,583

15 Creditors: Amounts falling due after more than one year

	2021 £ 000	2020 £ 000
Amounts due to parent undertaking	-	33,228
Amounts due to group undertakings	-	2,905
	-	36,133

16 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	*£*	*No.*	*£*
Ordinary shares of £1 each	2,839,870	2,839,870	2,839,870	2,839,870

Rights, preferences and restrictions

Ordinary have the following rights, preferences and restrictions:
The ordinary shares carry a right to vote all general meetings of the Company, a right to share in any dividend issued, and a right to share in a distribution of capital of the Company.

Notes to the Financial Statements
for the Year Ended 31 December 2021

17 Other financial commitments

Operating leases
The Company had annual commitments under non-cancellable operating leases as set out below:

	2021 *£ 000*	*2020* *£ 000*
Not later than one year	245	245
Later than one year and not later than five years	978	978
Later than five years	18,831	19,076
	20,054	20,299

18 Capital commitments

The total amount of capital expenditure committed but not provided in the financial statements, for the purpose of completing the extension project, was £5,342,000 (2020 - £Nil).

19 Contingent liabilities

Under the terms of the loan facility agreement dated 19 November 2015 and subsequently amended and restated as at 20 December 2019 between Wells Fargo and CMH Investment II (UK) Limited a charge exists over all assets owned and operated by CMH Investment (UK) Limited and its subsidiaries. Total borrowings under the loan facility agreement as at 31 December 2021 amounted to £51,220,000 (2020: £41,172,000).

20 Pension and other schemes

Defined contribution pension scheme
The Company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were unpaid contributions at the year end of £29,000.

21 Related party transactions

The Company has a management agreement with VUR Swindon Limited which is also owned by investment funds managed by KSL Capital Partners. Payments made to VUR Swindon Limited totalled £250,000 (2020: £720,000) for the year ended 31 December 2021.

Notes to the Financial Statements
for the Year Ended 31 December 2021

22 Parent and ultimate parent undertaking

The immediate parent company of Cameron House Resort (Loch Lomond) Limited is CMH Investment II (UK) Limited, a company registered in the United Kingdom.

The ultimate parent undertaking and controlling party of the Company as at 31 December 2021 is Monroe Offshore Holdings XI Limited, a company registered in the Cayman Islands. The smallest and largest group of companies in which the Company is a member, and for which group accounts are prepared at 31 December 2021, is CMH Investment (UK) Limited. The consolidated financial statements of CMH Investment (UK) Limited can be obtained from Companies House.