Company Registration Number 00580471

CP HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CP HOLDINGS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

CP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	I Gibbor - Chairman C Dudley-Scales M Gibbor M Hennebry M B Hirst OBE P Hoffbrand E Lewis A J Schreier A P Sheridan J E Smith
Company secretary	E Lewis
Registered number	00580471
Registered office	CP House Otterspool Way Watford Hertfordshire WD25 8JJ
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants and Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

Summary of Group performance

Last year I reported that 2020 had been a challenging year for the Group because of the COVID-19 crisis. I am pleased to report that the results for 2021 show the Group returning to profitability and continuing to generate positive cash flows. As 2021 began, most of our business was still impacted by lockdown restrictions, which begun to ease slightly at the end of the first half of the year when vaccine roll outs began to take effect. The resurgent Omicron wave of the virus further impacted the second half of the year, delaying the re-opening of many of our businesses, particularly the Hotel and Flexible workspace Division. Throughout this period the business has also been impacted by the global supply chain shortages and the inflationary pressures which has been felt by all our Divisions. Despite this we are confident that the measures the Group took to manage through the COVID-19 crisis, particularly cash forecasting and cost rationalisation have ensured it is also able to navigate through the ongoing economic challenges. Our Group recorded turnover of £537m (2020: £499m) and an operating profit of £8.7m (2020 loss of: £25m), the improvement from 2020 largely being explained by the mitigating actions we took during 2020 and 2021 to protect the businesses from the effect of COVID-19. While the Group has been focused on tight cost control and managing its cash, we have also continued to evolve our business to meet our longer-term strategic objectives, in particular to re-engage with our various different customer groups. Key drivers of performance for 2021 are as follows:

- Hotel Division: whilst turnover and operating loss improved from £75.6m and £44.7m to £96.5m and £14.4m respectively, the Division continued to record a loss as a result of many of its premises remaining closed due to COVID-19 during 2021. Strict cost control and government support measures improved the result when compared to prior year.
- Machinery Division: turnover rose from £308.3m to £331.9m. and operating profit increased from £16.3m to £17.4m. The business was able to operate despite COVID-19 and produced an excellent result.
- International Trading Division: Operating profit increased from £1.7m to £3.6m, excluding FX operating profit was £2.9m in line with 2020 but in USD terms (being the reporting currency of that business), there was an improvement of 5%. COVID-19 continued to impact the Technology sector, with delays in investment decisions on projects, however overall performance improved as a result of targeted cost reductions.
- Flexible workspace Division: turnover fell from £9.4m to £7.1m and operating loss increased from £0.01m to £1.9m, largely due to the continued drop in demand for space in central London caused by COVID-19.
- Civil Engineering Division: Profit before tax was £3.7m compared to a loss of £1.1m in 2020 as a result of a major land sale in the Division's joint venture undertaking.

Profit for the financial year of £2.4m is stated after taking into account tax on profit of £7.2m (2020: credit £0.4m), this is an effective tax rate of 75.2% (2020: 0.8%) largely due to the uncertainty of timing of deferred tax assets which have not been recognised in the UK and taxable profits being made in the Machinery and International Division which cannot be offset against losses elsewhere in the Group.

A breakdown of the performance of each Division is included within Note 4 to the financial statements.

Legacy of COVID-19 and economic disruption

COVID-19 has continued to impact the business, both from an operating perspective implementing essential health and safety protocols and as a result of the economic challenges including global supply chain shocks and inflationary pressures. The Group has responded throughout by taking decisive actions to protect our colleagues and customers and support its financial stability. During 2021 measures implemented included adapting to ever changing local, regional, and national health and safety guidance and regulation, including providing additional personal protective equipment, utilising home working where appropriate and temporarily closing some of our premises. Other measures include:

- Rigorous cost control, including cutting discretionary spend and postponing non- essential capital expenditure.
- Increased internal reporting and cash conservation.
- Negotiated favourable terms with our lenders, including taking advantage of covenant waivers and/or loan moratoriums.
- Taking advantage of government grants or furlough type schemes and engaging with Trade Unions to ensure continuity of employment for our staff, particularly those in the hospitality sector.
- Working with our customers to ensure we understood how they were impacted by the pandemic and providing them with optimum level of service, including renegotiating payment terms, discounts and/or changing how we delivered goods and services.

As we have entered 2022 most, and in some cases all COVID-19 restrictions have been removed. Despite this we actively monitor the situation and ensure our working environments are a safe place for both employees and customers. We are cautiously optimistic that demand is beginning to improve however we anticipate it may take a few years to return to pre-pandemic levels. Supply chain challenges, initially brought about by the pandemic and which are currently being exacerbated by Brexit and the Ukraine crisis are having a growing impact on our business, most notably from cost inflation which has hit wage expectations across our workforce and rising input costs, particularly utilities. Where demand allows, we have passed an element of this cost inflation through to our customer base, however in some Divisions notably those most impacted by the pandemic such as Hotels, this has not been possible.

Divisional Performance

Machinery Division

The Division continues to act as a distributor for various brands of plant, equipment and machinery and the provision of associated services, to the construction, mining, quarrying, marine and industrial segments.

There continues to be an increase in focus and resources on expanding our Product Support activity in order to mitigate risks associated with a slowdown in new equipment supply and constrained sales activity. Operation of heavy equipment is dependent on strong services support, an area that our respective dealerships have earned a leading reputation and an area that we will continue to strengthen our capacity and capabilities particularly as we move more into the digital communications era with equipment that automatically interfaces with the dealer service department.

The strength of the Division is built upon our relationships with our main suppliers and providing services to our customers over the whole lifetime of the equipment. Our supplier relationships are managed across multiple levels within the organisation building long-term partnerships which ensure we align our goals to the suppliers and can mitigate the risk of supply constraints across multiple territories. All our dealerships are encouraged to carefully manage stock in order to have efficient working capital cycles while ensuring we can supply on a timely basis to our customers.

As 2022 continues, business could slow down due to severe supplier shortages, experienced by the whole industry. Long lead times for certain product types are leading to lost sales which is impacting the Divisions top line. Volatile pricing for both materials and transportation is squeezing margins where such increases are unable to be passed onto the customer. On a positive note, delayed government-funded infrastructure projects in Greece and Bulgaria are beginning to show signs of starting. The converse is anticipated in Hungary with the government putting the brakes on projects as it tries to reduce the deficit in government spending as well as react to reductions in EU subsidies.

The Division's performance continues to produce outstanding results in a turbulent environment. All the teams have continued to support their customers on a local level throughout 2021 and comply with the COVID-19 rules enforced in their country. As a Division, turnover has increased by 7.7% and gross profit by 7.9%. These strong results are spread across the countries with the exception of the UK which had an extremely tough year driven by supplier constraints.

The key performance indicators include stock days, gross profit percentage and gross profit.

GBP 000

	Hungary		Israel		Greece		Bulgaria		UK		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	£000		£000		£000		£000		£000		Total	
Turnover	45,091	44,995	180,256	165,659	74,768	64,510	27,524	26,689	4,291	6,438	331,930	308,291
Gross profit	6,378	5,904	46,662	44,541	21,248	17,875	6,684	6,192	759	1,229	81,732	75,742
Gross profit%	14.1%	13.1%	25.9%	26.9%	28.4%	27.7%	24.3%	23.2%	17.7%	19.1%	24.6%	24.6%
Stock days	75	88	87	89	82	94	134	110	157	109	535	490
Employee number	159	159	734	695	282	270	123	124	12	12	1,310	1,260

Hungary showed a steady growth in 2021, with sales, gross profit and gross profit % all increasing. This impressive result has been achieved through growth in all the divisions and continued tight cost control. Stock availability is an increasing issue with 82 machine sales lost in 2021 due to lack of supply availability. In April 2022 there were government elections which are likely to result in a falloff in government subsidies to our customers post the election.

Sales and gross profit increased in 2021 in Israel, although gross profit % fell slightly as costs increased in 2021 due to the government furlough scheme being directly paid to the employees in 2020. Head count grew as positions lost during the pandemic were replaced. Gross margin is now back at 2019 levels. Stock days are down, due to a concentrated effort to reduce stock at the end of the year and supplier constraints.

The results for Greece and Bulgaria show an increase in sales, gross profit and gross profit %. Gross profit % continues to increase as the customer support area of the business continues to expand. The growth in this area of the business is ahead of dealership objectives. Greece had an outstanding year, with a 31% growth in parts and service sales, which is in line with the primary strategy of product support growth. In 2021 Bulgaria had numerous election rounds before a majority government was elected. This prolonged process led to unpaid government construction contracts, which in turn led to projects coming to a standstill. The knock-on effect was an increase in slow-moving stock leading to the increase in stock days. As the contracts start up again it is expected that this stock will be sold in 2022. Recruitment of staff in Bulgaria to support the growing business continues to be an issue, with people moving to the West for higher paid work.

The UK business struggled to repeat the outstanding year in 2020. Sales and gross profit were both down compared to 2020 driven by poor product availability. The lead times for new machines were either too long or with such uncertainty that potential customers chose other suppliers. In 2022, supply is still slow, but sales are picking up on new machines. Stock days increased in 2021 as a number of machines were unable to be sold due to the unavailability of critical parts.

Hotel Division

The Hotel Division trades through two major brands; Ensana, which specialises in medical Spa stays and Danubius which comprises City Centre and Resort Hotels. Both operations are focused on Central Europe and the UK. In addition, the Division has investments in two Israeli hotels.

As 2021 began the Hotel and Leisure industry was still very much impacted by rolling lockdowns across Europe resulting from new variants of COVID-19. As the vaccine response ramped up across many countries, demand for our services returned and one by one, we were able to reopen most of our hotels in each region. As demand increases, we continue to open our hotels where it is economically viable to do so. Nonetheless we are anticipating that COVID-19 will have a longer-term impact on the Hotel business, and do not expect bookings from corporate and MICE customers to recover to 2019 levels for a number of years.

The various government support schemes were crucial in protecting the business in all countries. However, apart from the UK and Hungary, these schemes were progressively withdrawn from April/May 2021. By autumn 2021, the furlough scheme in the UK and the loan moratorium in Hungary had ended. We continue a strategy of cash protection based on pessimistic scenario planning.

The major risks facing the Division are the loss of business due to further travel and operational restrictions and the longer-term economic impact arising from the COVID-19 pandemic, including the risk from new variants of the disease. The Ukrainian war has put further pressure on the business, particularly where we derive demand from Russian or Ukrainian guests, in addition to the result of rising input costs. Other financial risks that the Division faces are the exposure to fluctuating currencies in Europe, underlying economic conditions and competition from rival hotel operators. The currency risk is minimised by matching the expense of servicing the Division's loans with revenues in the same currency. We mitigate the risk from competitors in the sector by investing in our assets, developing brand standards and tailoring our services as well as a tangible brand proposition to meet the needs of our guests. Specific to the Ensana brand, the medical insurance segment faces an additional risk that government budgets will constrain treatment plans and prices. As a result we ensure our offering appeals to a range of different customer types to avoid being overly reliant on the medical insurance market.

The Central European hotel asset market is largely denominated in Euros and the Division's Euro loan liabilities are matched by its asset holdings. Like many businesses, during the year the Division engaged proactively with its lending institutions to increase available loan facilities and, where necessary, to obtain loan covenant waivers to ensure compliance with loan agreements. The economic exposure continues to be managed by spreading the Division's activity across the region.

The key performance indicators (KPIs) for 2021 (2020) for the Hotel businesses are set out below:

	Ensana		Danubius		Israeli hotel	
	2021	2020	2021	2020	2021	2020
Number of available rooms	3,606	3,347	3,430	3,836	162	162
Occupancy rate	38.7%	34.7%	26.6%	19.8%	69.0%	15.0%
	EUR		EUR		NIS	
Total revenue per room sold	130	121	128	117	314	1,151
	£000		£000		£000	
EBITDA	8,143	(6,179)	(2,297)	(15,399)	721	(353)
	£000		£000		£000	
Revenue	56,899	44,862	36,669	28,442	2,887	2,317
	EUR		EUR		NIS	
Average exchange GBP	1.16	1.14	1.16	1.14	4.44	4.40

Note: The information above excludes the trading information of Hotels operated through Joint Venture arrangements in Ensana and Israel

Ensana

Ensana is one of Europe's largest health spa owners and operators. It operates 28 hotels in Czech Republic, Hungary, Romania, Slovakia and the UK with a number of potential new management opportunities in the pipeline, which are a mixture of existing hotels and new developments. The brand focuses on utilising natural resources alongside medical expertise and diagnostic methods to improve the health and wellbeing of its guests.

Ensana benefited from an increase in the level of occupancy from 34.7% to 38.7% due to the re-opening particularly of medical facilities over 2021. EBITDA was positive in 2021 despite the ongoing closures and sub-optimal occupancy levels as a result of a number of government furlough schemes and grants received. Although we have focused on conserving cash, this has not prevented Ensana from beginning the implementation of a number of strategic initiatives. This included implementation of the dynamic rate strategy by sales and marketing across all clusters, re-designing the website and introducing new COVID-19 treatments for long COVID-sufferers.

Ensana capital expenditure was £1.5m, mainly for Thermal Aqua in Hungary and Hotel Sovata in Romania.

Danubius

The brand currently operates 15 hotels across Hungary and the UK and has an aspiration to grow through an asset-light strategy based on management contracts across the region.

Danubius has been hardest hit by COVID-19, albeit in Hungary the business benefited from domestic tourism during the summer months. Momentum picked up in the latter part of 2021 particularly for the Budapest hotels supported by sports events in the city which has continued into 2022. This resulted in an increase in occupancy levels to 26.6% which, while an improvement in 2020, was below that achieved elsewhere in the Division. Given the substantial number of hotels in Budapest and uncertain future economic indicators, management made the strategic decision to find alternative uses for some properties, successfully signing medium term rental leases for both the Hotel Budapest and the Flamenco. This led to a reduction in the daily average number of available rooms to 3,430 compared to 3,836 in 2020. In the UK the London based Hotel had low occupancy throughout the year at 22% due to the lack of international tourism in London. EBITDA for the business benefited from furlough schemes agreed with Unions and governmental support grants.

Most of the capital investment projects planned for the Danubius brand have been postponed, however the business did continue to carry out renovations amounting to £2.2m in Hungary during 2021 (2020: £1.8m).

Israel

The Division also has two hotels in Israel, one is directly operated and the other is managed by a joint-venture partner. Both benefited from government support during 2021. The Sharon Hotel is currently preparing for a major refurbishment and is generating income from the property via short term rental of its rooms stock. The drop in revenue per room sold of NIS1,151 to NIS314 is due to the temporary change in the operating model. The Oasis Hotel operated by our Joint venture partner benefited from travel restrictions driving strong domestic tourism and returned one of its best years on record generating EBITDA of £3.7m (2020 £0.6m).

International Trading Division

The principal activity of the Division continued to be that of added-value resellers of goods and services in the agriculture, technology, and allied sectors in East and West Africa. A summary of the key performance indicators and results for the year are shown below:

	£m			$m (local currency)		
	2021	2020	Change	2021	2020	Change
Revenue	84.4	88.8	(4.4)	116.1	113.9	2.2
Agriculture	69.8	70.1	(0.3)	96.0	89.9	6.1
Technology	14.6	18.7	(4.1)	20.1	24.0	(3.9)
Profit (loss) before tax	2.0	(0.1)	2.2	2.8	(0.1)	3.0
Profit before tax excluding unrealised currency differences	1.0	1.0	-	1.4	1.3	0.1
Profit (loss) after tax	0.3	(0.4)	0.7	0.4	(0.6)	1.0

The results for the current financial year show a profit before taxation of £2.0m (2020 loss: £0.1m) and after-tax profit of £0.3m (2020 loss: £0.4m).

The impact of foreign exchange differences, which are largely outside of the control of the Division, have a material impact on the results. In the year ended 31 December 2021, the Division made realised foreign exchange losses (including with administrative expenses) of £1.3m (2020: loss of £0.7m) and unrealised foreign exchange gains of £1.0m (2020: loss £1.1m). The main driver behind in the unrealised exchange movement was the 20% strengthening of the Zambia Kwacha against the USD leading to an unrealised gain of £1.1m at year end. An element of the unrealised gains and losses are expected to be realised during the course of the year ending 31 December 2022. Excluding these unrealised exchange differences, the underlying trading result of the Division was a £1.0m profit in line with the previous year.

Agricultural sector revenues in local currency terms grew by 6.8% and in Kenya it grew by 13.3% with improved sales of consumable products and greenhouse. Despite supply chain challenges and varying degrees of lockdown restrictions, advance stock planning and close management enabled the Division to get most products in on time.

The Technology sector however did not perform as expected with revenue falling by 21.9% to £14.6m as projects were once again put on hold due to the uncertainties around COVID-19. Political uncertainty in Ghana, our largest market, following elections at the end of 2020, also had an impact. The sector's contribution to the Division revenue fell from 21% in 2020 to 17% in 2021.

As the challenge of the pandemic continued the Division strategic focus was to continue to manage costs, working capital and consequently cash. Year on year we reduced our indirect overhead costs (included within administrative expenses) by a further £1.6m (2020: £3.2m). A clear and concerted focus on strong communication with customers and suppliers has allowed the Division to continue to manage the working capital requirement and to generate cash from operations of £3.3m (2020 £9.7m) and thereby reduce its borrowings. This has created further head room in the facilities and puts the Division in a strong position to continue to meet the ongoing challenges. Aligned to the seasonal nature of the dominant agricultural business, the Division continues to finance the business and minimise borrowing costs through overdrafts and shorter-term facilities. The Division continues to maintain strong relationship with funders which means that management remain confident that their funding and support will continue. Management have stress tested the cash flow and trading projections and are confident that there will be sufficient headroom in the facilities to continue to operate in the foreseeable future.

The nature of our operations and the territories that we are invested in means that the Division will continue to be subject to:

- Economic and political uncertainty which impacts on capital investment, new projects, and credit and currency risks;

- Changing weather conditions, which affects the agriculture sector;
- Instability in commodity prices which impacts on our customer spend;
- Unpredictable foreign currency movements; and
- Supply chain constraints arising from the availability of fertilizer and other materials.

The Division manages this exposure by operating in a broad spread of countries and markets.

Flexible Workspace Division

The principal activity of the Division continued to be the provision of flexible workspace within London.

There was a decrease in turnover for the year ended December 2021 of £2.3m to £7.1m due to a decrease in the demand for flexible workspace, as a result of the ongoing impact of the pandemic. Gross profit decreased from £2.0m to £0.4m. Increased price competition in the market and customers looking to cut costs and save on office space led to a reduction in occupancy and decrease in turnover and profitability. The Division is a long-standing provider in the flexible workspace market and prides itself on having strong relationships with its licensees.

The Division replaced Bank loans of £16m which were due for repayment in full as at 31 March 2021, with a new facility with the same lender for a three year period to 14 June 2024, with two further possible one year extensions available. The Division has used interest rate caps to reduce its exposure to SONIA based interest rate movements.

Due to the ongoing impact of the pandemic on the Flexible Workspace market, the key performance indicators for the Division show a slight drop in performance. Occupancy levels at the properties decreased to 51% (2020: 55%) and average rates per workstation fell from £284 to £278 per month. A number of initiatives remained in place to assist licensees during the pandemic which reduced the average rate per workstation but will allow the business to come out of the pandemic in a stronger position.

The major risk currently facing the Division is the loss of business, bad debt and pressure on workstation rates due to the financial downturn and inflationary pressures seen following the COVID-19 pandemic. We believe that the Division has sufficient resources to withstand these short-term pressures.

The Division has started on its strategic plans to inject significant investment in its properties improving the quality of its workspaces and service offering. Performance in properties refurbished before the pandemic has recovered quicker and continued to be strong and the business is confident its investment programme will see an increase in both occupancy and average rates over the next few years.

Logistics Division

The Division supplies logistics and rental services in Hungary, mainly through the provision of warehousing, grain silos and associated services.

The Division reported £3.1m Operating profit for the year (2020: £3.3m), excluding the impact of the devaluation in the Hungarian Forint this was in line with the prior year. Improved demand from storage and rental services offset lower storage and drying income from grain in the second half of the year driven by lower grain yields. The Division will continue to focus in 2022 on driving profitability through customer satisfaction, tight cost control and improved utilisation of its resources including a £1.2m investment in the Szigetszentmiklós site to support a new customer contract. Debtor collection and working capital remains tightly controlled.

The main risks the Division faces are increasing competition from newer sites, changes in the market for grain storage, inflationary pressures particularly energy costs and national government legislative changes. The Division monitors these risks on an ongoing basis and mitigates the potential impact by providing excellent customer service and competitive storage facilities and services.

The key performance indicators are gross profit percentage and debtor days. The relevant figures are as follows:

	2021	2020
Gross profit percentage	78.7%	83.0%
Debtor days	76	83

Civil Engineering Division

The Division operates as property developers and building and civil engineering contractors. Turnover for the year of £4.0m was an increase on prior year (2020: £1.6m) as the Shipley development progresses and the first land sale on the site concluded. We are pleased to report that despite reporting an operating loss of £0.8m (2020: £1.4m), the Division posted a profit before tax for the year of £3.7m (2020: loss £1.1m). The profit before tax was driven by the Division's Unity joint venture entity with Hargreaves Land Plc consisting of 250 hectares of land of which 60 hectares is allocated for employment and commercial uses. The Unity joint venture completed the £25m sale of the first major logistics contract at its mixed-use development site located at Hatfield, South Yorkshire in April 2021.

Work in progress is £16.8m compared to £15.4m in 2020, reflecting further development of the Shipley Lakeside site for future sales.

The main risks the Division faces are liquidity risk, inflation risk and credit risk. Exposure to these risks is monitored on an ongoing basis through detailed cash flow budgets, approaches to alternative sources of funding and ensuring credit checks are carried out on potential customers.

Technology Division

The Division provides wired and wireless IT infrastructure, connectivity and voice services to the flexible workspace, student accommodation and hospitality markets.

During the year, the business continued to invest in its product development, particularly in its Twiin workspace platform which saw an increase in revenue of 180%. Despite this, total sales fell by 15.4% during the year largely as a result of the continuing effect of the COVID-19 pandemic. This had a material impact on Hardware and Software sales due to delays in customer decisions and a general lack of demand. The pipeline of new sales at the end of 2021 however was much stronger than in the prior year. The drop in revenue led to an operating loss of £1.1m (2020: £0.3m).

Outside of the pandemic the main risks facing the Division are the level of investment in future development to ensure the product keeps pace with technological trends and the entry of new competitors into the marketplace. Development plans have been put in place for its products, and we are actively looking to diversify the use of the product in sectors outside of the flexible workspace market. The Division minimises the financial risk by monitoring its working capital requirements on a weekly basis. Additionally, it continues to monitor the bad debt risk by strong credit control procedures which reduces the risk of debt collection.

Subsequent events

In February 2022 Russia invaded Ukraine. This has displaced millions of Ukrainians, leading to a major refugee crisis in much of Central Eastern Europe. Far reaching economic sanctions have been imposed on Russia which has exacerbated the already challenging economic environment, further increasing costs, particularly energy, impacted supply chains and imposed travel restrictions between Russia and Europe. The war has particularly impacted the Hotel Division, which had previously serviced the Russian market, delaying our recovery plans, and will also impact the supply of fertilisers and grain which may adversely impact both the International Trade and Logistics Division. In addition, we expect there will be an impact in all Divisions on our cost base due to the rising prices.

In March 2022, Danubius Zrt signed a €5m fixed rate long term bank loan agreement with OTP, repayable in two yearly instalments, with the final instalment repayable in November 2032. Additionally, Danubius Zrt signed a €4m fixed rate long term bank loan agreement with K&H, repayable in two yearly instalments, with the final instalment repayable in December 2031.

In June 2022, Lenta Properties Limited disposed of one of its properties.

Subsequently to the year end the bank covenant agreements for Lenta Properties Limited and CP Regents Park Two Limited have been renegotiated.

In February 2022, Waystone Hargreaves Land LLP, a joint venture with Hargreaves Land (North) Limited signed a £52m sale and purchase agreement to deliver two logistics building in Doncaster of approximately 550,000 sq. ft in total.

In March 2022, the company converted £10.8m loan notes from shareholders into redeemable new preference shares of £1.00 each in the capital of the company. The new preference shares have no voting rights, dividends are payable at a rate of 3% per annum, capital is repayable by the company as a priority in the event of winding-up or other return of capital, and the shares are redeemable by the company on or before 31 December 2035.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including price, credit, cash flow, exchange and liquidity risk. These matters are discussed as appropriate, where material for the assessment of the assets, liabilities, financial position and profit or loss of the Group, in the earlier sections of this report dealing with the Group's principal Divisions. The use of financial derivatives is governed by the Group's policies approved by the board of directors. The Group's policy is not to use derivative financial instruments for speculative purposes.

Corporate Governance

Working practices across the Group are still governed by changeable local COVID-19 legislation and CP Group's desire to keep all employees safe. I am pleased to report that while the Group is still in recovery mode, the Group's ethics, standards, values and our strategy of making long term investments mean that the Group is well placed to emerge from the pandemic in a solid financial position.

CP Holdings Limited is a privately owned holding company. The company has invested in companies with a broad geographic spread in diverse lines of business. The parent company offers management support, financial support where appropriate, advice and expertise to each of the business divisions. The CP executive board members are assigned divisions to oversee, which align with their experience and skill sets, sitting on the subsidiary boards where appropriate.

A decision was taken by the Board that the Group would not follow a formal code but to use our own Subsidiary Governance Principles for delegation of authority and principal decisions. In common with many similar businesses, our structure makes this more appropriate than an external code of conduct. This is because the CP Group has distinct Divisions (Hotels, Machinery, International trading, Flexible workspace, Logistics, Civil engineering and Technology) each having different business needs, stakeholders and locations.

CP Holdings sets the Group standards for good corporate governance and an open environment where subsidiaries can ask questions and report significant events. It does this through the governance framework that it sets and strongly embraces the 'tone from the top'. The Directors are expected to embrace their commitment to honesty and cultural ethics and pass these virtues on to the subsidiaries.

The Board of Directors meets approximately twelve times a year. At each meeting there are a number of standard Board agenda items: - monthly financials, including cash reports, taxation and governance updates and Divisional business reports. These items provide the Directors with the tools to understand the latest strategic and operational performance of the Divisions plus any changes in governance or legislation. In addition, the Executive committee meet on an informal basis weekly. This allows the Executive team to keep up to date on the major activities of the divisions and in particular where there is an overlap e.g. a country specific issue, a consistent approach can be taken. The regular meetings also provide an opportunity to deal with corporate governance matters within the Divisions on a timely basis.

The CP Board comprised of eleven members at the end of the year, including a Chairperson, CEO, CFO and 3 Non-Executive Directors. The three Non-Executive Directors, one of whom has resigned subsequent to the year end, have extensive experience over many years that enables them to provide guidance and advice to the CP Group on a considerable range of matters. A number of the board members bring relevant industry experience, having worked in the sectors in which CP Group operates for a number of years before joining the Board. As is important in a family-controlled group, a number of family members are actively involved as Board members, thereby ensuring a strong alignment between shareholder and company interests. Details on CP's corporate governance and policies that are used to support the Director's in their roles can be found in the S172(1) Statement on page 13.

For each company in the CP Group there is a Compliance Officer who monitors and implements GDPR / governance across their entity as appropriate. For every entity good business practice is encouraged and non-compliance incidents are reported to the Group Compliance team. These matters are then reported to the CP Board on a standing agenda item.

The Executive Directors are actively involved in the operating companies in their divisions. While travel restrictions have been in place, meetings between the Divisions and the Executive team have been held virtually, however as travel restrictions have started to ease, meetings have once again resumed in person. The enhanced communications with employees and key stakeholders continue as the Divisions continue to negotiate their way out of the pandemic and associated economic disruption, for example the Machinery Division and their key suppliers are in constant dialogue attempting to solve the issue of supply chain shortages leading to the delayed shipment of new machines. Employees are actively encouraged to raise concerns and questions and engage in two-way dialogue with the Directors passing on best governance practices, for example ensuring good health and safety practices are enforced.

The Group continues to ensure that additional health and safety measures are being implemented throughout the Group in line with ever changing local government legislation. The more robust cash reporting that was instigated during the pandemic to ensure that all Divisions have adequate working capital continues on a monthly basis allowing the Board to closely monitor resource requirements. Constant dialogue remains between key stakeholders, and the CP Board and Subsidiary directors as the businesses continue to recover from the pandemic. The communication helps to inform the way critical decisions are made, allowing the businesses the ability to deal with issues as they arise. This dialogue remains active and will continue to inform the way the CP Group operates and emerges from the pandemic. An example where dialogue was paramount was the negotiation of the lease on Danubius Hotel Flamenco. With close liaison between the local authorities, the lessee and Danubius, the building was able to be reopened and utilised by the lessee.

Specific examples of employee and stakeholder engagement can be found in the Employee Engagement section on pages 12 and 13 and the Principal Decision section on pages 14 and 15. If employees have any concern about their work environment, behaviour of customer / suppliers, they are actively encouraged to raise them without retaliation through a confidential email address. This is promoted in the Whistleblowing Policy, the UK employee handbook, UK employee contract and training.

The Board of Directors keep themselves up to date with industry specific matters through membership of appropriate institutes and regular communication with industry regulating bodies. For example, the CFO, is a fellow of the Institute of Chartered Accountants and the Company Secretary is a member of the Law Society. Recent new developments in legislation and compliance are presented to the Board by the legal and finance representatives. For subject matters that affect the whole Group, the knowledge starts with the CP Board and cascades down as appropriate.

The Directors regularly review the opportunities and risks faced by the Group. The principal risks facing the Group are set out in detail in the Strategic Report. Each Division has its own specific risk register, which is amalgamated to produce the CP Group register. The risk register for each Division is generated by considering external and internal risks, for each risk the impacted key stakeholders are listed.

The Corporate Governance framework continues to be developed with the focus in 2021 and leading into 2022 on the Schedule of Authority. Regular online seminars relating to industry best practice are attended in order to be aware of changes.

Employee Engagement

Our Group has always had an active policy of communicating with employees and key stakeholders. A key communication channel is the assignment of at least one Executive Director to each of the Divisions. These Directors typically sit on the local company boards and are tasked with visiting and communicating regularly within the Division, including both its employees and other stakeholders. In the S172(1) Statement on page 15 details on how the employees were engaged relating to the Principal Decisions can be found. Communication and the methods used for consulting with employees vary locally according to the type of business and the nature of employee representation.

Within each of the Divisions there are various mechanisms for the cascade of information to employees. The messages from the CP Board are usually communicated by the Executive Director to the Senior Management of the Division, who then impart the information to their teams.

A good recent example of focus on employee engagement was seen in quarter 4 of 2021, the Eltrak Group launched a company pension for all their Greek employees. This new initiative for the Group was launched to enhance staff retention and engagement. Historically, the employees had to rely on the Greek state pension and savings in retirement. Even if the employee opts out of the scheme the company will continue to contribute 2.6% of gross salary to the pension pot.

While COVID-19 has made it difficult for employees to meet face to face, we have used online meetings in an attempt to bring employees together. For example, in the Flexible Workspace Division we hold regular online team meetings plus a number of fundraising events to raise money for charity and in Eltrak Greece they have embraced the local tradition of baking the "vasilopita", this is a special cake made to welcome in the New Year in the right way and allowed the team to discuss online the new year's objectives.

Given the record cost of living increases seen across much of the Group, as part of the budget process, the budget committee recommended pay increases be considered across most of the Group. This was received well by employees given the tough operating conditions in 2020 and 2021, and the forecasted performance in 2022 particularly for the Hotel and Flexible workspace Divisions which are still not operating at their full potential.

The International trading Division has begun a new internship program to attract agronomy and horticultural students into the workplace.

Within a number of the Divisions, particularly in the Hotels and Machinery Divisions, there is regular communication with trade unions. The majority of the communication is at the local company level as it relates to country specific legislation and the local business, if there are any matters that the CP Board consider require consultation with the unions or vice versa then meetings take place, are minuted and reported back to the CP Board.

Strategic Report - S172(1) Statement

Strategy – Opportunities and Risk

Due to the diverse nature of the CP Group, the risks associated with each of the Divisions are detailed on page 3 to 10.

The Group operates a framework which defines how risks and opportunities are handled, this framework has continued to evolve over the course of the COVID-19 pandemic and the subsequent economic disruption and supply chain shortages. Over the short to medium term the focus has been on protecting the health and well-being of employees and clients, while maximising the return on investments and ensuring the long-term viability of the business.

An annual review of the risks within the Group is performed and presented to the Senior Executives and the CP Holdings Board. As opportunities arise for CP Group they are reviewed and assessed against the current risk profile of the Group.

Issues, Factors and Stakeholders

When making decisions, the directors of the Group consult, where appropriate, with their finance, tax and legal teams, other third parties and stakeholders. Consultation can take a number of forms, for example face to face, electronic communication, surveys and consultations.

The directors are responsible for the corporate governance framework, including the likely long-term consequences and the general conduct of the group's affairs. The directors are continually reviewing their internal processes to strengthen the governance and compliance controls of the Group enabling the sustainable growth of the business.

The COVID-19 pandemic, subsequent economic downturn and the associated supply chain shortages continue to have a significant factor in the decision making of the directors.

Training

The Group continues to offer training in many different formats – online, in house and external. We have evaluated the need to provide training to individuals returning from furlough, in particular in the Hotel Division relating to health and safety. As part of the continuing review of our corporate strategy and the focus on the Schedule of Authority Framework, training will be provided to subsidiaries to assist in their role out of this Framework, including where possible in foreign languages. In the UK we have also sought to take advantage of the Apprenticeship Scheme to invest in the training of staff, including those in the hospitality sector.

Information

The CP Holdings Group is a family run business with seven diverse divisions. A review of the operating performance of these divisions can be found on pages 3 to 10 in the Strategic Report.

In August 2021, Mrs C Dudley-Scales was appointed to the CP Board as CFO following a successful transition plan as the successor to Mr P Filer. Mr P Filer resigned from the CP Board in December 2021. Mr R Glatter also resigned as a Non-Executive Director in May 2022.

The monthly accounts, annual budgets, and cashflow forecasts are presented and discussed at the monthly Board meetings. Also, where appropriate, the management of the operating companies are invited to come and present to the CP Board.

Governance Policies and Process

Group-wide governance policies and processes are designed to complement and promote the Group strategy. Policies are reviewed on an annual basis and updated as appropriate by the CP Board; all company directors are informed of any amendments. This is an iterative process, allowing for the policies to be adapted as the business grows and changes. On an annual basis a governance report is presented to the CP Board to demonstrate the Group's compliance activities – training delivered, GDPR activity and annual review of policies.

Principal Decisions

Generally, the principal decisions that the directors would consider are dividends, divestment or acquisition activity, significant capital investments, impairment of investments, capital gains and board composition. A principal decision tends to be one that is material to the group and those that are significant to any of the key stakeholder groups.

Reorganisation – demerger of Interag and Danubius Hotels Zrt

Following a strategic review of the group structure, it was decided with assistance from external consultants that the current group structure in Hungary was considered overly complex and expensive to operate due to the delisting of Danubius Hotels Zrt and the significant changes in its business activity. The Board resolved that the shareholding held by Interag in Danubius Hotels Zrt should be transferred to CP Holdings Limited. By performing this transfer, CP Holdings Limited would then directly hold 100% of the shares in Danubius Hotels Zrt. The restructure has resulted in savings and synergies for group operations.

Bank Financing

In the UK, the Flexible Workspace Group, Lenta Properties and its subsidiaries renewed their banking facilities agreeing a revolving and long-term loan facility totalling £30m with a final maturity date of 14 June 2024, with an option to extend for a further two years. The loans have been secured against certain group properties. In Danubius Hungary new bank loans were negotiated and secured in early 2022, these loans will enable the Group to invest in the hotels over the next three years. One of the criteria of the new loans was that Danubius had to opt out of the Hungarian loan mortarium.

As part of the Groups Treasury strategy, we have looked to minimise our exposure to future increases in interest rates and potential shortages of credit in the market. As a result, the CP Board have been looking at opportunities to refinance short term facilities into longer term loans and also to take the opportunity to switch variable interest payments into fixed rates or purchase hedging tools to mitigate the risk of interest rate movements.

Danubius Group

Following the closure of a number of properties during the COVID-19 pandemic, the Danubius Group took the opportunity to secure a number of leases on our properties. The Hotel Flamenco and Hotel Budapest have been leased out in the medium term and the Gundel restaurant has been leased for 25 years. These opportunities will help to secure a stable income stream into the group and allow the Hotel Division to focus resources on their more strategic assets.

Engagement of Stakeholders

CP Group is fully committed to maintaining its values and its relationships with its investments and shareholders. The Group works with its stakeholders in an honest, respectful and responsible way and seeks to work with others who share the Group's commitments to safety, ethics and compliance.

The directors consider that the table below lays out the relationships with their key stakeholders :-

Who ?	**Why?**	**How ?**	**What ?**	**Outcomes and actions**
Stakeholder group	Why is it important to engage	How management and / or directors engaged	What were the key topics of engagement	What was the impact of the engagement including any actions taken
Regulators	Compliance with regulatory requirements, such as health and safety, is essential for the long-term benefit of the Group	Being open and transparent in any dealings with regulators	Compliance record Regulatory changes	Improvements to processes and procedures Safe and healthy workspace
Employees	Ensuring the business has the right culture and values is critical to the delivery of a first-class client experience	Review of UK HR processes to ensure high level employee relations CP Board members are assigned subsidiaries and engage with the subsidiaries to obtain employee opinions and	Business improvement ideas COVID-19 – safety and wellbeing; consulting with Unions to allow	A more engaged and valued workforce delivering a higher standard of client service

		pass on the message from the CP Board Regular performance appraisals	the opening and closing of hotels plus moving staff on and off furlough	
Suppliers	Ensuring that the suppliers are capable of meeting the requirements of our customers Certainty around supply-chain delivery	Directors have regular meetings with key suppliers Engagement with suppliers to discuss the development of energy efficient products	Sales targets for the year Stock availability issues Price issues	Improved partnership by sharing customer requirements with suppliers Provision of a better customer experience Ability to work collaboratively over difficult periods
Customers	Delivering exceptional customer service and genuine value for money is key to customer retention	Regular key customer meetings to allow discussion about the requirements of the customer and new products / initiatives of the business	Quality of service and supply chain issues Improved communication COVID-19 precautions	A more customer focused approach Having the right services available to meet customers individual requirements
Shareholders	Engagement is essential for the owners to understand the state of the business and the long-term impact on other stakeholders of decisions being made Long term support of the company Safeguarding the reputation of the family	Representation on the CP Board	Large investment decisions Future cash requirements Dividends and financing Stakeholders	Monthly rolling cashflows and quarterly review of forecasts
Finance Providers	Access to affordable finance is essential to ensure the long-term viability of the business	Regular discussions with finance providers	Availability of finance and related interest rates	Ability to renew / extend finance facilities

The Directors engage with its stakeholders on material issues relating to their business, taking into consideration current and future events, including its Principal Decisions. The engagement supports the Directors to understand the impact of their decisions and identify any material issues. This aligns with the Group's purpose and strategy.

The future

Over the last two years the Group has faced unprecedented challenges, but I believe that the actions we have taken will have ensured the long-term viability of the business. The current economic environment continues to be difficult, and while we expect to see further adverse impacts to the Groups financial performance resulting from inflation and supply chain pressures, I remain confident that the Group has the management, the experience and the resources to weather the storm. The Groups continues to develop and evolve its strategy of investing over a long-term horizon, its diversified portfolio of activities and a robust balance sheet mean that it is well placed to take advantage of opportunities as they present themselves.

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

Signed by:

I Gibbor
Chairman
Date: 28/7/2022

The Directors present their report and the consolidated financial statements of the Group for the year ended 31 December 2021.

Principal activities and business review

The activities of the Group and a review of the results for the year are included in the strategic report.

Financial risk management objectives and policies

The financial risk management objectives and policies of the Group are set out in the strategic report.

Results and dividends

The Group's profit for the financial year was £2,386,000 (2020: loss £42,152,000).

A dividend of Nil (2020: Nil) was paid in the current year on the ordinary shares.

Directors

The Directors who served during the year were as follows:

I Gibbor (chairman)

C Dudley-Scales (Appointed on 26 August 2021)

P A Filer (Resigned on 31 December 2021)

M Gibbor

R Glatter (Resigned on 26 May 2022)

M Hennebry

M B Hirst OBE

P Hoffbrand

E Lewis

A J Schreier

A P Sheridan

J E Smith

Matters covered in the strategic report

As permitted by S414c (11) of the Companies Act 2006, the Directors have elected to disclose information, required to be in the Directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

Employee involvement

During the year, the policy of providing employees with information about the Group has been continued and employees are able to present their suggestions and views on the Group's performance. Discussions are held between local management and employees, these allow for an exchange of information and ideas.

There is no employee share scheme. However, the Directors encourage the involvement of employees in the Group's performance through other means.

Further details on employee engagement are included in the strategic report.

Disabled persons

Disabled persons are employed by the Group where they appear to be suited to a particular position. The aptitude and abilities of disabled persons are more easily met in certain aspects of the Group's affairs and every effort is made to ensure that they are given full and fair consideration.

Streamlined Energy & Carbon Reporting

The Group is ever mindful of its energy and carbon utilisation and looks to minimise its usage across all of the divisions and countries. The Directors are disclosing the UK energy use and greenhouse gas emissions that the Group are responsible for in line with the requirements of the Companies Act 2006 (Strategic and Directors' Reports) regulations 2013 and latest 2018 regulations. The Group has chosen operational control as the consolidation approach and the boundary includes all entities and facilities either owned or under our operational control that are within the UK.

This report summarises our energy usage, associated emissions, energy efficiency actions and energy performance under the government Streamlined Energy & Carbon Reporting (SECR) policy, as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Under the SECR legislation, the Group are mandated to include energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented in our most recent financial year. An operational control boundary has been applied which includes all entities and facilities either owned or under our operational control that are within the UK for the purposes of the reporting. 5% of consumption data used for SECR has been required to be estimated to achieve 100% data coverage.

The Group's UK Scope 1 and 3 emissions (combustion of natural gas and transportation fuels) for this year of reporting are 718.42 tCO2e, resulting from the direct combustion of 3,750,804 kWh of fuel. This represents a carbon reduction of 3.42% from last year. Scope 2 indirect emissions (purchased electricity) for this year of reporting are 2,153.99 tCO2e, resulting from the consumption of 10,144,517 kWh of electricity purchased and consumed in day to-day business operations. This represents a carbon increase of 57.08% from last year. The operations have an intensity metric of 8.87 tCO2e per full time employee (FTE) for this reporting year. This represents an increase in operational carbon intensity of 9.51% from our previous reporting year in part due to the return-to-work post COVID.

The COVID-19 pandemic has had a significant impact on our business, most notably within our UK Hotel and Flexible Workspace Divisions. The easing of restrictions and vaccine roll out in 2021 has resulted in a gradual increase in demand and as such, our energy usage figures have increased accordingly when compared against 2020.

Consumption (kWh) and greenhouse gas emissions (tCO2e) totals

The following figures show the consumption and associated emissions for this reporting year for the Group's UK operations, with figures from the previous reporting period included for comparison.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Totals

The total consumption (kWh) figures for reportable energy supplies are as follows:

Utility and Scope	2021 Consumption (kWh)	2020 Consumption (kWh)
Grid – Supplied Electricity (Scope 2)	10,144,517	5,881,580
Gaseous and other fuels (Scope 1)	3,296,322	3,376,654
Transportation (Scope 1)	414,681	523,441
Transportation (Scope 3)	39,801	-
Total	**13,895,321**	**9,781,675**

Greenhouse gas emissions

The total emission (tCO2e) figures for reportable energy supplies are as follows. Conversion factors utilised in these calculations are detailed in the Reporting methodology:

Utility and Scope	2021 Consumption (tCO2e)	2020 Consumption (tCO2e)
Grid – Supplied Electricity (Scope 2)	2,153.99	1,371.23
Gaseous and other fuels (Scope 1)	613.03	620.87
Transportation (Scope 1)	96.16	122.96
Transportation (Scope 3)	9.23	-
Total	**2,872.41**	**2,115.05**

Benchmarking and intensity metrics

The Group has chosen to utilise an intensity metric that will support comparison to the baseline emissions in future years and will hopefully seek to measure its emissions against peers for transparency. The chosen intensity measurement ratio is full time UK employees. This was chosen as the most suitable metric as the Group's carbon emissions are closely linked to employee numbers and should prove a useful metric for relative reporting year on year.

An intensity metric of tCO2e per FTE (2021: 324; 2020: 261) has been applied for our annual total emissions. The result of this analysis is as follows:

Intensity Metric	2021 Intensity Metric	2020 Intensity Metric
tCO2e / FTE	8.87	8.10

Reporting methodology

Scope 1, 2 and 3 consumption and CO2e emissions data has been calculated in line with the 2019 UK Government environmental reporting guidance. Emissions Factor Database 2021 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting period 1 January 2021 to 31 December 2021.

Estimations undertaken to cover missing billing periods for properties directly invoiced to CP Holdings Limited were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 1.9% of reported consumption.

For properties where no data was provided, an average consumption for properties with similar operations was calculated at meter level and applied. These full year estimations were applied to 2 electricity supplies.

Energy efficiency improvements

Whilst the Group has been focused on navigating its way out of the pandemic and taking advantage of the economic recovery, the Board has considered how operational energy efficiency can be improved across a number of its subsidiaries, including those outside of the UK. In the UK we have implemented several actions during the course of 2021:

- Technology Within, a subsidiary of CP Holdings, completed a Solar PV installation project at their Southampton site. The implementation of Solar PV panels will reduce the reliance on grid energy, ensuring a 100% renewable source and mitigate the impact of increasing energy prices.
- Old Hall Hotel installed a new energy efficient boiler during 2021. The installation of the new boiler has already demonstrated a dramatic difference in carbon produced from natural gas for the hotel.
- Danubius Regents Park Hotel commenced with a project to replace old halogen lights with LED lights.

Over the course of 2022 the subsidiaries will commence work on identifying energy efficient strategies and defining strategic objectives. This will begin to define the requirements of the businesses and allow best practice to be implemented.

Statement of Directors' responsibilities

The Directors are responsible 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

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

Subsequent events

Subsequent events can be found in the Strategic Report incorporating The Chairman's Statement on page 10.

I Gibbor

Chairman

Date: 28/7/2022

Opinion

We have audited the financial statements of CP Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group profit and loss account, the Group statement of comprehensive income, the Group and company balance sheets, the Group statement of cash flows, the Group and company statement of changes in equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2021 and of the Group's profit or 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 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our 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 our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement on page 22, 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.

Responsibilities of Directors (continued)

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.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with Directors and other management, and from our commercial knowledge and experience of the sectors in which the company and Group operate;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

Auditors' responsibilities for the audit of the financial statements (continued)

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed the nominal ledger, including testing a sample of journal entries to identify unusual transaction;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- reviewed the findings of component auditors in relations to their work on fraud and laws and regulations.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue and Customs and relevant regulators.

Our risk assessment findings for both non-compliance with laws and regulations and the susceptibility of the Group's financial statements to material misstatement arising from fraud were communicated with component auditors so that they could include them within their own risk assessment procedures and include, where appropriate audit procedures in response to such risks in their work.

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.

Blick Rothenberg Audit LLP

Christopher Shepherd (senior statutory auditor)
for and on behalf of
Blick Rothenberg Audit LLP
Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 29 July 2022

CP HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Turnover	4	**536,922**	498,628
Cost of sales		**(375,440)**	(358,887)
Gross profit		**161,482**	139,741
Selling and distribution costs		**(57,690)**	(51,998)
Administrative expenses		**(116,763)**	(129,414)
Other operating income	5	**21,632**	16,299
		(152,821)	(165,113)
Operating profit/(loss)	6	**8,661**	(25,372)
Share of profit/(loss) in:			
Joint ventures	14	**6,519**	(2,379)
Associated undertakings	14	**22**	163
Total operating profit/(loss) : Group and share of joint ventures and associated undertakings		**15,202**	(27,588)
Profit on disposal of fixed assets		**1,074**	621
Revaluation of investment properties	13	**(209)**	577
Revaluation of listed investments	14	**1,349**	(1,762)
Loss on disposal of investments		**(4)**	(139)
Impairment of joint ventures	14	**(50)**	(1,414)
Income from other fixed asset investments		**42**	118
Profit/(Loss) before interest		**17,404**	(29,587)
Interest payable and similar expenses	9	**(9,790)**	(13,938)
Interest receivable and similar income	9	**1,989**	968
Profit/(Loss) before taxation		**9,603**	(42,557)
Tax on profit/(loss)	10	**(7,217)**	405
Profit/(Loss) for the financial year		**2,386**	(42,152)
Profit/(Loss) for the year attributable to:			
Non-controlling interests		**2,586**	(723)
Owners of the parent company		**(200)**	(41,429)
		2,386	(42,152)

CP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

	2021 £'000	2020 £'000
Profit/(Loss) for the financial year	**2,386**	(42,152)
Other comprehensive income		
Exchange difference arising on retranslation of subsidiary undertakings	**(17,077)**	(11,169)
Actuarial gain/(loss) recognised on defined benefit pension scheme and employee benefit provisions	**894**	(751)
Total other comprehensive loss for the year	**(16,183)**	(11,920)
Total comprehensive loss relating to the year	**(13,797)**	(54,072)
Attributable to:		
Non-controlling interests	**1,801**	(895)
Owners of the parent company	**(15,598)**	(53,177)
	(13,797)	(54,072)

CP HOLDINGS LIMITED

BALANCE SHEETS

YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Fixed assets					
Goodwill	12	**4,794**	6,212	**-**	-
Negative goodwill	12	**(5,121)**	(6,563)	**-**	-
		(327)	(351)	**-**	-
Other intangible assets	12	**10,579**	11,594	**-**	-
Tangible assets	13	**469,475**	508,635	**13,768**	13,388
Investment in joint venture undertakings	14	**9,744**	9,271	**-**	-
Investment in associated undertakings	14	**849**	464	**-**	-
Loans to Group undertakings	14	**-**	-	**47,312**	49,608
Other investments	14	**3,171**	1,843	**202,500**	189,960
		493,491	531,456	**263,580**	252,956
Current assets					
Stocks	15	**102,763**	98,241	**-**	-
Debtors	16	**170,437**	145,225	**48,665**	53,365
Investments	17	**2,647**	5,640	**250**	250
Cash at bank and in hand		**105,729**	87,298	**20,812**	14,288
		381,576	336,404	**69,727**	67,903
Creditors: Amounts falling due within one year	18	**(285,465)**	(262,701)	**(11,920)**	(5,017)
Net current assets		**96,111**	73,703	**57,807**	62,886
Total assets less current liabilities		**589,602**	605,159	**321,387**	315,842
Creditors: Amounts falling due after more than one year	19	**(168,207)**	(171,839)	**(37,571)**	(48,257)
Provisions for liabilities and charges	20	**(22,934)**	(21,486)	**(1,707)**	(985)
Net assets before pension deficit		**398,461**	411,834	**282,109**	266,600
Pension deficit	27	**(680)**	(1,061)	**(680)**	(1,061)
Net assets		**397,781**	410,773	**281,429**	265,539

CP HOLDINGS LIMITED

BALANCE SHEETS

YEAR ENDED 31 DECEMBER 2021

		Group		Company	
		2021	2020	**2021**	2020
	Note	**£'000**	£'000	**£'000**	£'000
Capital and reserves					
Called-up equity share capital	**23**	**100**	100	**100**	100
Profit and loss account	**22**	**351,977**	366,314	**281,329**	265,439
Capital reserve	**22**	**19,940**	19,940	**-**	-
Shareholders' funds		**372,017**	386,354	**281,429**	265,539
Non-controlling interests		**25,764**	24,419	**-**	-
		397,781	410,773	**281,429**	265,539

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit after tax of the parent company for the year was £15,823,000 (2020: loss £877,000).

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

I Gibbor
Chairman
Date: 28/7/2022

Company Registration Number: 00580471

CP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2021

	Share capital	Profit and loss account	Capital reserves	Share holders equity	Non-controlling Interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2020	**100**	**423,164**	**19,940**	**443,204**	**34,323**	**477,527**
Loss for the financial year	-	(41,429)	-	**(41,429)**	(723)	**(42,152)**
Other comprehensive loss for the year	-	(11,748)	-	**(11,748)**	(172)	**(11,920)**
Total comprehensive loss for the year	-	(53,177)	-	**(53,177)**	(895)	**(54,072)**
Dividends	-	-	-	-	(348)	**(348)**
Other movements	-	(458)	-	**(458)**	-	**(458)**
Acquisition of non-controlling interest	-	(3,215)	-	**(3,215)**	(8,661)	**(11,876)**
Total transactions with owners	-	(3,673)	-	**(3,673)**	(9,009)	**(12,682)**
Balance as at 31 December 2020 and at 1 January 2021	**100**	**366,314**	**19,940**	**386,354**	**24,419**	**410,773**
(Loss)/profit for the financial year	-	(200)	-	**(200)**	2,586	**2,386**
Other comprehensive loss for the year	-	(15,398)	-	**(15,398)**	(785)	**(16,183)**
Total comprehensive (loss) / income for the year	-	(15,598)	-	**(15,598)**	1,801	**(13,797)**
Dividends	-	-	-	-	(456)	**(456)**
Other movements	-	1,261	-	**1,261**	-	**1,261**
Total transactions with owners	-	1,261	-	**1,261**	(456)	**805**
Balance as at 31 December 2021	**100**	**351,977**	**19,940**	**372,017**	**25,764**	**397,781**

CP HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	Share capital £'000	Profit and loss account £'000	Total equity £'000
Balance as at 1 January 2020	**100**	**267,014**	**267,114**
Loss for the financial year	-	(877)	(877)
Actuarial loss recognised on defined benefit pension scheme	-	(698)	(698)
Total comprehensive loss for the year	-	(1,575)	(1,575)
Balance as at 31 December 2020 and 1 January 2021	**100**	**265,439**	**265,539**
Profit for the financial year	-	15,823	**15,823**
Actuarial gain recognised on defined benefit pension scheme	-	67	**67**
Total comprehensive profit for the year	-	15,890	**15,890**
Balance as at 31 December 2021	**100**	**281,329**	**281,429**

CP HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Net cash generated from operating activities	**31**		**41,707**		49,385
Net interest payable			**7,801**		12,970
Corporation tax (paid)/received			**(4,732)**		89
			44,776		62,444
Cash flows from investing activities					
Payments to acquire tangible fixed assets		**(20,931)**		(44,996)	
Receipts from sale of tangible fixed assets		**7,329**		4,456	
Payment to acquire intangible fixed assets		**(1,136)**		(591)	
Loans to joint ventures and associates		**(306)**		(4,505)	
Repayment of loans by joint ventures and associates		**5,018**		264	
Receipts in relation to the purchase of minority interests		**1,700**		-	
Acquisition of non-controlling interest		**-**		(1,517)	
Receipts from sale of shares of subsidiary undertakings		**-**		463	
Interest received		**926**		659	
Dividends and cash distributions received		**1,340**		305	
Net cash used in investing activities			**(6,060)**		(45,462)
Cash flows from financing activities					
Increase in loans		**23,804**		54,520	
Repayment of loans		**(32,814)**		(19,790)	
Interest paid		**(7,995)**		(9,128)	
Dividends paid		**(456)**		(348)	
Net cash (used)/generated in financing activities			**(17,461)**		25,254
Net increase in cash and cash equivalents			**21,255**		42,236
Cash and cash equivalents at the beginning of the year			**43,371**		5,333
Effect of foreign exchange rate changes on cash and cash equivalents			**(4,600)**		(4,198)
Cash and cash equivalents at the end of the year	**32**		**60,026**		43,371

	2021 £'000	2020 £'000
Cash and cash equivalents at the end of the year		
Cash at bank and in hand	**105,729**	87,298
Cash and cash equivalents (included within current asset investments)	**2,647**	5,640
Overdrafts	**(48,350)**	(49,567)
	60,026	43,371

1. ***General information***

The Group operates multinationally in a variety of divisions as set out in the chairman's statement.

The company is a private company limited by shares and is incorporated in England and Wales. Its registered office and principal place of business is CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ.

The functional currency of the company is Sterling (£) and the financial statements are presented in Sterling (£).

2. **Accounting policies**

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets measured at fair value through profit or loss, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The company has taken advantage in preparing these financial statements, as permitted by FRS 102, of the exemption from the requirement to present a company statement of cash flows (Section 7 statement of cash flows and Section 3 financial statement presentation paragraph 3.17(d)).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

All undertakings over which the Group exercises control, being the power to govern the financial and operating policies so as to obtain benefits from their activities, are consolidated as subsidiary undertakings. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively. Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement.

Entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and one or more other co-ventures are treated as joint ventures.

2. Accounting policies (continued)

2.2 Basis of consolidation (continued)

In the consolidated financial statements joint ventures are accounted for using the equity method. Loans to joint ventures are included in investments where they are of a long-term nature.

Entities in which the Group has a participating interest and over whose financial and operating policies the Group exerts a significant influence, are treated as associates. In the consolidated financial statements associates are accounted for using the equity method. Loans to associated undertakings are included in investments where they are of a long-term nature.

2.3 Going concern

As at 31 December 2021 the Group had net current assets of £96.1m including cash balances of £105.7m.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 to 17. The Directors have considered how these factors, along with its exposure to risk as discussed in the strategic report, may impact going concern. CP Holdings Limited ("CP Holdings") is a diverse Group, and the ongoing economic challenges caused by COVID-19, now being exacerbated by the war in Ukraine are impacting its reporting segments in different ways. As highlighted in the strategic report, the majority of CP Holdings' reporting segments have seen an impact to their performance due to cost inflation or supply chain disruption, however both the Hotel and Flexible Workspace Divisions were also more adversely affected by the restrictions imposed due to the pandemic but the easing of restrictions has improved trading conditions.

The Group has prepared forecasts which assume rising levels of demand in FY22 resulting from the recovery in the Hotel and Flexible Workspace Divisions. This is underpinned by positive forward bookings. Offsetting this is an increasing cost base due to rising utility, labour and other input costs impacting the whole Group. Given the uncertain global economic climate and the current short-term nature of demand in the Hotel Division; the Group has also modelled the impact of a downside assumption in the Hotel Division. Both of these scenarios show that the Group has enough liquidity to continue to meet its obligations as they become due for at least the going concern period.

The Group continues to maintain strong long-term relationships with its key lenders and discussions with lenders are progressing in selected geographies which will provide incremental facilities to the Group. The Group has a number of financing facilities that contain covenants requiring either the Group or its subsidiaries to maintain specified financial ratios and comply with certain other financial covenants. These financial covenants are tested quarterly or annually, and in some cases, it has been necessary to obtain covenant waivers where the Group, or its subsidiary were unlikely to meet the covenant test.

2. Accounting policies (continued)

2.3 Going concern (continued)

At the date of signing these accounts and following discussions with its lenders the Group believe that, where during the going concern period the current forecasts show that it is likely it may breach a financial covenant, future waivers will be granted and/or the Group has sufficient unsecured assets that could be provided by way of additional security against these loans. The Group has a facility on one of its businesses for £28.5m which is due for repayment on 26 July 2023, the Directors have discussed this with its lender and believe that they would be able to refinance this at the end of the loan term.

In addition to holding positive cash reserves, the Group is relatively lowly geared and backed by a strong freehold property estate. A number of these properties are unencumbered and having exhausted all other options could be used to raise further collateral or sold to generate additional funding.

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

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the fair value of its identifiable assets and liabilities at the date of acquisition. Goodwill is amortised on a straight line basis to profit or loss account over its useful economic life.

Positive goodwill arising on acquisitions, representing the excess of the fair value of the purchase consideration over the fair value of the identifiable net assets acquired, is capitalised and written off on a straight line basis over its useful economic life, which is between 5 and 15 years.

Negative goodwill arising on acquisitions, representing the excess of the fair value of the identifiable net assets acquired over the fair value of the purchase consideration, is recognised and separately disclosed from positive goodwill. Negative goodwill up to the fair values of the non-monetary assets acquired is amortised over the periods in which the non-monetary assets are expected to be recovered. Negative goodwill in excess of the fair values of non-monetary assets acquired is amortised over the periods expected to benefit.

On acquisitions prior to the year ended 31 December 1998 goodwill was eliminated against reserves or negative goodwill credited to a capital reserve in the year of acquisition in accordance with the accounting standard then in force. As permitted by FRS 102 no adjustment on transition to the standard has been made to goodwill or negative goodwill previously eliminated or credited to reserves.

Where the Group increases/decreases its controlling interest in an undertaking that is already a subsidiary undertaking, the identifiable assets and liabilities of the subsidiary are not revalued to fair value and no adjustment to goodwill is recognised. The transaction is accounted for as a transaction between equity holders. The carrying amount of the non-controlling interest is adjusted to reflect the change in the Group's interest in the subsidiary's net assets. Any differences between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid/received is recognised directly in equity and attributed to equity holders of the parent.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years. The estimated useful lives range as follows:

Software and other intangibles	3 to 15 years

The amortisation charge is included within "administrative expenses" within profit or loss.

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probably that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

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

Freehold land	Nil
Freehold property	2% - 20% straight line
Leasehold property and improvements	over the period of the lease
Plant, fixtures & fittings	5% - 33% straight line
Motor vehicles	14% - 25% straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating income/expenses" in the profit or loss.

2.7 Long-term Contracts

Income from long term contracts is recognised as contract activity progresses calculated with reference to the stage of completion.

Profit is recognised on long-term contracts on the percentage of completion basis, if the final outcome can be estimated reliably, by including in the profit and loss account turnover and related costs as contract activity progresses. Losses and contingencies on long-term contracts are recognised in full when such losses can be foreseen.

Contract work in progress, including work on fixed price contracts, is included in debtors as amounts recoverable on contracts. Progress payments receivable are deducted from amounts recoverable on contracts and any excess included in creditors as payments on account.

Where costs have been incurred in excess of the stage of completion, these are included within stocks and work in progress.

The Group's policy is to provide against all costs incurred on individual contracts prior to the receipt of planning consent. Once planning consent has been obtained, the provision is reversed due to the inherent value contained within such consent.

2. Accounting policies (continued)

2.8 Leasing:

Lessor

Rentals received under operating leases are credited to the profit or loss on a straight line basis over the period of the lease.

Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.9 Investment property

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

Where the investment property is rented to another Group company, these properties are transferred to tangible fixed assets and held at historical cost, as allowed by section 16 of FRS102.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit or loss.

2.11 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

2. Accounting policies (continued)

2.11 Stocks and work in progress (continued)

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit or loss.

2.12 Cash and cash equivalents

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

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

2.13 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, amounts owed by associates and joint ventures and current asset investments, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow Group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the profit or loss as interest payable.

Derivatives

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

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

2. Accounting policies (continued)

2.13 Financial instruments (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Government grants

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

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

2.15 Foreign currency translation

Functional and presentation currency

The company's functional currency is Sterling (£).

Transactions and balances – company

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

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

2. Accounting policies (continued)

2.15 Foreign currency translation (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within "interest payable and similar expenses". All other foreign exchange gains and losses are presented in the profit or loss within "other operating income".

For certain entities, a parallel rate to translate foreign currency transactions was used. The parallel rate is a market rate at which we are able to buy foreign currency. Transactions are translated at this parallel rate in the month and all Balance sheet items denominated in foreign currency are translated at the month end rate.

Consolidation - translation of subsidiary undertakings

On consolidation, the results of overseas operations in their functional currencies are translated into Sterling at rates approximating to those ruling when the transactions took place (the average rate). All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at average rate are recognised in other comprehensive income and allocated between equity holders of the parent and non-controlling interest as appropriate.

2.16 Finance costs

Finance costs are charged to the profit or loss over the term of the debt using the effective interest rate 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.

2.17 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 and similar expenses."

2.18 Employee benefits

Short term employee benefits including holiday pay accrual

A liability is recognised to the extent of any short term employee benefits, including unused holiday pay entitlement, which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future employee benefit so accrued at the balance sheet date.

2. Accounting policies (continued)

2.18 Employee benefits (continued)

Defined contribution pension plan

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

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

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts are disclosed as 'actuarial (loss) / gain recognised on defined benefit pension scheme'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

2. Accounting policies (continued)

2.18 Employee benefits (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'interest payable and similar charges'.

Other long term employee benefits

A liability is recognised to the extent of any long term employee benefits which is accrued at the balance sheet date and carried forward to future periods. This is measured at the net total of:

a) the present value of the benefit obligation at the reporting date; minus

b) the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The change in the liability is recognised in the profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These 'amounts are disclosed as actuarial (loss) / gain recognised on defined benefit pension scheme and employee benefit provisions'.

2.19 Interest income

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

2.20 Provisions

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

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

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit or loss, except that a change 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.

2. Accounting policies (continued)

2.21 Current and deferred taxation (continued)

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred 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 arising in the same jurisdiction; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using 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.

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

In the application of the Group's accounting policies, which are described in note 2, 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 on-going 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.

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

The following are the critical judgements and estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

a) Useful economic lives and amortisation of intangible assets and goodwill

Intangible assets and goodwill are amortised over their estimated useful lives. Future results are impacted by the amortisation periods adopted and, potentially, any differences between estimated and actual circumstances related to individual intangible assets. See note 2.5 for the useful economic lives for each class of assets.

b) Impairment of goodwill, intangible assets and tangible assets

In preparing these financial statements, the Directors have exercised judgement in determining whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. These assets are carried at cost less accumulated amortisation and impairment. At each reporting date an assessment is made as to whether an indication of impairment exists. We have also considered where trading has been materially impacted by COVID-19 if there is an indicator of impairment. If such indication exists, an estimate is made of the recoverable amount of the asset which is the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the present value of the future cash flows expected to be recovered from the cash-generating unit. Estimates are used in determining the future profitability and cash-generating ability of the cash generating unit and the pre-tax discount rate used in discounting these projected cash flows. Actual outcomes could be different from the estimates. In preparing the financial statements the Directors did not identify any indicators of impairment. See notes 12 and 13 for the carrying amount of the intangible and tangible assets.

c) Valuation of investment properties

The Group engaged both internal and independent valuation specialists to determine fair value at 31 December 2021. Investment properties are professionally valued annually mainly using a yield methodology. This method uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. See note 13 for the carrying amount of the investment properties.

d) Provisions, including impairment of debtors and stock

Management review debtor balances on an annual basis. In determining whether there is a need for a provision, management is required to determine their best estimate of the future expected cash flows. In arriving at this estimate, management consider historical experience and current trends. See note 16 for the net carrying amount of the debtors.

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

d) Provisions, including impairment of debtors and stock (continued)

The Group assesses all potential liabilities and uncertainties in light of the requirements of FRS 102 Section 21 Provisions and Contingencies. In particular, the Group assesses whether the likelihood of settlement is probable in which case provisions are recognised when the amounts can be reliably estimated. Potential liabilities that are either not probable and/or cannot be reliably measured are treated as contingent liabilities and separately disclosed in the financial statements. See note 20 for the carrying amount of provisions.

e) Recognition of deferred tax assets

Management have considered the need to recognise a deferred tax asset on the balance sheet when it is probable that future taxable profits will give rise to a reversal of the timing differences after the balance sheet date. In making these assumptions the individual subsidiary forecasts have been reviewed to ascertain whether sufficient taxable profits can be achieved in the foreseeable future. Where management believe this is probable an asset has been recognised. See note 20 for the carrying amount of deferred tax assets.

f) Accounting for long-term contracts

FRS102 accounting requires management judgment to determine the appropriateness of calculating the revenue and profit to be recognised on long term contracts. This includes estimating the total expected costs to complete each contract, the future profitability of the contract and also the percentage of completion at the balance sheet date. These judgments directly influence revenue and profit that can be recognised in relation to such contracts. Material changes in these estimates could affect the overall amounts recognised on individual contracts. See notes 15, 16 and 18 for the net carrying amount of work in progress, amounts recoverable on long term contracts and payments on account arising from long term contracts.

4. Divisional information

	Turnover		Operating profit / (loss)		Total assets less current liabilities	
	2021	2020	**2021**	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Principal activities						
Hotel division	**96,456**	75,620	**(14,425)**	(44,686)	**300,094**	324,993
Machinery division	**331,930**	308,291	**17,361**	16,292	**114,948**	112,145
International trading division	**84,382**	88,769	**3,609**	1,734	**15,279**	15,791
Flexible workspace division *	**7,125**	9,433	**(1,873)**	(14)	**50,817**	38,458
Logistics division	**7,801**	8,340	**3,120**	3,285	**25,423**	26,929
Technology division	**5,140**	6,075	**(1,056)**	(270)	**2,395**	2,250
Civil engineering division	**4,004**	1,604	**(765)**	(1,406)	**12,505**	14,537
Other activities **	**84**	496	**2,690**	(307)	**44,125**	47,236
	536,922	498,628	**8,661**	(25,372)	**565,586**	582,339
Net non-operating assets***					**24,016**	22,820
					589,602	605,159

* The £12.9m swing in flexible workspace division is mainly due to a change in maturity of third party loans.

** Includes cash held by CP Holdings Limited.

***Net non-operating assets include intangible fixed assets and fixed asset investments.

	Turnover		Operating profit / (loss)		Total assets less current liabilities	
	2021	2020	**2021**	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Geographical analysis by location						
United Kingdom	**24,987**	28,672	**(9,311)**	(5,676)	**162,015**	159,794
Rest of Europe	**244,791**	214,179	**7,904**	(27,691)	**323,159**	344,843
Rest of the World	**267,144**	255,777	**10,068**	7,995	**80,412**	77,702
	536,922	498,628	**8,661**	(25,372)	**565,586**	582,339
Net non-operating assets					**24,016**	22,820
					589,602	605,159

Geographical analysis of turnover by destination

	2021	2020
	£'000	£'000
United Kingdom	**24,606**	27,705
Rest of Europe	**244,792**	214,178
Rest of the World	**267,524**	256,745
	536,922	498,628

4. Divisional information (continued)

An analysis of the group's turnover by category is as follows:

	2021 £'000	2020 £'000
Sale of goods	**402,790**	376,309
Services	**134,132**	122,319
	536,922	498,628

5. Other operating income

	2021 £'000	2020 £'000
Government grants receivable (includes Covid Support)	**9,728**	5,410
Rent receivable	**7,260**	5,773
Other income	**4,644**	5,116
	21,632	16,299

6. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2021 £'000	2020 £'000
Depreciation and amortisation	**31,793**	33,439
Operating lease costs:		
- land and buildings	**922**	1,029
- plant and machinery	**1,232**	1,416
Exchange differences	**40**	2,641
Government grants receivable (includes Covid Support)	**(9,728)**	(5,410)
Fair value movements on investments	**(1,349)**	1,762
Impairment charge (reversal) - inventories	**(1,539)**	(4,177)
Impairment charge - trade receivables	**1,264**	1,299
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the Group's and parent company's annual accounts	**190**	172
Fees payable to the company's auditor for other services		
- the audit of the company's subsidiaries pursuant to legislation	**364**	365
- tax services	**102**	98
Fees payable to the company's auditors in respect of an associated pension scheme - audit	**10**	9

7. Particulars of employees

The average number of staff, including the directors, employed by the Group during the financial year was:

	2021 Number	2020 Number
Production, selling and distribution	**4,367**	4,936
Management and administration	**1,045**	1,068
	5,412	6,004

7. Particulars of employees (continued)

The aggregate payroll costs of the above were:

	2021 £'000	2020 £'000
Wages and salaries	**93,144**	99,280
Social security costs	**18,408**	17,157
Other pension costs	**5,301**	5,752
	116,853	122,189

8. a) Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2021 £'000	2020 £'000
Emoluments	**2,514**	1,777
Company contributions to defined contribution scheme	**105**	69
	2,619	1,846

The number of directors who are accruing benefits under company pension schemes were:

	2021 Number	2020 Number
Defined benefit schemes	**1**	1
Defined contribution schemes	**4**	4

The highest paid director's aggregate emoluments in respect of qualifying services were:

	2021 £'000	2020 £'000
Total emoluments	**510**	344
Company contributions to defined contribution scheme	**41**	38

b) Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2021 £'000	2020 £'000
Salary and other short-term benefits	**8,310**	6,969

9. Net interest payable

	2021 £'000	2020 £'000
Interest payable and similar expenses		
Interest payable on bank loans and overdrafts	**(5,691)**	(7,111)
Interest payable on preference shares	**(315)**	(315)
Other interest payable	**(1,989)**	(1,702)
Foreign exchange on loans	**(707)**	(2,982)
Total interest expense on financial liabilities not measured at fair value through profit or loss	**(8,702)**	(12,110)
Fair value losses on financial instruments - forward currency contracts	**(1,088)**	(1,105)
Fair value losses on financial instruments - interest rate swaps	**-**	(723)
	(9,790)	(13,938)
Interest receivable and similar income		
Interest receivable and similar income	**1,067**	968
Total interest income on financial assets not measured at fair value through profit or loss	**1,067**	968
Fair value gains on financial instruments - forward currency contracts	**37**	-
Fair value gains on financial instruments - interest rate swaps	**885**	-
	1,989	968

10. Tax on profit/(loss)

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax based on the results for the year at 19% (2020: 19%)	**232**	(355)
Adjustments in respect of previous years	**(169)**	(24)
Overseas tax based on the results for the year	**4,887**	2,649
Total current tax	**4,950**	2,270
Deferred tax in relation to pension costs	**(141)**	(47)
Decrease/(Increase) in deferred tax assets	**1,709**	(2,461)
Increase/(Decrease) in deferred tax provision	**699**	(167)
Tax on profit/(loss)	**7,217**	(405)

10. Tax on profit/(loss) (continued)

Factors affecting tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£'000	£'000
Profit/(Loss) before taxation	**9,603**	(47,967)
Profit/(Loss) multiplied by rate of tax	**1,825**	(8,086)
Expenses not deductible	**1,884**	2,335
Income not subject to tax	**(1,395)**	(509)
Loss utlisation	**1,515**	6,926
Permanent differences in respect of fixed assets	**(153)**	(77)
Temporary differences in respect of fixed assets	**2,352**	(1)
Adjustments in respect of previous years	**305**	150
Effect of different rates of tax	**1,391**	150
Other	**(507)**	(1,293)
Total tax on profit/(loss) on ordinary activities	**7,217**	(405)

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is a debit of £22,000 (2020: credit of £143,000).

Factor that may affect future tax changes

At 31 December 2021 there were tax losses of £82,170,000 (2020: £113,928,000) in subsidiary undertakings available to be carried forward and set off against future taxable profits. Losses in certain subsidiary undertakings give rise to a potential deferred tax asset of approximately £13,807,000 (2020: £14,870,000) which has not been recognised in these financial statements in view of the uncertainty as to their future levels of profitability. These losses will be utilised as and when sufficient taxable profits are made.

Hungarian unused tax losses can be utilised over 10 years for losses incurred prior to 31 December 2014. Losses incurred after this date can be carried forward for five years. There is no time restriction on tax losses carried forward in other jurisdictions.

Tax rate changes

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11. Dividends

No dividend was paid in the current year or previous year on the ordinary shares.

12. Intangible fixed assets and negative goodwill

Group

	Other intangibles £'000	Software £'000	Total other intangible assets £'000	Positive goodwill £'000	Negative goodwill £'000
Cost					
At 1 January 2021	**11,244**	**10,162**	**21,406**	**20,022**	**(27,690)**
Additions	825	310	1,135	-	-
Fully amortised write off	-	-	-	(8,910)	7,883
Disposals	-	(165)	(165)	-	-
Exchange adjustments	(752)	(652)	(1,404)	(427)	431
At 31 December 2021	**11,317**	**9,655**	**20,972**	**10,685**	**(19,376)**
Amortisation					
At 1 January 2021	**1,248**	**8,564**	**9,812**	**13,810**	**(21,127)**
Charge for the year / (written back to the profit and loss account in the year)	854	575	1,429	1,348	(1,314)
Fully amortised write off	-	-	-	(8,910)	7,883
Disposals	-	(165)	(165)	-	-
Exchange adjustments	(99)	(584)	(683)	(357)	303
At 31 December 2021	**2,003**	**8,390**	**10,393**	**5,891**	**(14,255)**
Net book value					
At 31 December 2021	**9,314**	**1,265**	**10,579**	**4,794**	**(5,121)**
At 31 December 2020	9,996	1,598	11,594	6,212	(6,563)

Positive goodwill is amortised over a period of 5 to 15 years as this period represents the typical economic life of the assets to which the goodwill attaches.

Negative goodwill up to the fair values of the non-monetary assets is amortised over the periods in which the non-monetary assets are expected to be recovered. Negative goodwill in excess of the fair values of non-monetary assets is amortised over the periods expected to benefit.

Other intangibles includes licences, customer relationships and other similar items.

13. Tangible fixed assets

Group

	Freehold land and buildings £'000	Investment property £'000	Long leasehold property £'000	Short leasehold property £'000	Plant, fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation							
At 1 January 2021	**632,285**	**27,489**	**66,849**	**72**	**185,967**	**13,894**	**926,556**
Additions	6,958	-	174	-	11,397	2,395	**20,924**
Fully depreciated written off	-	-	-	-	(403)	-	**(403)**
Disposals	(633)	-	(10)	-	(8,158)	(2,079)	**(10,880)**
Transfer	(2,131)	724	619	-	662	126	**-**
Reclass to stock	-	-	-	-	(1,429)	-	**(1,429)**
Revaluation	-	(209)	-	-	-	-	**(209)**
Exchange adjustments	(31,343)	(1,144)	(153)	-	(6,163)	52	**(38,751)**
At 31 December 2021	**605,136**	**26,860**	**67,479**	**72**	**181,873**	**14,388**	**895,808**
Depreciation							
At 1 January 2021	**246,093**	**-**	**31,353**	**59**	**130,398**	**10,018**	**417,921**
Charge for the year	15,022	-	3,067	2	10,829	1,410	**30,330**
Fully depreciated written off	-	-	-	-	(403)	-	**(403)**
On disposals	(143)	-	(15)	-	(2,625)	(1,799)	**(4,582)**
Transfers	1,266	-	(1,266)	-	-	-	**-**
Reclass to stock	-	-	-	-	(32)	-	**(32)**
Exchange adjustments	(11,662)	-	(229)	-	(4,933)	(77)	**(16,901)**
At 31 December 2021	**250,576**	**-**	**32,910**	**61**	**133,234**	**9,552**	**426,333**
Net book value							
At 31 December 2021	**354,560**	**26,860**	**34,569**	**11**	**48,639**	**4,836**	**469,475**
At 31 December 2020	386,192	27,489	35,496	13	55,569	3,876	508,635

Included within plant, fixtures & fittings are assets held for use in operating leases with cost of £39,500,000 (2020: £40,512,000) and accumulated depreciation of £11,687,000 (2020: £9,896,000).

The amount of fixed assets which have been pledged as security for liabilities is £217,140,000 (2020: £229,998,000).

The UK investment properties were valued by the directors at 31 December 2021.

The overseas investment properties were valued as at 31 December 2021 by an external valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued, on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

Under the historical cost convention, the net book value of the freehold investment properties would be £14,138,000 (2020: £14,189,000).

13. Tangible fixed assets (continued)

Company

	Freehold land and buildings £'000	Investment property £'000	Long leasehold property £'000	Plant, fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
At 1 January 2021	**12,512**	**4,513**	**10**	**805**	**4**	**17,844**
Additions	676	-	-	143	-	**819**
Disposals	-	-	(10)	-	(4)	**(14)**
At 31 December 2021	**13,188**	**4,513**	**-**	**948**	**-**	**18,649**
Depreciation						
At 1 January 2021	**3,903**	**-**	**10**	**539**	**4**	**4,456**
Charge for the year	263	-	-	176	-	**439**
On disposals	-	-	(10)	-	(4)	**(14)**
At 31 December 2021	**4,166**	**-**	**-**	**715**	**-**	**4,881**
Net book value						
At 31 December 2021	**9,022**	**4,513**	**-**	**233**	**-**	**13,768**
At 31 December 2020	8,609	4,513	-	266	-	13,388

The investment properties were valued by the directors at 31 December 2021.

Under the historical cost convention, the net book value of the freehold investment properties would be £577,000 (2020: £577,000).

14. Fixed asset investments

Group

	Joint Ventures					
	Consolidated under the equity method	Loans	Associated undertakings consolidated under the equity method	Listed investments (at valuation)	Other investments (at cost)	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2021	**(8,012)**	**20,206**	**3,102**	**1,667**	**344**	**17,307**
Additions	-	290	-	-	17	**307**
Dividends and distributions	(1,298)	-	-	-	-	**(1,298)**
Loan repayments	-	(5,018)	-	-	-	**(5,018)**
Gain on revaluation of listed investments	-	-	-	1,349	-	**1,349**
Group's share of profit for the year	6,519	-	22	-	-	**6,541**
Exchange adjustments	(65)	-	114	-	-	**49**
At 31 December 2021	**(2,856)**	**15,478**	**3,238**	**3,016**	**361**	**19,237**
Provision against investments						
At 1 January 2021	**200**	**2,723**	**2,638**	-	**168**	**5,729**
Increase in provisions in the year	-	-	-	-	50	**50**
Release of provisions in the year	(45)	-	(347)	-	-	**(392)**
Exchange adjustments	-	-	98	-	(12)	**86**
At 31 December 2021	**155**	**2,723**	**2,389**	-	**206**	**5,473**
Net book value						
At 31 December 2021	**(3,011)**	**12,755**	**849**	**3,016**	**155**	**13,764**
At 31 December 2020	(8,212)	17,483	464	1,667	176	11,578

Other investments comprise investments in unquoted entities carried at cost.

Listed investments also include investments listed on non-UK exchanges with an original cost of £212,000 (2020: £212,000) and a market value of £3,016,000 (2020: £1,667,000).

14. Fixed asset investments (continued)

Company	Subsidiary undertakings		Joint Ventures				
	Investments £'000	Loans £'000	Investments £'000	Loans £'000	Listed Investments £'000	Other Investments £'000	Total £'000
Cost or valuation							
At 1 January 2021	**194,535**	**49,608**	**1,469**	**13,214**	**1,667**	**71**	**260,564**
Additions	11,176	175	-	240	-	16	**11,607**
Disposals/repayments	-	(2,711)	-	-	-	(1)	**(2,712)**
Gain on revaluation of listed investments	-	-	-	-	1,349	-	**1,349**
At 31 December 2021	**205,711**	**47,072**	**1,469**	**13,454**	**3,016**	**86**	**270,808**
Provision against investments							
At 1 January 2021	**6,301**	**-**	**1,469**	**13,214**	**-**	**12**	**20,996**
At 31 December 2021	**6,301**	**-**	**1,469**	**13,214**	**-**	**12**	**20,996**
Net book value							
At 31 December 2021	**199,410**	**47,072**	**-**	**240**	**3,016**	**74**	**249,812**
At 31 December 2020	188,234	49,608	-	-	1,667	59	239,568

The company has granted a fixed charge over the shares in a joint venture as security for debt borrowings of that joint venture.

Listed investments also include investments listed on non-UK exchanges with an original cost of £212,000 (2020: £212,000) and a market value of £3,016,000 (2020: £1,667,000).

Details of the related undertakings are shown in note 33

15. Stocks

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Raw materials and consumables	**1,522**	1,780	-	-
Work in progress	**20,737**	17,979	-	-
Finished goods and goods for resale	**80,504**	78,482	-	-
	102,763	98,241	-	-

The carrying amounts of inventory which have been pledged as security for liabilities is £12,792,000 (2020: £11,673,000).

Group finance costs of £172,000 (2020: £453,000) have been capitalised in the year.

16. Debtors

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Amounts falling due within one year				
Trade debtors	**116,847**	99,249	**112**	115
Amounts owed by Group undertakings	-	-	**36,183**	40,247
Amounts owed by joint ventures	**2,455**	1,353	-	2
Amounts recoverable on long term contracts	**8**	48	-	-
Other debtors	**11,385**	9,402	**1,287**	1,729
Corporation tax recoverable	**4,895**	4,717	-	101
Deferred tax assets	**6,612**	8,386	-	608
Prepayments and accrued income	**10,769**	7,038	**214**	-
	152,971	130,193	**37,796**	42,802
Amounts falling due after more than one year				
Amounts owed by Group undertakings	-	-	**6,249**	5,633
Deferred tax assets	**5,220**	5,155	**170**	180
Derivative financial assets	**250**	-	-	-
Other debtors	**11,996**	9,877	**4,450**	4,750
	170,437	145,225	**48,665**	53,365

17. Current asset investments

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Short term investments	**2,647**	5,640	**250**	250

18. Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Payments received on account	**182**	731	-	-
Bank loans	**25,587**	42,114	-	-
Other loans	**1,936**	1,864	**1,936**	1,864
Bank overdrafts	**48,350**	49,567	-	-
Trade creditors	**115,716**	99,047	**23**	90
Amounts owed to Group undertakings	-	-	**143**	337
Corporation tax	**4,259**	3,904	-	-
Other taxation and social security	**11,045**	11,947	**247**	272
Other creditors	**48,048**	30,560	**1,313**	1,402
Accruals and deferred income	**23,342**	22,967	**1,258**	1,052
Shares classed as financial liabilities (see note 23)	**7,000**	-	**7,000**	-
	285,465	262,701	**11,920**	5,017
Amount of bank loans, overdrafts and other loans secured by various fixed charges, floating charges, mortgages and liens over the assets of subsidiary undertakings	**75,873**	93,545	-	-

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

	Group		Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Bank loans	**129,507**	121,873	-	-
Other loans	**37,571**	41,257	**37,571**	41,257
Shares classed as financial liabilities (see note 23)	-	7,000	-	7,000
Other creditors	**1,129**	1,709	-	-
	168,207	171,839	**37,571**	48,257
Amount of bank loans and other loans secured by various fixed charges, floating charges, mortgages and liens over the assets of subsidiary undertakings	**167,078**	163,130	-	-

	Group		Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Loan and overdraft maturity analysis				
Within one year (see note 18)	**75,873**	93,545	**1,936**	1,864
Between one and two years	**68,252**	28,702	**1,741**	1,864
Between two and five years	**40,044**	74,549	**5,225**	5,591
In more than five years (see overleaf)	**58,782**	59,879	**30,605**	33,802
	242,951	256,675	**39,507**	43,121

19. Creditors: Amounts falling due after more than one year (continued)

The Group's bank loans are denominated in a variety of currencies and bear interest at both fixed and floating rates. The interest rates on the Group's principal bank loans as at 31 December 2021 are:

	Fixed rates	**Floating rates**
Loans denominated in Sterling	-	SONIA + margin between 2.1% and 2.75%, 4%+EC base rate, 1.5% above the Bank of England base rate
Loans denominated in USD	6% to 9%	-
Loans denominated in Hungarian Forints	-	3 months Bubor + margin between 1.6% and 1.8% and 1 months Bubor + margin between 1.2% and 1.6%
Loans denominated in Euros	0.89% to 2.95%	3 months Euribor + margin between 0.89% and 3.1%
Loans denominated in Israeli Shekels	1.9% to 5.75%	Prime+1.06%

The company also has a loan denominated in Euros and repayable in quarterly instalments with the final instalment due in August 2029. The loan is unsecured and bears interest at 3.87% per annum. The company has a further loan denominated in Sterling which is repayable in one instalment in June 2030. The loan is unsecured and bears interest at 3.5% per annum.

Amounts repayable by instalments wholly or partly in more than five years:

	Group		**Company**	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Euro loan, repayable in half yearly instalments with the final instalment repayable in 2033. The interest rate applied is 3 months Euribor plus 1.9%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**3,569**	-	-	-
Euro loan, repayable in half yearly instalments with the final instalment *repayable in 2037. No interest rate applied. The security for the facility is* a charge over the properties of a subsidiary undertaking.	**1,049**	-	-	-
Euro loan, repayable in half yearly instalments with the final instalment repayable in 2036. The interest rate applied is 3 months Euribor plus 2.8%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**2,733**	-	-	-
Euro loan, repayable in half yearly instalments with the final instalment repayable in 2037. The interest rate applied is 3 months Euribor plus 2.8%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**2,596**	2,912	-	-
Euro loan, repayable in half yearly instalments with the final instalment repayable in 2033. The interest rate applied is 3 months Euribor plus 1.9%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**2,745**	2,925	-	-
Euro loan, repayable in half yearly instalments with the final instalment repayable in 2033. The interest rate applied is 3 months Euribor plus 1.9%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**3,569**	3,802	-	-

19. Creditors: Amounts falling due after more than one year (continued)

Amounts repayable by instalments wholly or partly in more than five years (continued):

	Group		Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Euro loan, repayable in quarterly instalments with the final instalment repayable in 2027. The interest rate applied is 3 months Euribor plus 0.95%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**335**	719	-	-
Euro loan, repayable in half yearly instalments with the final instalment repayable in 2036. The interest rate applied is 3 months Euribor plus 2.8%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**2,596**	2,912	-	-
Euro loan, repayable in half yearly instalments with the final instalment repayable in 2030. The fixed interest rate applied is 0.89%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**3,354**	3,596	-	-
Euro loan, repayable in in quarterly instalments with the final instalment repayable in 2029. The interest rate applied is 3 months Euribor plus 1.3%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**1,143**	1,720	-	-
Euro loan, repayable in quarterly instalments per year with the final instalment repayable in 2027. The interest rate applied is 3 months Euribor plus 1.15%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**187**	607	-	-
Euro loan, repayable in half yearly instalments with the final instalment repayable in 2028. The interest rate applied is 3 months Euribor plus 2.35%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**1,034**	2,933	-	-
Euro loan, repayable in quarterly instalments with the final instalment repayable in 2027. The interest rate applied is 3 months Euribor plus 1.3%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**196**	512	-	-
Euro loan, repayable in quarterly instalments with the final instalment repayable in 2026. The interest rate applied is 2%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**11**	42	-	-
Euro loan, repayable in quarterly instalments with the final instalment repayable in 2026. The interest rate applied is 2%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**176**	289	-	-
Euro loan, repayable in quarterly instalments with the final instalment repayable in 2028. The interest rate applied is 3 months Euribor plus 2.1%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**250**	334	-	-

19. Creditors: Amounts falling due after more than one year (continued)
Amounts repayable by instalments wholly or partly in more than five years (continued):

	Group		Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Loan denominated in New Israeli Shekel, repayable in monthly instalments with the final instalment repayable in 2035. The interest rate applied is prime plus 1.06%. The security for the facility is a charge over the properties of a subsidiary undertaking.	**2,634**	2,773	**-**	-
Total bank loans	**28,177**	26,076	**-**	-
Loan denominated in Sterling with the final instalment due in June 2030. The loan is unsecured and bears interest at 3.5% per annum.	**10,800**	10,800	**10,800**	10,800
Loan denominated in Euros and repayable in quarterly instalments with the final instalment due in August 2029. The loan is unsecured and bears interest at 3.87% per annum.	**19,805**	23,003	**19,805**	23,002
Total bank and other loans	**58,782**	59,879	**30,605**	33,802

20. Provisions for liabilities and charges

	Deferred taxation	Employee benefits	Other provisions	Total
	£'000	£'000	£'000	£'000
Group				
At 1 January 2021	**(14,406)**	**(3,508)**	**(3,572)**	**(21,486)**
Provision created in the year	(1,231)	(780)	(2,538)	**(4,549)**
Provisions used in the year	(150)	1,718	290	**1,858**
Reclassification to/from deferred tax assets / current liabilities	(7)	156	43	**192**
Exchange differences	689	187	175	**1,051**
At 31 December 2021	**(15,105)**	**(2,227)**	**(5,602)**	**(22,934)**

20. Provisions for liabilities and charges (continued)

Deferred taxation

The deferred tax included in the balance sheet is made up as follows:

	Deferred tax assets		Deferred tax liabilities		Net balance	
	2021	2020	**2021**	2020	**2021**	2,020
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Fixed asset timing differences	**4,475**	4,765	**(6,067)**	(5,725)	**(1,592)**	(960)
Revaluation of investment properties and investments	**41**	48	**(6,968)**	(6,537)	**(6,927)**	(6,489)
Defined benefit pension scheme and employee benefits	**924**	1,368	-	-	**924**	1,368
Other timing differences including unused tax losses	**6,392**	7,360	**(2,070)**	(2,144)	**4,322**	5,216
	11,832	13,541	**(15,105)**	(14,406)	**(3,273)**	(865)

Employee benefits

Certain Group companies in Europe operate benefit programmes that provide lump sum benefits to employees after three years' employment, or retirement or on dismissal. The amount of the benefits are determined by the salary, level of seniority of the employee, length of service and method of termination (dismissal or retirement). The liabilities are calculated using statistical models using assumptions regarding future mortality and job leavers, which are based on published statistics and mortality tables.

Other provisions

Other provisions include amounts for expected claims against product warranties, provisions for legal cases and possible penalties and/or interest arising from regulatory enquires against certain subsidiary undertakings.

Company	**Deferred taxation**					
	Fixed asset timing differences	**Revaluation of tangible assets and investments**	**Total provision**	**Losses carried forwards**	**Defined benefit pension scheme**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2021	(142)	(843)	**(985)**	608	180	**(197)**
Movement in provision	(47)	(675)	**(722)**	(608)	(10)	**(1,340)**
At 31 December 2021	**(189)**	**(1,518)**	**(1,707)**	-	**170**	**(1,537)**

21. Financial Instruments

The carrying values of the Group and company's financial assets and liabilities are summarised by category below:

	Group		Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Financial assets				
Measured at fair value through profit or loss				
Investments in listed equity instruments (see note 14)	**3,016**	1,667	**3,016**	1,667
Measured at undiscounted amount receivable				
Trade and other debtors including derivative financial assets (see note 16)	**140,478**	118,528	**5,849**	6,594
Amount owed by Group and joint venture undertakings (see note 16)	**2,455**	1,353	**42,432**	40,249
Current asset investments (see note 17)	**2,647**	5,640	**250**	250
Fixed asset investments in unlisted equity instruments (see note 14)	**155**	176	**74**	59
	148,751	127,364	**51,621**	48,819

21. Financial Instruments (continued)

	Group		Company	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Financial liabilities				
Measured at undiscounted amount payable				
Trade and other creditors (see notes 18 and 19)	**164,893**	131,316	**1,336**	1,492
Amount owed to Group undertakings (see note 18)	**-**	-	**143**	337
	164,893	131,316	**1,479**	1,829

Derivative financial liabilities comprise interest rate swaps on bank loans in a UK subsidiary maturing in July 2023. A UK subsidiary has a hedging instrument with a final maturity date of June 2024, with an option to extend for a further two years. Interest is at a rate of SONIA capped at 0.5%, plus a margin which ranges between 2.1% and 2.75%. Additionally it comprises forward foreign currency contracts in overseas subsidiaries maturing between January and December 2022.

Basis for determining fair value

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of contracts.

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based upon the applicable yield curves derived from quoted interest rates.

Investments in listed equity investments are valued using quoted market prices.

22. Reserves

Profit and loss account

The profit and loss reserve represents accumulated comprehensive income for the year and prior periods.

Included within the Group profit and loss reserve are unrealised profits of £10,755,000 (2020: £11,938,000) relating to revaluations of investment properties.

Included within the company profit and loss reserve are unrealised profits of £3,191,000 (2020: £3,370,000) relating to revaluations of investment properties.

Capital reserves

The capital reserve represents negative goodwill arising on acquisitions before 1 January 1998.

23. Share capital

	Group		Company	
	2021	2020	**2021**	2020
Shares classified as equity	**£'000**	£'000	**£'000**	£'000
Allotted, called up and fully paid share capital:				
100,000 Ordinary shares of £1 each	**100**	100	**100**	100
Shares classified as liabilities				
7,000,000 redeemable preference shares of £1 each	**7,000**	7,000	**7,000**	7,000

There is a single class of ordinary shares and there are no restrictions on the distribution of dividends and the repayment of capital.

The 7,000,000 4.5% cumulative redeemable, non-voting preference shares of £1 each are non-equity shares and have no rights at general meetings. On a winding up, the holders of the preference shares are entitled to a repayment of the capital paid up on those shares together with the amount of any preference dividend accrued and unpaid, in priority to any payment to the holders of the ordinary shares. The company has the right to redeem the preference shares at par at any time. They must be redeemed in full by 31 December 2022.

24. Capital commitments

Group

	2021	2020
	£'000	£'000
Capital commitments contracted for	**4,334**	4,225

The capital commitments represent expenditure that is contracted on the refurbishment and development of various of the Group's properties.

25. Total future minimum lease payments

Commitments under operating leases
At 31 December 2021 the Group has total future minimum lease payment payable under non-cancellable operating leases as follows:

	2021	2020
	£'000	£'000
Falling due:		
No later than 1 year	**4,452**	5,116
Later than 1 year and not later than 5 years	**7,257**	7,434
Later than 5 years	**13,257**	13,851
	24,966	26,401

25. Total future minimum lease payments (continued)

Commitments under operating leases - lessors

At 31 December 2021 the Group has total future minimum lease payments receivable under non-cancellable operating leases as follows:

	2021	2020
	£'000	£'000
Falling due:		
No later than 1 year	7,564	5,799
Later than 1 year and not later than 5 years	15,710	9,003
Later than 5 years	1,667	3,509
	24,941	18,311

The Group holds certain office and warehouse buildings as investment properties, as disclosed in note 13, which are let to third parties. These non-cancellable leases have remaining terms of between 1 and 10 years.

26. Contingent liabilities

	2021	2020
	£'000	£'000
Group		
Bank guarantees and operating lease guarantees in favour of joint venture undertakings	9,411	7,158

Company

At the year-end the company had provided guarantees against the bank borrowings of subsidiaries and joint venture undertakings, which total £5,318,000 (2020: £4,338,000).

27. Employment benefits

The company and Group operate a number of pension schemes for its employees.

(a) Defined benefit pension scheme

The Group operates a defined benefit scheme for certain employees of the parent company and some of its subsidiary undertakings called the CP Holdings Limited (1986) Retirement Benefits Scheme. The scheme was closed for new entrants in April 2001. At the same time, the Group established defined contribution schemes to provide benefits to new employees. In addition, the Group operates unfunded unapproved retirement benefit arrangements for certain employees.

The details below relate to the costs and liabilities of the CP Holdings Limited (1986) Retirement Benefits Scheme and the unfunded unapproved retirement benefit arrangements in aggregate, and to the assets of the CP Holdings Limited (1986) Retirement Benefits Scheme; together these arrangements are referred to as the "Scheme".

The scheme is administered by an independent trustee, who is responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations. The company has agreed a funding plan with the trustee, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions payable by the company and certain subsidiaries are agreed with the trustee to reduce the funding deficit where necessary.

The disclosures in this note in respect of 31 December 2021 are based on the most recent actuarial valuation of the scheme, using the projected unit credit method, as at 5 April 2019, which have been adjusted to 31 December 2021 by a qualified independent actuary. Adjustments to the valuation at that date have been made based on the following assumptions:

Principal actuarial assumptions used	**2021**	2020
Discount rate	**1.80%**	1.20%
Salary increases	**3.00%**	2.50%
Increases to pensions in payment and in deferment	**2.90%**	2.90%
Inflation rate	**3.50%**	3.00%

Post retirement mortality assumptions

2021: 98% of SIPXA, CMI 2018 projections with a long term improvement of 1% pa. The initial addition is 0.5% pa.
2020: 98% of SIPXA, CMI 2018 projections with a long term improvement of 1% pa. The initial addition is 0.5% pa.

Change in scheme liabilities	**2021**	2020
	£'000	£'000
At 1 January	**(28,529)**	(26,991)
Current service cost	**(182)**	(161)
Member contributions	**(15)**	(15)
Interest on scheme liabilities	**(334)**	(502)
Benefits paid	**1,388**	1,209
Actuarial gains/(losses)	**754**	(2,069)
At 31 December	**(26,918)**	(28,529)

27. Employee benefits (continued)

Change in scheme assets	2021 £'000	2020 £'000
At 1 January	**27,468**	26,493
Interest on scheme assets	**324**	501
Employer contributions	**558**	534
Member contributions	**15**	15
Benefits paid	**(1,388)**	(1,209)
Administration costs	**(74)**	(94)
Return on plan assets excluding interest income	**(665)**	1,228
At 31 December	**26,238**	27,468

Amounts recognised in the balance sheet	2021 £'000	2020 £'000
Present value of scheme liabilities	**(26,918)**	(28,529)
Fair value of scheme assets	**26,238**	27,468
Net liability at 31 December	**(680)**	(1,061)

Amounts recognised in the profit and loss account	2021 £'000	2020 £'000
Current service cost (excluding employees' contributions)	**(182)**	(161)
Administration costs	**(74)**	(94)
Interest on scheme assets	**324**	501
Interest on scheme liabilities	**(334)**	(502)
Total profit and loss account before tax	**(266)**	(256)

No amounts (2020: £nil) were included in the cost of assets.

The fair value of plan assets was:	2021 £'000	2020 £'000
Annuities	**14,731**	16,894
Funds	**6,325**	6,005
Equities	**3,480**	2,989
Gilts	**1,208**	1,162
Cash	**494**	418
Total assets at end of year	**26,238**	27,468

The return on plan assets was:	2021 £'000	2020 £'000
Interest on scheme assets	**324**	501
Return on plan assets excluding interest income	**(665)**	1,228
Total return on plan assets	**(341)**	1,729

(b) Defined contribution schemes

Group

The cost of contributions to the defined contribution schemes amounted to £5,119,000 (2020: £5,591,000). There were no material outstanding or prepaid contributions at the end of the year or the prior year.

28. Events subsequent to the year end

Subsequent events can be found in the Strategic Report incorporating The Chairman's Statement on page 10.

29. Ultimate controlling party

The ultimate controlling parties are the Gibbor and Schreier families.

30. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 Section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the Group.

Amounts owed by joint ventures and associated undertakings are disclosed in notes 14 and 16. Total remuneration in respect of key management personnel is given in note 8.

31. Cash generated from group operations

	2021	2020
Description	**£'000**	£'000
Profit /(loss) for the financial year	**2,386**	(42,152)
Adjustments for:		
Depreciation and amortisation	**31,793**	33,439
Share of Profit/(Loss) in joint ventures	**(6,519)**	2,379
Share of Profit in joint ventures	**(22)**	(163)
Profit on disposal of tangible fixed assets	**(1,074)**	(621)
Revaluation of investment properties	**209**	(577)
Revaluation of listed investments	**(1,349)**	1,762
Post employment benefits less payments	**513**	(188)
Impairment of Joint ventures	**50**	1,414
Tax on profit on ordinary activities	**7,217**	(405)
Movements in working capital:		
Movement in stock	**(4,970)**	19,244
Movement in debtors	**(22,721)**	17,578
Movement in creditors and provisions	**36,194**	17,675
Net cash generated from operating activities	**41,707**	49,385

32. Analysis of net debt

	At 31 Dec 2020	Cash flows	Other non-cash changes	Exchange movement	At 31 Dec 2021
	£'000	£'000	£'000	£'000	£'000
Net cash:			-		
Cash at bank and in hand	**87,298**	23,530	-	(5,099)	**105,729**
Overdrafts	**(49,567)**	677	-	540	**(48,350)**
Current asset investments	**5,640**	(2,953)	-	(40)	**2,647**
Debt due within one year	**(43,978)**	17,792	(1,994)	657	**(27,523)**
Debt due after one year	**(163,130)**	(8,782)	-	4,834	**(167,078)**
Total	**(163,737)**	**30,264**	**(1,994)**	**892**	**(134,575)**

33. Related undertakings

Details of the subsidiary undertakings are as follows:

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
Hotel				
CP Regents Park Two Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Danubius Hotels Zrt	Ordinary	100%	100%	1051 Budapest, Szent István tér 11, Hungary
Danubius Szallodauzemlteto es Szolgaltato Zrt.	Ordinary	100%	100%	1051 Budapest, Szent István tér 11, Hungary
Economic Enterprises (Developments) Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Ensana s.r.o.	Ordinary	100%	100%	Senovazne Namesti 992/8, 110 00, Prague 1 - Nove Mesto, Czech Republic
Drencan Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Egészségsziget Kft.	Ordinary	100%	100%	1051 Budapest Szent István tér 11. II. 202, Hungary
Gundel Kft.	Ordinary	100%	100%	1146 Budapest, Gundel Károly út 4, Hungary
Kemenes Invest Kft.	Ordinary	100%	100%	1051 Budapest Szent István tér 11. III. 303, Hungary
Léčebné lázně Mariánské Lázně a.s.	Ordinary	100%	100%	Csehország,353 29, Mariánské Lázne, Masarykova 22, Czech Republic
Prirodné Liecebné Kúpele Smrdáky a.s.	Ordinary	90%	90%	167 Smrdáky 906 03, Slovakia
SC Balneoclimaterica SA	Ordinary	100%	100%	R-545-500, Sovata, str Trandafirilor 82, Románia
Sharon Hotel Company Limited	Ordinary	85%	85%	4 Ramat Yam st, 4685104, Herzlia, Israel
Slovenské Liečebné Kúpele Piešťany a.s.	Ordinary	90%	90%	921 29, Piestany, Winterova 29, Slovakia

33. Related undertakings (continued)

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
International trade				
Amiran Communications Limited	Ordinary	100%	100%	L.R. No. 1870/VI/254/255/256, Kalamu House, Waiyaki Way, Westlands P.O. Box 47323, 00100, Nairobi, Kenya
Amiran Kenya Limited	Ordinary	100%	100%	L.R. No. 1870/VI/254/255/256, Kalamu House, Grevillea Grove, Westlands, P.O. Box 47323, 00100, Nairobi, Kenya
Amiran Limited	Ordinary	100%	100%	Plot 9362, Mumbwa, Lusaka, Zambia
Balton (U) Limited	Ordinary	100%	100%	Plot 47/51, Mulwana Road, Industrial Area, P.O. Box 852, Kampala, Uganda
Balton B.V. DWA (Nigeria) Limited	Ordinary	100%	100%	28 Creek Road, Apapa, Lagos, Nigeria
Balton CP Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8HU
Balton Rwanda Limited	Ordinary	100%	100%	Merez Building, KG14 Avenue, Kagugu, Gasabo District, Kigali City, Rwanda
Balton Tanzania Limited	Ordinary "B" Shares	100%	100%	Plot 336, Block A, Olarieni Area – Lower, Ngaramtoni, P.O. Box 14666, Arusha, Tanzania
Balton Tanzania Communications Limited	Ordinary	100%	100%	Ground Floor Office, Selous House, 368 Msasani Road, Oyster Bay, Dar es Salaam, Tanzania
Bamiri Limited	Ordinary	100%	100%	L.R. No. 1870/VI/254/255/256, Kalamu House, Grevillea Grove, Westlands, P.O. Box 47323, 00100, Nairobi, Kenya
Dizengoff Ghana Limited	Ordinary "A" Shares	82%	82%	No 2 Feo Oyeo Road, Ring Road North, Industrial Area, Accra, Ghana
Dizengoff West Africa (Nigeria) Limited	Ordinary	91%	91%	Plot 328, Block 12, Omole Housing Estate, Phase 1, Ogunnusi Road, Ojodu, Lagos, Nigeria
Dizengoff West Africa (Nigeria) Limited	Preference	100%	100%	Plot 328, Block 12, Omole Housing Estate, Phase 1, Ogunnusi Road, Ojodu, Lagos, Nigeria
Ghana Smartcomm Limited	Ordinary	99%	99%	Box 3403, No. 2 Feo Eyeo St, North Industrial, Area, Accra, Ghana
Premier Telecommunications International Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Soloplant Limited	Ordinary	51%	51%	LR No. 7158/602 Kalamu House, Grevillea, Grove, Westlands, P.O. Box 47323, 00100, Nairobi, Kenya

33. Related undertakings (continued)

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
Logistics				
ATI Depo Közraktározási Zrt	Ordinary	75%	75%	1136 Budapest, Pannónia u. 11, Hungary
ATI Sziget Ipari Szolgáltató Központ Kft	Ordinary	75%	75%	2313, Szigetszentmiklós, Áti Sziget Ipari Park, Hungary
Kombiwest Győri Kombiterminál Üzemeltető és Fejlesztő Kft	Ordinary	75%	75%	9027, Győr, Kandó Kálmán u.17, Hungary
Z.I. Logisztikai Zrt	Ordinary	75%	75%	1136 Budapest Pannónia u. 11. V. emelet, Hungary
Machinery				
Eltrak SA	Ordinary	88%	88%	Thivaidos 15 & Korniliou St. N. Kifisia, Athens, Greece
Elastrak AS	Ordinary	88%	88%	Thivaidos 15 & Korniliou St. N. Kifisia, Athens, Greece
Chryssafis SA	Ordinary	88%	88%	Thivaidos 15 & Korniliou St. N. Kifisia, Athens, Greece
Eltrak Bulgaria EOOD	Ordinary	88%	88%	439 Europa Boulevard 1331, Sofia, Bulgaria
Conmach Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Dan Ma Import and Export Limited	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Huntraco Zrt.	Ordinary	100%	100%	2040 Budaőrs, Kamarerdei út 1-3, Hungary
IP Equipment Sales Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Irbid Filters Shouna Limited	Ordinary	100%	87%	Al-Hasan Industrial Zone, Irbid, Jordan
Irbid Filters Limited	Ordinary	100%	87%	Al-Hasan Industrial Zone, Irbid, Jordan
MP Motor Kft.	Ordinary	100%	100%	2040 Budaőrs, Kamarerdei út 3, Hungary
Oz Hydraulics Limited	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
R.Y. Sharir Limited	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Sharir Underwriters Limited	A and B ordinary shares	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Siniaver Enterprises Limited	Ordinary	100%	87%	Moshe Hes 3, Lod, 7120117, Israel
The Israel Tractors and Equipment Company Limited	Ordinary	100%	100%	3 Ramat Yam st, 4685104, Herzlia, Israel
Tractors and Equipment (I.T.E.) Limited	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Vermeer UK Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ

33. Related undertakings (continued)

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
Machinery (continued)				
Yarkon Consumables Limited	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Zoko Enterprises Limited	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Zoko Technologies Ltd	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Zoko Marketing and Distribution Limited	Ordinary	100%	87%	Baalei Hamelacha 4, Ramla, 7255802, Israel
Zoko Power Gas Limited	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Zoko Rail Services (Z.P.) Limited	Ordinary	100%	87%	8 Hamanor Street, Holon, 58101, Israel
Flexible workspace				
LEntA Business Centres Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8HR
LEntA Business Space Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8HR
LEntA Properties Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8HR
Tottenham Enterprise Centre Limited	Limited by guarantee	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Lenta 2 Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8HR
Civil engineering				
Cibitas Holt Town Limited	Ordinary	84%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Cibitas Investments Limited	Ordinary	90%	53%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Waystone 32 Limited	Ordinary	100%	59%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Waystone Developments Limited	Ordinary	100%	59%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Waystone (Holdings) Limited	Ordinary	100%	59%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Waystone Limited	Ordinary	100%	59%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Shipley Lakeside Management Company	Ordinary	100%	59%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ

33. Related undertakings (continued)

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
Technology				
Technology Within Limited	Ordinary	76%	76%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Other activities				
B & S Hydraulics Limited	A ordinary & B ordinary shares	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Burnwell Coal Company Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Cambro Contractors Limited	Ordinary & deferred ordinary shares	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
CP Holdings (Pensions) Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
CPPH Ingatlanhasznosító Kft	Ordinary	100%	100%	1051 Budapest Szent István tér 11. VII.712., Hungary
Currall Lewis and Martin Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Dyggor-Gaylord Limited	Ordinary & deferred ordinary shares	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Hármashatárhegy Udvarház Ingatlanhasznosító és Szervező Kft	Ordinary	100%	100%	1051 Budapest Szent István tér 11. 7.em. 709., Hungary
Interag Zrt	Ordinary	100%	100%	1051 Budapest, Szent István tér 11, Hungary
IP-Xchange Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Kingsbury Link Management Limited	A ordinary & B ordinary shares	100%	100% *	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Milerun Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Murphy Bros. Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
CP BI Joint Arrangement	No capital issued	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
NCC Minerals Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ

33. Related undertakings (continued)

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
Other activities (continued)				
Preventív-Security Zrt.	Ordinary	95%	95%	1136 Budapest, Pannónia u. 11, Hungary
Shand Mining Limited	Ordinary	100%	100% *	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Stickman Technology Limited	Ordinary	76%	76%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Strázsa-Véd Kft.	Ordinary	95%	95%	1136 Budapest, Pannónia u. 11, Hungary
TJ Harman & Sons Limited	Ordinary	100%	100%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Vol-Sec Kft.	Ordinary	95%	95%	1136 Budapest, Pannónia u. 11, Hungary

Details of the joint venture undertakings are as follows:

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
Hotel				
Buxton Crescent Limited	Ordinary	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
M.N.S.R Hotels Limited	Ordinary	50%	50%	Neve Zohar 8691000 - Oasis Hotel, Israel
Old Hall Hotel Limited	Ordinary	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
George Mansion Buxton Liminted	Ordinary	50%	50%	Rectory Lodge, Combe Hay, Bath, England, BA2 7EG
R.&W. Estates (Buxton) Limited	Ordinary	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Flexible workspace				
Applepeach Limited	Ordinary	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Co-Work Space Two LLP	Members' capital	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8HR
Co-Work Space Limited	Ordinary	50%	35%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
LEntA IDM LLP	No capital issued	50%	50%	Office B West Gainsborough Studios, 1 Poole Street, London, N1 5EA
LEntA Properties Limited and Searchgrade Limited joint venture arrangement	No capital issued	50%	50%	N/A

33 Related undertakings (continued)

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
Civil engineering				
Waystone Hargreaves Land LLP (formerly Waystone Unity LLP)	No capital issued	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Unity Estate Management Company	Ordinary	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Hargreaves Hatfield Limited	Ordinary	50%	50%	CP House, Otterspool Way, Watford, Hertfordshire, WD25 8JJ
Machinery				
Lesico-Zoko joint venture	Ordinary	50%	50%	Betslel 7, Holon, 5882716, Israel
International trade				
Dizengoff Technical Services Limited	Ordinary	49%	49%	Plot 328, Block 12, Ogunnusi Road, Omole Phase 1, Ojodu Berger, Lagos
Other				
Prev-Info Kft	Ordinary	47%	47%	1134 Budapest, Róbert Károly körút 64-66. 5. em. Hungary

Details of the associated undertakings are as follows:

Name of company	Class of shares	Proportion of voting rights held	Proportion of equity held	Registered office address
Machinery				
Global	Ordinary	20%	20% +	Corazin 1, Givataim, 5358301, Israel
Logistics				
Bajai OKK Kft	Ordinary	25%	25%	6500 Baja, Szentjánosi út 12, Hungary

+ The Global investment represents investments in 16 individual companies.
* Entities excluded from the consolidation due to their immaterial size.