

International Group Limited

**Directors' Report and financial
Statements**

Registered number 1330368
For the year ended 31 December 2021

THURSDAY



ABJFLPØZ

A11

22/12/2022

#239

COMPANIES HOUSE

Contents	Page no.
Directors and Officers	1
Strategic Report	2
Directors' Report	5
Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements	6
Independent auditor's report to the members of International Group Limited	7
Consolidated Profit and Loss Account and Other Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Consolidated and Company Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes	15

Directors and Officers

Directors

RM King (Chairman)
CM King

Registered Office

3 Aston House
62-68 Oak End Way
Gerrards Cross
Buckinghamshire
SL9 8FU

Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Strategic Report

The directors present their strategic report on the Group for the year ended 31 December 2021.

Review of the business

The Company holds investments in subsidiary and associated undertakings and provides management services to these undertakings. The principal activities of its subsidiary undertakings are project management, hospital construction and management, property construction, consultancy and management of a hotel and leisure facilities post year end the hotel and leisure business was sold see note 30.

Impact of COVID-19

Leisure division:

The divisions operation had to close during the lockdown in early 2021. The division has made use of the various support measures offered by the government to minimise costs during these periods of restriction, but trading has been negatively impacted.

Healthcare and services division:

The division implemented COVID-19 compliant work practices in its offices as required by the local regulations during 2021 the impact of the ongoing pandemic on its projects in Oman was being monitored and to be covered by appropriate claims in accordance with the contracts until the Groups subsidiary received notices of termination in relation to the projects in Oman.

Other divisions:

Assessment of the likely impact of COVID-19 to be minimal.

Results, performance and key performance indicators

The Group's sales have decreased to £38,978,000 (2020: £49,672,000), with an increase in administrative expenses of £14,090,000 to £31,261,000 (2020: £17,171,000). The Group has reported a profit of £40,833,000 (2020: loss of £10,660,000).

The Group structures its operations on a divisional basis with the Company providing support to these operating divisions. The Group results are split below, according to division.

The Group has loan and overdraft facilities of £8,448,000 (2020: £40,161,000).

Leisure division

The division's principal activities following the disposal of Stoke Park Limited is esports related operations. The division's sales were £642,000 (2020: £7,949,000), the significant reduction during 2020 being due to Covid-19 and various lockdowns and the disposal of Stoke Park Limited in April 2021. In 2021 the profit before tax, including that on the disposal, was £50,910,000. In 2020, the division used the furlough scheme and other government support that reduced some of the losses due to Covid-19 but it had a significant impact with a loss before tax of £4,205,000. Earnings before interest tax depreciation and amortisation (EBITDA) being a profit of £51,470,000 (2020: loss of £2,368,000).

Property division

The division's principal activities are property investment and trading in the UK and income from land and buildings. The division's sales were £nil (2020: £nil) and loss before tax was £97,000 (2020: profit of £216,000). EBITDA is a loss of £35,000 (2020: profit of £516,000 including a fair value gain of £542,000 on investment property).

Healthcare and services division

The division's principal activities are the construction and management of healthcare facilities together with related consultancy services world-wide. The division invests in research activities appropriate to the nature and size of its operations. The division's sales were £38,336,000 (2020: £41,723,000), and the profit before tax was £2,782,000 (2020: loss of £1,344,000). EBITDA is a profit of £3,374,000 (2020: loss of £725,000).

Strategic Report *(continued)*

During 2018, the Company and the Government of Oman signed turnkey contracts to deliver three major new hospitals and associated infrastructure in the Sultanate of Oman. The total value of these projects exceeds £500m. Works on all three hospital projects commenced in 2018 under Limited Notices To Proceed to commence design and enabling works until the client financially closed the required loan funding. The project financing arrangements were concluded and the requisite advance payments paid during 2019. During 2020 due the impact of COVID completion dates for these contracts were forecast to be later than initially contracted and the Company submitted a force majeure notice to the contract employer and expected to file an extension of time (EOT) claim once the full impact of the pandemic on the contract timelines could be ascertained. In addition, the Company has also submitted substantial variation orders as well as additional EOT claims varying from a period of 15-18 months in relation to these contracts which were currently being negotiated with the contract employer until notice of terminations were received in August 2021.

The Company's project in Ghana came out of suspension during 2021 with works commencing on a limited basis while balance of funding is agreed.

Other services and central costs division

The division's principal activity is now the costs that are considered central to the Group that do not relate to the activities of the other divisions. Previously it also included the holding of patents and tooling equipment for closure technology and licensing these world-wide, and also income from land and buildings (now within the property division). The division's sales were £nil (2020: £nil) and loss before tax was £12,847,000 (2020: £5,011,000). EBITDA is a loss of £12,827,000 (2020: £4,751,000).

Strategy

The Group's success is dependent on the proper selection of investment opportunities in its subsidiary undertakings. The Group will concentrate its efforts on achieving maximum returns from its subsidiary undertakings in its existing market segment and will seek appropriate investment opportunities in new geographical locations to expand into.

Principal risks and uncertainties

The principal risks of the Group are:

- Payment delays from its major customers and foreign exchange fluctuations. To manage these risks, the Group strives to ensure contract revenue and costs where possible are in the same currency and through its strong and close relationships with customers it minimises any payment delays.
- Delivery of projects by the healthcare division's business partner on major contracts. To manage these risks, the healthcare division employs skilled staff to oversee delivery of the projects who work closely with our business partner's staff on each project.
- Competitive pressure which could result in it losing sales to its key competitors. To manage this risk, the Group strives to provide added-value services to its customers; prompt response times in the supply of products and services and in the handling of customer queries; and through the maintenance of strong relationships with customers.
- Mitigating risk of liquidated damages being applied by managing its construction partners/sub-contractors to deliver on large turnkey contracts on time and to agreed standards.
- The Group undertakes research and development that it has control over and thereby can reasonably predict the commitments, however, research and development by its very nature is high risk capital with no certainty of returning a profit on the investment.
- The Group's businesses may also be affected by fluctuations in the price and supply of key services, although purchasing policies and practices seek to mitigate, where practicable, such risks.
- Covid-19 may adversely affect the timing of the Group's healthcare division in securing new overseas business due to travel restrictions implemented during 2020 and 2021.

Strategic Report *(continued)*

Future developments

As set out in note 30 the Group sold Stoke Park Limited and some freehold land in April 2021, the Group is therefore concentrating its future efforts in healthcare, property and esports business opportunities.

The Group will look to securing new healthcare infrastructure projects in Africa, Middle East and Asia. The healthcare division is developing a number of such projects and it is expected to secure at least one of these in next two years.

The Group continues to invest in its property portfolio and is looking for development opportunities through planning gains to increase revenue and profit after tax.

The Group will undertake a number of strategic investments to expand its business in the esports area that are expected to deliver growth over a five-year period.

Section 172(1) statement

The directors continue to govern the Group in a way in which they believe is most likely to promote the success of the Company for the benefit of its members as a whole, whilst having regard to the stakeholders and matters set out in s172(1) (a) – (f) of the Companies Act 2006.

Long-term consequences of decision and maintaining high standards of business conduct

Behaving with integrity has been a core value since the group was founded six decades ago. It remains central to our operations and corporate culture and drives a continuous focus on maintenance of durable relationships with our stakeholders and maintaining our reputation. Honesty, integrity and professionalism are core principles of our business and the board of directors along with the wider senior management team who drive the overall group strategy make sure these values are demonstrated in their leadership and management approach.

Interests of the company's employees

Our people are our most valuable asset. We rely on their skills, experience, knowledge and diversity to deliver our services. We are committed to supporting human rights and providing equal opportunity and advancement to all employees.

During 2021 and the challenging times of the pandemic, with UK staff on furlough or working remotely, we regularly engaged with employees to ensure their wellbeing. When the Group was able to reopen offices and hotel, all Government advice and legislation was followed to provide a safe working environment for our staff.

Our investment in technology allowed office-based employees to rapidly transition to remote working at the onset of the pandemic, enabling us to ensure the health and safety of our workforce whilst continuing to serve our overseas clients.

Energy and carbon reporting

The group has been unable to report the energy and carbon information relating to Stoke Park Ltd, a subsidiary company that was sold in April 21 due to no longer having access to the required information.

The Group's offices, at Capswood 1, were controlled by the landlord, as such it was determined to be the landlord's responsibility for reporting.

By order of the board



CM King
Director

3 Aston House
62-68 Oak End Way
Gerrards Cross
Buckinghamshire
SL9 8FU
24 October 2022

Directors' Report

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

Proposed dividend

The directors do not recommend the payment of a dividend (2020: £nil).

Directors

The directors who held office during the year and up to the date of signing these financial statements were as follows:

RM King (Chairman)

WM King (resigned 27 April 2021)

CM King

Employees

It is the Group's policy to provide employees with information concerning their roles and responsibilities. This policy is to ensure opportunities are available at every level to improve employees' and corporate performance. Regular meetings are held which involve directors, managers and staff.

Employee development and equal opportunities

The Group is committed to ensuring it recruits and promotes the right people regardless of gender, disability, age, sexual orientation or race, and is committed to a culture of meritocracy whereby career progression is based on ability. It facilitates opportunity for all employees to progress and regularly reviews policies and practices. It regards its people as its most valuable asset and is committed to investing in them to achieve their full potential, without discrimination.

People with disabilities are given equal opportunity wherever they can fulfil the requirements of the job. If an employee becomes disabled during their employment with the Group every reasonable effort is made to enable them to continue their career within the Group.

Political and charitable contributions

The Group made donations of £6,000 (2020: £6,000) to UK charities during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, Haysmacintyre LLP will be deemed to be reappointed and Haysmacintyre LLP will therefore continue in office.

By order of the board



CM King
Director

3 Aston House
62-68 Oak End Way
Gerrards Cross
Buckinghamshire
SL9 8FU

24 October 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of International Group Limited

Opinion

We have audited the financial statements of International Group Limited (the 'company') for the year ended 31 December 2021 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL GROUP LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- *the directors' report has 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 its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the group and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL GROUP LIMITED (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited key risk characteristics; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



Tom Wilson (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
25 October 2022

10 Queen Street Place
London
EC4R 1AG

Consolidated Profit and Loss Account and Other Comprehensive Income
For the year ended 31 December 2021

	Note	2021 Continuing operations £000	2021 Discon- tinued operations £000	2021 Total £000	2020 Continuing operations £000	2020 Discon- tinued operations £000	2020 Total £000
Group turnover	2	38,395	583	38,978	42,070	7,602	49,672
Cost of sales		(20,099)	(88)	(20,187)	(40,545)	(1,098)	(41,643)
Gross profit		18,296	495	18,791	1,525	6,504	8,029
Administrative expenses		(28,902)	(2,359)	(31,261)	(7,275)	(9,896)	(17,171)
Other operating income – Coronavirus job retention scheme		-	749	749	-	1,277	1,277
Group operating loss		(10,606)	(1,115)	(11,721)	(5,750)	(2,115)	(7,865)
Total operating loss		(10,606)	(1,115)	(11,721)	(5,750)	(2,115)	(7,865)
Gain on fair value of investment property	13	-	-	-	-	542	542
Loss on disposal of investment property		-	(95)	(95)	-	-	-
Profit on disposal of investment in subsidiary		-	53,372	53,372	-	-	-
Write-down of investment in a joint venture	15	-	-	-	(14)	-	(14)
Dividend income		3	-	3	-	-	-
Other gains and losses	7	2	-	2	(1,211)	-	(1,211)
Interest receivable and similar income	8(a)	57	-	57	96	-	96
Interest payable and similar expenses	8(b)	(628)	(242)	(870)	(912)	(980)	(1,892)
Profit/(loss) before taxation	4	(11,172)	51,920	40,748	(7,791)	(2,553)	(10,344)
Taxation	9	(171)	256	85	(213)	(103)	(316)
Profit/(loss) for the financial year		(11,343)	52,176	40,833	(8,004)	(2,656)	(10,660)
Other comprehensive income							
Net exchange differences on the retranslation of net investments and related borrowings		(313)	-	(313)	(127)	-	(127)
Other comprehensive loss for the financial year, net of income tax		(313)	-	(313)	(127)	-	(127)
Total comprehensive profit/(loss) for the financial year		(11,656)	52,176	40,520	(8,131)	(2,656)	(10,787)
Profit/(loss) for the financial year attributable to:							
- Owners of the parent		(11,343)	52,176	40,833	(8,004)	(2,656)	(10,660)
- Non controlling interest		-	-	-	-	-	-
Profit/(loss) for the financial year		(11,343)	52,176	40,833	(8,004)	(2,656)	(10,660)
Total comprehensive loss attributable to:							
- Owners of the parent		(11,656)	52,176	40,520	(8,131)	(2,656)	(10,787)
- Non controlling interest		-	-	-	-	-	-
Total Comprehensive profit/(loss) for the financial year		(11,656)	52,176	40,520	(8,131)	(2,656)	(10,787)

Notes from pages 15 to 46 form a part of the financial statements.

The results of the Group for the year arose from continuing and discontinued operations as stated above.
Registered number: 1330368

Consolidated Balance Sheet
For the year ended 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets					
Goodwill	11	-	-	-	-
Other intangible assets	11	-	-	43	43
			-		
Tangible assets	12		1,329		56,686
Investment property	13		1,275		4,694
Investment in joint venture					
Share of gross assets	15	-	-	-	-
Share of gross liabilities	15	-	-	-	-
					-
Investments - Other	14		7,025		213
			9,629		61,636
Current assets					
Stocks	16	18		245	
Debtors	17	61,222		67,384	
Cash at bank and in hand	18	10,735		1,716	
		71,975		69,345	
Creditors: amounts falling due within one year	19	(88,978)		(147,253)	
Net current liabilities			(17,003)		(77,908)
Total assets less current liabilities			(7,374)		(16,272)
Creditors: amounts falling due after more than one year	20		(8,501)		(8,893)
Net liabilities			(15,875)		(25,165)
Capital and reserves					
Called up share capital	22		-		-
Share premium			7,607		7,607
Revaluation reserve			(3,119)		28,111
Capital contribution reserve			1,308		1,308
Merger reserve			740		740
Translation reserve			(29)		284
Other reserves including the fair value reserve			4,476		4,582
Profit and loss account			(29,136)		(70,075)
Shareholders' deficit			(18,153)		(27,443)
Non-controlling interests			2,278		2,278
			(15,875)		(25,165)
Net deficit					

Notes from pages 15 to 46 form a part of the financial statements.

These financial statements were approved by the board of directors on 24 October 2022 and were signed on its behalf by:



CM King
Director

Company Balance Sheet
For the year ended 31 December 2020

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	12		1,047		47
Investments	14		9,479		2,767
			<u>10,526</u>		<u>2,814</u>
Current assets					
Debtors	17	3,819		8,757	
Cash	18	<u>10,031</u>		<u>12</u>	
		<u>13,850</u>		<u>8,769</u>	
Creditors: amounts falling due within one year	19	<u>(80,818)</u>		<u>(54,245)</u>	
Net current liabilities			<u>(66,968)</u>		<u>(45,476)</u>
Total assets less current liabilities			<u>(56,442)</u>		<u>(42,662)</u>
Creditors: amounts falling due after more than one year	20		<u>(53)</u>		<u>(913)</u>
Net liabilities			<u>(56,495)</u>		<u>(43,575)</u>
Capital and reserves					
Called up share capital	22		-		-
Share premium			7,607		7,607
Capital contribution			1,211		1,211
Fair value reserve			-		106
Profit and loss account			<u>(65,313)</u>		<u>(52,499)</u>
Shareholders' deficit			<u>(56,495)</u>		<u>(43,575)</u>

Notes from pages 15 to 46 form a part of the financial statements.

These financial statements were approved by the board of directors on 24 October 2022 and were signed on its behalf by:



CM King
Director

Registered number: 1330368

Consolidated Statement of Changes in Equity

	Share premium £000	Reval- uation reserve £000	Capital contri- bution reserve £000	Merger reserve £000	Trans- lation reserve £000	Other reserves including fair value £000	Profit and loss account £000	Share- holders surplus £000	Non-con- trolling interests £000	Total equity/ (deficit) £000
At January 1 2020	-	32,247	97	740	411	6,043	(65,012)	(25,474)	2,278	(23,196)
Loss for the year	-	-	-	-	-	-	(10,660)	(10,660)	-	(10,660)
Other comprehensive loss	-	-	-	-	-	-	(127)	(127)	-	(127)
Shares issued	7,607	-	1,211	-	-	-	-	8,818	-	8,818
Transfer to profit and loss account	-	(4,136)	-	-	(127)	(1,461)	5,724	-	-	-
At 31 December 2020	7,607	28,111	1,308	740	284	4,582	(70,075)	(27,443)	2,278	(25,165)
Profit for the year	-	-	-	-	-	-	40,833	40,833	-	40,833
Other comprehensive loss	-	-	-	-	-	-	(313)	(313)	-	(313)
Transfer to profit and loss account (see note 22)	-	(31,230)	-	-	(313)	(106)	419	(31,230)	-	(31,230)
At 31 December 2021	7,607	(3,119)	1,308	740	(29)	4,476	(29,136)	(18,153)	2,278	(15,875)

Company Statement of Changes in Equity

	Share Premium £000	Capital contri- bution reserve £000	Fair value reserve £000	Profit and loss account £000	Total equity/ (deficit) £000
At 1 January 2020	-	-	1,567	(48,906)	(47,339)
Shares issued	7,607	1,211	-	-	8,818
Loss for the year (see note 10)	-	-	-	(5,054)	(5,054)
Transfer to profit and loss account	-	-	(1,461)	1,461	-
At 31 December 2020	7,607	1,211	106	(52,499)	(43,575)
Loss for the year (see note 10)	-	-	-	(12,814)	(12,814)
Transfer to profit and loss Account (see note 22)	-	-	(106)	-	(106)
At 31 December 2021	7,607	1,211	-	(65,313)	(56,495)

Notes from pages 15 to 46 form a part of the financial statements.

Consolidated Cash Flow Statement
For the year ended 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Cash flows from operating activities	25	(28,607)	(7,054)
Taxation paid		(3)	(262)
Net cash used in operating activities		(28,610)	(7,316)
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(2,810)	(878)
Purchase of investment property		-	(252)
Sale of subsidiary undertaking		47,190	-
Net cash transferred with subsidiary undertaking		4,213	-
Purchase of intangible fixed assets	11	-	(29)
Purchase of fixed asset investment (net of costs)		(6,675)	(213)
Proceeds from sale of tangible fixed assets		-	266
Proceeds from sales of investment properties		4,347	-
Dividend received - liquidation of investment in a joint venture		-	3,821
Net cash from investing activities		46,265	2,715
Cash flows from financing activities			
Capital element of finance lease rental payments	20, 25	80	(158)
Repayment of subordinated debt	20, 25	(1,000)	-
Decrease in directors' loans	20, 25	(2,900)	(1,100)
Decrease in bank loan	20, 25	(1,684)	(5,260)
Interest received	8 (a)	57	96
Interest paid	8 (b)	(848)	(1,604)
Interest element of finance lease rental payments	8 (b)	(14)	(33)
Net cash used in financing activities		(6,309)	(8,059)
Net increase/(decrease) in cash and cash equivalents		11,346	(12,660)
Effect of movement in exchange rates on cash held	25	44	56
Cash and cash equivalents at beginning of year	18, 25	(655)	11,949
Cash and cash equivalents at end of year	18, 25	10,735	(655)

Notes from pages 15 to 46 form a part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

International Group Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed within this note.

Basis of preparation

These Group and parent financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise stated.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time;
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property and long leasehold property.

Going concern

Notwithstanding the group's and parent company's net current liabilities of £17.0m (2020: £77.9m) and £67.0m (2020: £45.5m), net liabilities of £15.9m (2020: £25.2m) and £56.5m (2020: £43.6m), and profit for the year of £40.8m (2020: loss of £10.7m) and loss for the year of £12.8m (2020: £5.1m) respectively, these financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

In April 2021 the group sold its equity interest in Stoke Park Limited along with the ownership of the land adjacent to Stoke Park Hotel held by Stoke Park Estates, to Reliance Industries Limited, a company incorporated and registered in India. The net proceeds from the sale of the above assets amounted to £56.4m

Notes *(continued)*

1 Accounting policies *(continued)*

Basis of preparation *(continued)*

Going concern *(continued)*

The directors have prepared detailed cash flow forecasts up to 31 December 2023, which indicate that, the group and parent company will have sufficient funds to meet its liabilities as they fall due for that period.

The directors assessment has considered continued spend on business development and marketing activities to source new contracts for its healthcare and services division following the termination in August 2021 of the 3 hospital construction contracts in Oman being carried out by one of the group entities. The hospital construction contract in Ghana which resumed during 2021, however any new construction contracts are assessed to be procured in 2023 or beyond. The forecasts also consider continued investment in the start-up e-sports project being developed by one of the group entities, however returns from this project are assessed to occur from 2024 onwards.

Consequently, the directors are confident that the group and parent 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 therefore have prepared the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2021. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The acquisition method of accounting has been adopted in respect of all subsidiaries apart from International Hospital Group Limited.

Under the acquisition method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

The merger method of accounting was adopted in respect of the acquisition by the Company of International Hospitals Group Limited and its subsidiaries on 31 August 2005 as the transactions met the definition of a group reconstruction under the previous FRS 6 'Acquisitions and Mergers'. This remains consistent with FRS 102 Sections 19.27 to 19.33.

Notes *(continued)*

1 Accounting policies *(continued)*

Basis of consolidation *(continued)*

Under this method the results of subsidiary undertakings are brought into the Group from the beginning of the financial period and corresponding figures are restated as if the Group had always been in existence.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of business combinations is capitalised at cost less any accumulated amortisation and accumulated impairment losses. Positive goodwill is amortised on a straight-line basis to a residual value of nil over its estimated useful life. Where a reliable estimate of the useful economic life cannot be made by the directors, the life shall not exceed ten years.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

FRS 102 Section 35 granted certain exemptions from the full requirements of FRS 102 during the transition period. The Group elected not to restate business combinations that took place prior to the transition date. In respect of acquisitions prior to 1 January 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under pre-2015 UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

Goodwill is tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill may be impaired.

Notes (continued)

1 Accounting policies (continued)

Other intangible fixed assets and amortisation

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

The costs of computer software are amortised on a straight-line basis over their estimated useful economic lives as follows:

Computer software	-	5 years
-------------------	---	---------

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

Tangible fixed assets and depreciation

Tangible fixed assets other than long leasehold property are stated at cost less accumulated depreciation and accumulated impairment losses. Long leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account to write off the cost less the estimated residual value of each part of an item of tangible fixed assets on a straight-line basis over their estimated useful economic lives as follows:

Long leasehold property and leasehold improvements	- 20 to 100 years (dependent on the type of improvement)
Fixtures, fittings and equipment	- 5 to 25 years
Motor vehicles	- 4 years

No depreciation is provided on freehold land.

No depreciation is provided on fine art works included within fixtures and fittings as it is considered that the residual value of these items will be greater than cost.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

In the case of freehold buildings, annual depreciation (using residual values estimated at the time the properties were acquired or at the time of a later revaluation) would not be material in these accounts and hence no depreciation is provided.

Included within long leasehold property and leasehold improvements is leasehold land and buildings on which no depreciation is provided as the leases all have 100 years and over left to run as at the balance sheet date. It is the Company's practice to maintain these assets in a continual state of sound repair and make improvements thereto from time to time and accordingly the directors consider that the lives of these assets are so long and residual values, based on prices prevailing at the time of acquisition or subsequent valuation, are so high that their depreciation is insignificant. Any permanent diminution in value of such properties is charged to profit and loss account as appropriate. On an annual basis the directors consider the appropriateness of the assumed useful economic lives for assets which have a useful economic life of greater than 50 years.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

Revaluation

As stated above, long leasehold property is stated at fair value less any subsequent accumulated depreciation and impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in a revaluation reserve within equity. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

Leases

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease, or if it cannot be determined, by using the lessee's incremental borrowing rate.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Notes (continued)

1 Accounting policies (continued)

Stocks and work in progress

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Work in progress is valued at the lower of costs incurred to date and net realisable value less estimated costs to completion.

Freehold land and properties held for trade and directly associated improvement costs are stated at the lower of cost or the directors' estimate of net present value.

Foreign currencies

Transactions in foreign currencies are translated into the Group's functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the rate of exchange ruling at that date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of any overseas subsidiary undertakings are translated at the closing exchange rates. Revenue and expenses of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to other comprehensive income, net of exchange differences arising on related foreign currency borrowings.

Construction contract debtor

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the revenue accounting policy) less progress billings. Variations are included in contract revenue when they are reliably measurable, and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable, and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as payments received on account in the balance sheet.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Notes (continued)

1 Accounting policies (continued)

Basic financial instruments (continued)

Investments in subsidiaries and associates

In the Company's financial statements, investments in subsidiary undertakings and associates are stated at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less bank overdrafts payable on demand that form an integral part of the Group's cash management.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship are accounted for in accordance with paragraphs 12.23 or 12.24 of chapter 12 of FRS 102.

Derivative financial instruments

Derivative financial instruments, including interest rate swaps and forward foreign exchange contracts are not Basic Financial Instruments. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into. These are remeasured to fair value at each reporting date with the gain or loss on remeasurement recognised immediately in profit or loss in finance income or finance costs as appropriate, unless they are included in a hedging arrangement.

The Group has not entered into any hedging arrangements.

Employee benefits

The Group operates a defined contribution pension scheme providing post-employment benefits. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Financial guarantee contracts

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make payment under the guarantee.

Notes *(continued)*

1 **Accounting policies** *(continued)*

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. Turnover is recognised when goods and services have been supplied to and accepted by the Group's clients.

When the outcome of a construction contract can be estimated reliably, revenue is recognised based on the proportion of cost appropriate to the stage of completion plus attributable profits, less amounts recognised in previous years. When the outcome of a construction contract cannot be estimated reliably revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and the Group recognises contract costs as an expense in the period in which they are incurred.

Fees are recognised over the period of the relevant assignments or agreements. Rental turnover is recognised in accordance with tenants' rental agreements.

Turnover from transactions where goods or services are sold in exchange for dissimilar goods or services are measured at the fair value of the goods and services received, adjusted by any cash or cash equivalent paid. These transactions are described within these accounts as Barter Transactions.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease, or if it cannot be determined, by using the lessee's incremental borrowing rate. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable on bank borrowings and overdraft and finance charges on finance leases which are recognised in profit or loss using the effective interest method, unwinding of the discount on interest free loans, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are expensed as incurred.

Other interest receivable and similar income include interest receivable on deposits and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes (continued)

1 Accounting policies (continued)

Taxation

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks, investment properties and deferred tax assets (continued)

Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Government Grants

Government grants are credited to the profit and loss account on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. These have been presented in the profit and loss account as other operating income.

Accounting estimate and judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- The directors do not consider there to be any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of the asset values disclosed at 31 December 2021.

Critical accounting judgements (apart from those involving estimations included above) in applying the group's accounting policies are described below:

Measurement of revenue and resulting profit recognition on long term construction contracts

Due to the size and complexity of some of the Group's contracts and inherent uncertainty involved in estimation of the costs to complete, there are significant judgments to be applied, including the measurement and timing of revenue recognition and the recognition of related balance sheet items (such as payments received on account / contract work in progress) that result from the performance of the contract. During the year, given the status of all the key construction contracts being undertaken by the Group, no margin was recognised on either of those contracts.

Notes (continued)

2 Segmental information

The geographical analysis of turnover is as follows:

	2021 £000	2020 £000
United Kingdom	642	7,613
Rest of the World	38,336	42,059
	<u>38,978</u>	<u>49,672</u>

The activity analysis of turnover is as follows:

	2021 £000	2020 £000
Leisure	642	7,949
Healthcare	38,336	41,723
	<u>38,978</u>	<u>49,672</u>

3 Barter transactions

Turnover includes £nil attributable to barter transactions recognised during the year (2020: £10,000).

4 Expenses and auditor's remuneration

	2021 £000	2020 £000
<i>Profit/loss is stated after charging/(crediting):</i>		
Amortisation of other intangible assets	4	13
Depreciation of tangible fixed assets:		
Owned	227	613
Leased	190	594
Hire of plant and machinery	-	51
(Profit)/loss on sale of fixed asset	<u>(43)</u>	<u>57</u>
<i>Auditor's remuneration:</i>		
Audit – Company	30	35
Audit – Group	<u>114</u>	<u>204</u>

Notes *(continued)*

5 Remuneration of directors

	2021	2020
	£000	£000
Directors' emoluments	1,455	1,679
Company contributions to money purchase pension schemes	7	12
	<u>1,462</u>	<u>1,691</u>

No retirement benefits accrued to the directors in the year under defined benefit schemes (2020: *£nil*).

The aggregate of emoluments including bonus payments of the highest paid director were £1,227,000 (2020: £1,318,000). Pension contributions of £7,000 (2020: £4,000) were made during the year on his behalf.

6 Staff numbers and costs

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

	Number of employees Group	
	2021	2020
Management	11	16
Administration	39	63
Operational workers	67	191
	<u>117</u>	<u>270</u>

The aggregate payroll costs of these persons were as follows:

	Group	
	2021	2020
	£000	£000
Wages and salaries	9,439	9,799
Social security costs	1,057	1,166
Other pension costs	329	305
	<u>10,825</u>	<u>11,270</u>

Notes *(continued)*

7 Other gains and losses

	2021	2020
	£000	£000
Realised gains on investments in the year	418	-
Revaluation of investments at year-end	(318)	-
Fair value loss on subordinated loan (refer to note 20)	(98)	(1,211)
	<u>2</u>	<u>(1,211)</u>

The revaluation of investments represents the change in value of holdings in a number of listed companies.

8 Interest

a) Interest receivable and similar income

	2021	2020
	£000	£000
On bank deposits	<u>57</u>	<u>96</u>

b) Interest payable and similar expenses

	2021	2020
	£000	£000
On bank loans and overdrafts	823	1,496
On directors' loans	25	107
Finance charges payable in respect of finance leases and hire purchases	14	33
Other interest payable	-	5
Unwind of discount	8	251
	<u>870</u>	<u>1,892</u>

Notes (continued)

9 Taxation

Total tax (credit)/expense recognised in the profit and loss account, other comprehensive income and equity

	2021 £000	2020 £000
<i>Analysis of expense/(credit) in year:</i>		
<i>Current tax</i>		
Current UK tax on income for the year	32	-
Current overseas tax on income for the year	139	213
Total current tax	171	213
<i>Deferred tax (see note 21)</i>		
- Current year	(256)	103
- Prior year	-	-
Total tax (credit)/expense	(85)	316

Reconciliation of effective tax rate

The total tax (credit)/expense for the year is lower (2020: higher) than the standard rate of corporation tax in the UK: 19.00% (2020: 19.00%). These differences are explained below:

	2021 £000	2020 £000
<i>Total tax reconciliation</i>		
Profit/(loss) before tax	40,748	(10,344)
Tax using the UK Corporation tax rate of 19.00% (2020: 19.00%)	7,742	(1,965)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	250	299
On gain on disposal of investment in subsidiary	(10,141)	-
Deferred tax provision released	(256)	-
S455 tax on directors loan	32	-
Depreciation for period more than capital allowances – no deferred tax impact recognised	1	112
Utilisation of tax losses	(734)	-
Additional tax losses to carry forward – no deferred tax impact recognised	2996	1,847
Effect of overseas tax rates	(104)	(81)
Exempt overseas distributions	-	(107)
Overseas tax	129	155
Overseas dividend tax	-	56
Total tax (credit)/expense (see above)	(85)	316

The total tax (credit)/expense is recognised wholly in the profit and loss account.

Notes (continued)

9 Taxation (continued)

The rate of UK corporation tax was originally set to reduce to 17% with effect from 1 April 2020. However, in the 11 March 2020 Budget, the government announced that the rate for years starting 1 April 2020 and 2021 would remain at 19%. This was substantively enacted on 17 March 2020.

In the 3 March 2021 Budget, the Government announced that from 1 April 2023 the UK corporation tax rate would increase to 25%. This was substantively enacted on 24 May 2021. This will have a consequential effect on the Company's future tax charge.

The £256,000 deferred tax liability (see note 21) at 31 December 2020, released in 2021, was calculated based on the rate of 19% substantively enacted at that balance sheet date.

10 Loss after tax

The Company's loss for the financial year was £12,814,000 (2020: £5,054,000).

11 Intangible fixed assets

<i>Group</i>	Goodwill £000	Computer software £000	Total £000
<i>Cost</i>			
At beginning of year	7,654	133	7,787
Disposal of subsidiary	(3,713)	(133)	(3,846)
At end of year	<u>3,941</u>	<u>-</u>	<u>3,941</u>
<i>Amortisation</i>			
At beginning of year	7,654	90	7,744
Charge in year	-	4	4
Disposal of subsidiary	(3,713)	(94)	(3,807)
At end of year	<u>3,941</u>	<u>-</u>	<u>3,941</u>
<i>Net book value</i>			
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>43</u>	<u>43</u>

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

All amortisation is recognised through profit and loss account in administrative expenses.

Notes (continued)

12 Tangible fixed assets

<i>Group</i>	Freehold land and buildings £000	Long leasehold property and leasehold improvements £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
<i>Cost, deemed cost or valuation</i>					
At beginning of year	231	53,901	10,990	305	65,427
Additions	-	1,229	324	403	1,956
Disposals	-	-	(125)	-	(125)
Disposal of subsidiary	-	(54,427)	(11,004)	(76)	(65,507)
Currency translation	-	-	(1)	(1)	(2)
At end of year	231	703	184	631	1,749
<i>Depreciation</i>					
At beginning of year	-	1,164	7,323	254	8,741
Charge for year	-	190	196	31	417
Eliminated on disposal	-	-	(125)	-	(125)
Disposal of subsidiary	-	(1,294)	(7,253)	(64)	(8,611)
Currency translation	-	-	(1)	(1)	(2)
At end of year	-	60	140	220	420
<i>Net book value</i>					
At 31 December 2021	231	643	44	411	1,329
At 31 December 2020	231	52,737	3,667	51	56,686

Non-depreciation

Freehold land and buildings at the start of the year consists of a plot of land held in Spain for capital appreciation purposes. The directors have determined that a reliable measure of the fair value of this property is not available without undue cost and effort and have therefore continued to measure this property at cost and have classified it within tangible fixed assets. No depreciation has been charged thereon during the year (2020: £nil).

Included within long leasehold property and leasehold improvements is long leasehold land of £nil (2020: £401,000) which is not subject to depreciation. Included within fixtures, fittings and equipment are assets of £nil (2020: £1,437,000) which are not subject to depreciation.

Leased assets

Included in the total net book value of fixtures, fittings and equipment is assets with a net book value of £nil (2020: £381,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets amounted to £nil (2020: £67,000).

Notes (continued)

12 Tangible fixed assets (continued)

The following information related to tangible fixed assets carried on the basis of revaluations in accordance with FRS 102, Section 18 and in respect of historical cost, paragraph 34 of Schedule 1 of the Regulations.

Class of assets – Long leasehold property

	Group	
	2021	2020
	£000	£000
At existing use value		
11 January 2019 - Full valuation	55,000	55,000
Less: non-leasehold assets included within revaluation, remaining at cost	(1,780)	(1,780)
Additions thereon	1,207	606
Aggregate depreciation thereon	(1,294)	(1,119)
Disposal of subsidiary	(53,133)	-
Net book value	-	52,707
Historical cost of revalued assets	-	29,872
Aggregate depreciation thereon	-	(7,409)
Historical cost of net book value	-	22,463

The long leasehold land and buildings (comprised Stoke Park, Park Road, Stoke Poges, Buckinghamshire, SL2 4PG) together with certain other assets based at Stoke Park were professionally valued by an independent valuer on 11 January 2019 at £55 million. The fair value was measured using the discounted cash flow method. Key assumptions of this calculation included sustainable EBITDA for the next five years, exit yield and appropriate discount rate. Stoke Park and other assets based there were included in the disposal of Stoke Park Limited in April 2021.

The directors assessed that the fair value of the long leasehold property and leasehold improvement at the prior balance sheet date was materially consistent with the net book value above taking into account informal discussions with valuation advisors, maintenance, upkeep and improvements carried out since the previous full revaluation and other publicly available market data.

Notes (continued)

12 Tangible fixed assets (continued)

Company

	Leasehold property £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
At beginning of year	-	94	129	223
Additions	628	4	403	1,035
Disposals	-	(70)	-	(70)
At end of year	<u>628</u>	<u>28</u>	<u>532</u>	<u>1,188</u>
Depreciation				
At beginning of year	-	85	91	176
Charge for year	-	5	30	35
Disposals	-	(70)	-	(70)
At end of year	<u>-</u>	<u>20</u>	<u>121</u>	<u>141</u>
Net book value				
At end of year	<u>628</u>	<u>8</u>	<u>411</u>	<u>1,047</u>
At beginning of year	<u>9</u>	<u>9</u>	<u>38</u>	<u>47</u>

13 Investment property

Group	2021 £000	2020 £000
At beginning of year	4,694	3,900
Net gain from fair value adjustments	-	542
Additions	1,023	252
Disposals	(4,442)	-
At end of year	<u>1,275</u>	<u>4,694</u>

Investment property brought forward in the prior year comprised three properties located in Stoke Poges, Buckinghamshire adjacent to Stoke Park. In April 2021 these properties were sold (along with Stoke Park Limited). At the prior reporting date, the directors assessed the fair value of these properties and booked a fair value gain to record a carrying value equivalent to the net proceeds received for the three properties in April 2021.

Notes (continued)

14 Fixed asset investments

Group

Investments – Other interests

	Other interests £000
<i>Group</i>	
<i>Cost or amortised cost and Net book value</i>	
Investment fund	5,127
Shares in unlisted companies	802
Motor vehicles held for investment purposes	1,096
At end of year	7,025

Investments in Other interests are further disclosed below:

	Investment fund £000
<i>Group and Company</i>	
<i>Amortised cost</i>	
At beginning of year	-
Addition	5,000
Realised gains on disposals reinvested	418
Revaluation of investments at year-end	(318)
Currency translation	37
Dividend income reinvested	3
Trading costs	(13)
At end of year	5,127

During 2021, the Company invested £5,000,000 in Saxo Capital Corporate Account. Movements in the year are reported in the table above.

	Shares in unlisted companies £000
<i>Group</i>	
<i>Cost</i>	213
At beginning of year	589
Addition	
At end of year	802

During the prior year, the Group purchased 99,920 common stock shares in London Ravens Inc., a Delaware Corporation, for consideration of £213,000.

During 2021, the Group purchased 28,725 ordinary shares in GoBubble Limited, registered in England and Wales, for consideration of £100,000.

During 2021, the Company purchased 4,400 class E common shares in Proton Technologies Canada, Inc., registered in Canada, for consideration of £489,000.

Notes *(continued)*

14 Fixed asset investments *(continued)*

Investments – Other interests *(continued)*

	Motor vehicles £000
<i>Group and Company</i>	
<i>Cost</i>	
Additions	1,096
At end of year	1,096

During the year the Group purchased a number of prestige motor vehicles held for investment purposes together with other number plates.

Company

Investments – Subsidiary group undertakings and Other interests

	Total £000
<i>Group</i>	
<i>Cost or amortised cost and Net book value</i>	
Investment fund (see above)	5,127
Shares in unlisted companies (see below)	489
Motor vehicles held for investment purposes (see above)	1,096
Group undertakings (see below)	2,767
At end of year	9,479

Investments other than those as disclosed for the Group (above) are further disclosed below:

Beeson and Sons Limited, Beeson Club Limited, Beeson Investments and Beeson Property Investments Limited are claiming exemption from the requirement of the Companies Act 2006 relating to audit of individual accounts by virtue of section 479A on the basis that they are a subsidiary undertaking and its parent undertaking is established under the law of the UK.

Investments – Other interests – Shares in unlisted companies

This comprises the shares in Proton Technologies Canada, Inc. as disclosed for the Group above.

Notes (continued)

Investments – Subsidiaries

	Shares in group undertakings £000
<i>Company</i>	
<i>Cost</i>	
At beginning and end of year	<u>3,032</u>
<i>Provisions</i>	
At beginning and end of year	<u>265</u>
<i>Net book value</i>	
At 31 December 2021	<u>2,767</u>
At 31 December 2020	<u>2,767</u>

Notes (continued)

14 Fixed asset investments (continued)

The undertakings in which the Group's interest at the year-end is more than 20% are as follows:

		Class and percentage of shares held		Aggregate capital and reserves	Profit (or loss) for the year
Registered office / principal place of business	Principal activity	Group	Company		
Subsidiary undertakings					
Beeson and Sons investments Limited	(1)	Dormant	100% Ord £1	-	-
Beeson and Sons Limited	(1)	Property construction	100% Ord £1	100% Ord £1	(5,503)
Beeson Club Limited (formerly Stoke Park Club Limited)	(1)	Dormant	100% Ord £1	100% Ord £1	41,854
Beeson Investments (formerly Stoke Park Estates)	(1)	Property management	100% Ord £1	-	578
Beeson Property Investments Limited	(1)	Property development	100% Ord £1	100% Ord £1	285
Health International Espana SA	(1)	Property company	62% Ord £1	49% Ord £1	4,707
Hospitals Management (Shanghai) Co. Limited	(4)	Hospital management services	100% No par value	-	145
IHG ESA	(2)	Dormant	100% Ord 1pts	-	9
IHG Ghana Ltd	(3)	Construction	100% No par value	-	(1,726)
IHG Healthcare Limited	(1)	Healthcare consultancy	100% Ord £1	-	1,166
International Hospitals Group Limited	(1)	Hospital management services	100% Ord £1	100% Ord £1	(1,875)
International Hospitals Group (Shanghai) Co. Limited	(4)	Hospital management services	100% No par value	-	(7,484)
International Packaging Limited	(1)	Dormant	100% Ord £1	100% Ord £1	(12,645)
International Productions Limited	(1)	Dormant	100% Ord £1	-	(674)
International Services Group Limited	(1)	Dormant	100% Ord £1	100% Ord £1	-
King Mines Limited	(1)	Dormant	100% Ord £1	100% Ord £1	263
International Group Management Limited	(1)	Leisure facilities management	100% Ord £1	100% Ord £1	(9,295)
International Group Management (Shanghai) Co. Limited	(4)	Leisure facilities management	100% total of US\$300,000	-	331
International eGames Group Limited	(1)	Dormant	100% Ord £1	-	-
Resolve Esports Limited		Esports team management	60% Ord £1	-	(165)
Stoke Park Limited	(1)	Country club and hotel management / Disposed 2021	0% Ord £1	-	-
eSports Premier League Limited	(1)	Dormant	100% Ord £1	-	(48)
Associated undertakings					
HI (Health International) Limited	(1)	Dormant	26% Ord £1	26% Ord £1	(231)
Corinthian Club Limited	(1)	Dormant	26% Ord £1	26% Ord £1	121

The total of the Group's result after taxation from interests in joint ventures was £nil (2020: £nil).

The total of the Group's result after taxation from interests in associated undertakings was £nil (2020: £nil).

Key to registered office / principal place of business

- (1) 3 Aston House, 62-68 Oak End Way, Gerrards Cross, SL9 8FU, UK.
- (2) Pased de la Castellana 21, Madrid, Spain.
- (3) 67 Kojo Thompson Road, Adabraka, Accra, Ghana.
- (4) Room 802B, T8 Building, Hongqiao Vanke Centre, 988 Shenchang Road, Minghang District, Shanghai, 201107, People's Republic of China.

Notes (continued)

15 Investment in joint venture

	2020 £000
Group	
Cost	
At beginning of year	14
Disposal on liquidation	(14)
At end of year	-
Impairment	
At beginning of year	14
Disposal on liquidation	(14)
At end of year	-
Net book value	
At 31 December 2021	-
At 31 December 2020	-

On 5 July 2017, Maplecross Properties Limited entered into a voluntary liquidation. During 2019, the principal asset of the joint venture was sold and during 2020 the remaining smaller asset was sold. An interim dividend of £3,821,000 was paid by the Liquidator in 2020 and, at the prior year-end, was awaiting the permission of the Guernsey court to complete the final distribution from the joint venture, subsequently paid in May 2021. The amount receivable was included within Debtors at the prior year-end.

16 Stocks

	Group	
	2021 £000	2020 £000
Work in progress	18	19
Finished goods and goods for resale	-	226
	<u>18</u>	<u>245</u>

Notes (continued)

17 Debtors

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	1,563	8,463	-	11
Amounts owed by group undertakings	-	-	2,700	8,644
Amounts owed by a related party	104	4	104	4
Amounts owed by joint venture undertaking (see note 15)	-	163	-	-
Contract advances to construction and design subcontractors	52,182	53,486	-	-
Contract retentions	4,970	4,069	-	-
Other debtors	1,009	604	558	83
Prepayments and accrued income	1,394	595	457	15
	<u>61,222</u>	<u>67,384</u>	<u>3,819</u>	<u>8,757</u>
Due within one year	61,122	67,384	3,719	8,757
Due after one year	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
	<u>61,222</u>	<u>67,384</u>	<u>3,819</u>	<u>8,757</u>

18 Cash and Cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Cash at bank and in hand	10,735	1,716	10,031	12
Bank overdrafts	-	(2,371)	-	-
Cash and cash equivalents per cash flow statement	<u>10,735</u>	<u>(655)</u>	<u>10,031</u>	<u>12</u>

Included in cash at bank and in hand is an amount of £432,000 (2020: £936,000) which is held in accounts within the Peoples Republic of China and subject to that country's regulations on transferring funds to overseas bank accounts.

Notes *(continued)*

19 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loans and overdrafts <i>(see note 20)</i>	-	28,826	-	-
Directors' loans <i>(see note 20)</i>	-	2,900	-	-
Obligations under finance leases and hire purchase contracts	17	165	17	10
Payments received on account	82,661	101,286	-	-
Trade creditors	850	1,087	803	166
Amounts owed to group undertakings	-	-	79,588	53,911
Taxation and social security	187	363	89	72
Corporation tax	282	148	32	-
Other creditors	2,401	2,297	-	-
Amounts owed to related parties	730	730	-	-
Accruals and deferred income	1,850	9,451	289	86
	88,978	147,253	80,818	52,245

Payments received on account includes the following amounts in respect of long-term contracts.

	Group	
	2021	2020
	£000	£000
Net cost less foreseeable losses	(853)	(853)
Less payments on account received	83,514	102,139
	82,661	101,286

Notes (continued)

20 Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loan	8,448	7,540	-	-
Subordinated loan	-	895	-	895
Obligations under finance leases and hire purchase contracts	53	202	53	18
Deferred tax provision	-	256	-	-
	8,501	8,893	53	913

The above subordinated loan of £nil (2020: £895,000) was due to UA Investments Limited, a related party, registered overseas and owned by trusts (also refer to note 28).

During 2019, the loan which had a repayment date of 1 January 2020 was renewed with a new repayment date of 31 December 2025 with annual loan repayments of £100,000. The loan was subordinated to the claims of other creditors such that it could only be repaid, in full or in part, to the extent that the Company remained solvent after such repayment and was able to meet its debts as they fell due over the following twelve months. No interest is payable on this loan and accordingly under FRS 102 the amounts above are discounted using the effective interest method. The discounting impact was to unwind over the period of the loan.

In December 2020, the Company agreed with UA Investments Limited to exchange £8,817,000 of debt for 1% equity. The resultant discounting impact in the prior year was a loss of £1,211,000, recognised in the income statement (again refer to note 7) which reduced the subordinated loan with UA Investments to £895,000. The undiscounted liability at the prior year-end was £1,000,000. This was subsequently repaid in April 2021.

On 29 July 2016, the Group entered into a £35.8 million facility with HSBC, due for repayment in instalments over a five-year period up to the expiry date of 30 June 2021 with quarterly repayments of £0.3 million since June 2017. The loan carries interest at Sterling LIBOR plus 2.25 percent.

In December 2018 the Group agreed to amended terms with HSBC whereby the loan would be reduced during 2019 by a one-off repayment of £8 million, which was completed in August 2019. The quarterly repayments then reduced to £125,000, with the remaining balance of £24 million to be paid on 30 June 2021.

The loan agreement required the Group to comply with certain financial covenants. As at the balance sheet date the Group had breached these covenants. On 22nd February 2021 the bank agreed to waive its rights in relation to the above breach and also waived further covenant testing until the loan maturity date

On 19th October 2020 the Group entered into a £3,000,000 loan facility with HSBC which was further increased on 16th April 2021 to £4,200,000. The loan carries interest at Sterling LIBOR plus 3.0 percent. This facility was transferred to the new owners of Stoke Park Limited in April 2021 (see note 30).

In May 2018 a Group entity refinanced its prior year bank loan of £2,700,000 from proceeds of a new bank loan for £3,472,000 with a different external financial institution. The new loan carries an interest rate of 8%. In February 2020 the Group entity repaid £1,359,000 of this loan and in January 2021 the Group entity renewed this facility up to October 2022 that requires stage repayments of £250,000 in August 2021 and £750,000 in January 2022 and £500,000 in August 2022. This facility was fully repaid in April 2021. (also refer to note 13).

The bank loans are secured by a company debenture, a fixed and floating charge over leasehold and freehold land and property, a fixed charge over book and other debts and a composite multilateral guarantee.

Notes (continued)

20 Creditors: amounts falling due after more than one year (continued)

Total director loans to the Group amount to £nil (2020: £2,900,000). Interest on £nil (2020: £2,900,000) of these loans is payable at 2.75% above the Sterling LIBOR whilst £nil (2020: £nil) is interest free.

Analysis of debt:

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Debt can be analysed as falling due (based on original maturity):				
In one year or less, or on demand	-	31,726	-	-
In more than one year and up to five years	8,448	8,531	-	-
In more than five years or more	-	-	-	991
	8,448	40,257	-	991

The maturity of obligations under finance leases and hire purchase contracts net of future finance charges are as follows:

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Within one year	17	165	17	-
In the second to fifth years	53	202	53	-
	70	367	70	-

21 Deferred tax

Group

	Unrecognised asset	Unrecognised asset
	2021	2020
	£000	£000
The elements of deferred taxation are as follows:		
Difference between accumulated depreciation and amortisation and capital allowances	15	(2,217)
Other timing differences	220	167
Tax losses – UK	18,896	14,756
Tax losses - Overseas	1,385	1,002
Undiscounted deferred tax asset	20,516	13,708
	Recognised liability	Recognised liability
	2021	2020
	£000	£000
Deferred tax liability	-	256

UK deferred tax has been calculated at 25% (2020: 19%), the rate substantively enacted at the balance sheet date. Overseas tax has also been calculated at 25% (2020: 25%), the rate applicable where incorporated.

Notes (continued)

21 Deferred tax (continued)

Company

	Unrecognised asset 2021 £000	Unrecognised asset 2020 £000
Difference between accumulated depreciation and amortisation and capital allowances	1	1
Tax losses	8,369	3,912
Undiscounted deferred tax asset	<u>8,370</u>	<u>3,913</u>

The directors do not feel that it is appropriate to recognise this deferred tax asset in light of future trading conditions.

22 Capital and reserves

Called up share capital

	2021 £	2020 £
<i>Allotted, called up and fully paid</i>		
2,400 (2020: 2,400) ordinary shares of £0.10 each	240	240
Shares classified in shareholders' equity	<u>240</u>	<u>240</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. As explained more fully in note 20, in December 2020 the Company agreed with UA Investments Limited to exchange £8,817,000 of debt for 1% equity and whom subscribed for 24 of the 300 new 10p shares, with the balance taken to share premium. The shareholders of the Company as of the balance sheet date were RM King and CM King each owning 33%, WM King owning 19% and following a transfer in December 2021 his daughter SE King owning 14%, with UA Investments Limited owning 1%.

Revaluation reserve

Where tangible fixed assets are revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment or losses is included in the revaluation reserve. The movement in the prior year of £4,136,000 relates to sale of a freehold site during that year that was owned by a joint venture in which the Group was a 50% investor. The movement in the current year of £31,230,000 relates to the sale of Stoke Park.

Capital contribution reserve

The capital contribution reserve was created in 2004 in eSports Premier League Limited (formerly Xtrapack Limited), a subsidiary company.

Merger reserve

The merger reserve was created in 2004 when International Group Limited acquired 740,000 £1 ordinary shares in International Hospitals Group Limited in exchange for 74 £1 ordinary shares.

Notes (continued)

Other reserves

Other reserves include fair value adjustments to long-term loans and a reserve created from consolidating Beeson & Sons Investments Limited (a dormant company) following a corporate restructuring. The movement in the prior year of £1,461,000 relates to a change in fair value of the subordinated loan following agreement to a swap debt for equity, see notes 20 and 28. The movement in the current year of £106,000 relates to the elimination of the fair value reserve following the early repayment the remaining £1,000,000 loan in April 2021.

23 Pension Scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £329,000 (2020: £305,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

24 Financial instruments

The Group has the following financial instruments:

Financial assets measured at amortised cost

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade debtors	1,563	8,463	-	11
Amounts owed by group undertakings	-	-	2,700	8,644
Amounts owed by a related party	104	4	104	4
Amounts owed by joint venture undertaking	-	163	-	-
Other debtors	5,979	4,673	558	83
Cash and cash equivalents	10,735	1,716	10,031	12
	<u>18,381</u>	<u>15,019</u>	<u>13,393</u>	<u>8,754</u>

Financial liabilities measured at amortised cost

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Bank loans and overdrafts	8,448	36,366	-	-
Directors' loans	-	2,900	-	-
Obligations under finance leases and hire purchase contracts	70	367	70	28
Trade and other creditors	850	1,087	803	166
Amounts owed to group undertakings	-	-	79,588	53,911
Other creditors	2,401	2,297	-	-
Amounts owed to related parties	730	730	-	-
Accruals	1,292	7,569	289	86
	<u>13,791</u>	<u>51,316</u>	<u>80,750</u>	<u>54,191</u>

Financial liabilities measured at fair value through profit or loss

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Subordinated loan	-	895	-	895

Notes (continued)

25 Notes to the cash flow statement

	2021 £000	2020 £000
Profit/(loss) for the financial year	40,833	(10,660)
Tax expense	171	213
Interest payable and similar expenses	870	1,892
Fair value loss on subordinated loan	98	1,211
Deferred tax	(256)	103
Gain on fair value of investment property	-	(542)
	<u>41,716</u>	<u>(7,783)</u>
Foreign exchange	(47)	135
Depreciation and amortisation charges	421	1,220
Profit on disposal of investment in subsidiary	(53,372)	-
Loss on disposal of investment property	(95)	-
Loss on disposal of tangible fixed assets	-	57
Working capital movements:		
- (Increase)/decrease in stocks	(79)	78
- Decrease in debtors	6,037	2,487
- Decrease in creditors	(23,188)	(3,248)
	<u>(28,607)</u>	<u>(7,054)</u>
Net cash outflow from operating activities	(28,607)	(7,054)

Analysis of net debt

	At beginning of year	Non-cash movement	Disposal of subsidiary	Exchange movement	Cash flow / transfers	At end of year
Cash at bank in hand	1,716	-	-	44	8,975	10,735
Overdrafts	(2,371)	-	-	-	2,371	-
	<u>(655)</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>11,346</u>	<u>10,735</u>
Finance leases	(367)	-	546	-	(249)	(70)
Debt due within one year	(29,355)	-	24,145	-	5,210	-
Debt due after one year	(8,435)	(105)	66	(348)	374	(8,448)
Total	<u>(38,812)</u>	<u>(105)</u>	<u>24,757</u>	<u>(304)</u>	<u>16,681</u>	<u>2,217</u>

26 Commitments

- (a) There are no unprovided capital commitments at the end of the financial year (2020: £nil).
- (b) A group entity (International Hospitals Group Limited) has an annual commitment for £31,250 under operating leases (2020: £125,000).

27 Contingent liabilities

There are no contingent liabilities at 31 December 2021.

Notes (continued)

28 Related party transactions

The Group has taken advantage of the exemptions within FRS 102 Section 33 and has not disclosed details of the transactions and balances between the Group's subsidiaries.

During the year the Group had the following transactions and balances with related parties outside the Group.

	2021 £000	2020 £000
Balance sheet		
Group debtors		
International Travel Limited	4	4
CYHM Limited (owned by R M. King)	1,928	-
less provision thereon	(1,928)	-
D. King	100	-
Maplecross Properties Limited (2020: dividend receivable from liquidator)	-	163
	<u>104</u>	<u>167</u>
Company debtors		
International Travel Limited	4	4
CYHM Limited (owned by R M. King)	1,928	-
less provision thereon	(1,928)	-
D. King	100	-
	<u>104</u>	<u>4</u>
Group creditors		
R. M. King	-	2,900
International Travel Limited	24	24
UA Investments Limited (at nominal value)	-	1,000
IHG Limited	585	585
Corinthian Club Limited	121	121
	<u>730</u>	<u>4,630</u>
Company Creditors		
UA Investments Limited (at nominal value)	-	1,000
	<u>-</u>	<u>1,000</u>

UA Investments Limited, is an overseas company owned by a trust whose beneficiaries are RM King's grandchildren.

As explained more fully in notes 20 and 22, in December 2020 the Company agreed with UA Investments Limited to exchange £8,817,000 of debt for 1% equity.

Certain family members of the directors receive a salary from the company. This amounted in total to £873,000 (2020: £1,290,000).

All the other companies are related parties by virtue of the fact that the board of directors of the companies include RM King, WM King and CM King, with the exception of Maplecross Properties Limited.

Notes *(continued)*

28 Related party transactions *(continued)*

Maplecross Properties Limited was a related party by virtue of the fact that the Group owned 50% of the shares in that entity.

There were no profit and loss transactions with the above companies in the year (2020: £nil).

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to £2,025,000 (2020: £2,137,000).

29 Ultimate Shareholders

RM King and CM King each own 33%, WM King owns 19% and his daughter SE King owns 14% of the ordinary share capital as at the balance sheet date;

30 Discontinued operations

On 22 April 2021 100% of the shares of Stoke Park Limited, along with the ownership of the land adjacent to Stoke Park Hotel held by Beeson Investments (formerly Stoke Park Estates), were sold to Reliance Industrial Investments and Holdings Limited. The net proceeds from the sale of the above assets amounted to £51.4m, after adjusting for the outstanding value of the term loan and bank overdraft held by Stoke Park Limited, as at the date of transfer of equity interest, amounting to £24.2m and £4.2m respectively.

Also on 22 April 2021 Beeson Investments sold its investment property interest to Reliance Industrial Investments and Holdings Limited for £5,000,000 incurring expenses of £557,000 and repaid a loan from United Trust Bank.

31 Subsequent events

In April 2022 International Group Management Limited acquired the remaining 40% holding in Resolve Esport Limited.