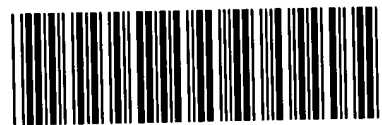


COMPANY REGISTRATION NUMBER: 03054972

HOME HOUSE LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2021

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COMPANIES HOUSE

HOME HOUSE LIMITED

FINANCIAL STATEMENTS

Year ended 31 December 2021

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HOME HOUSE LIMITED

STRATEGIC REPORT

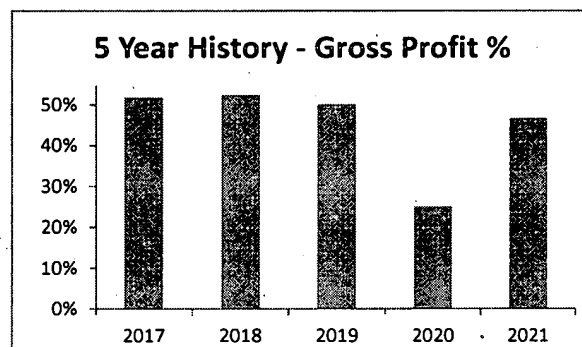
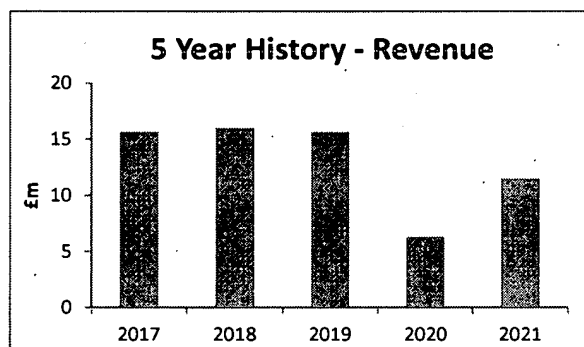
Year ended 31 December 2021

Review of the business

The principal activity of the company is the operation of Home House, a private members club in London. Home House is a thriving and engaging community of members that enjoy a unique British heritage building offering a large range of services and facilities bound by the club's values of luxury, excellence and eccentricity.

The year 2021 began as 2020 ended, being heavily affected by the Covid-19 pandemic. Due to Government restrictions, our business remained closed in the first quarter, operated under restrictions in the second quarter, traded without restrictions in the third quarter and then finally at the end of quarter four, it was affected by the emergence of the heavily transmissible omicron variant leading to further social restrictions, staff shortages and a challenging festive period.

Despite the difficult trading environment, Home House member numbers ended the year at 90% of pre-Covid levels. The strength and loyalty of our membership community led to very strong usage of Home House once it had reopened, particularly in the garden and the refurbished House 21 bars and dining areas. The club remained open throughout December 2021 and although many large events and parties were cancelled, members continued to enjoy many smaller social gatherings.



Total revenue for 2021 rose by 81% to £11.5m and gross profit as a percentage of revenue increased to 47% from 25% in 2020. The company achieved an EBITDA profit of £1.2m compared to an EBITDA loss of £1.1m 2020.

Despite another challenging year for the hospitality sector, the support of the club members, its ultimate shareholders and banking partners, and the resilience of its management team and staff has meant that Home House is extremely well positioned to grow once social and business activities, both domestic and globally, are no longer restricted.

The range of offerings to members continues to be refined to ensure that members and their guests always receive an excellent experience and revel in the unique sense of community that Home House creates. Work has commenced on a digital transformation project to enhance the member journey and to continue to delight our thriving community.

Principal risks and uncertainties

There are a number of risks that could harm the profitability of the business and the management team take active measures to ensure these risks are understood and minimised. A business continuity plan is in place and documented. The key risk faced by the company is the ongoing Covid-19 pandemic. The management team have, and continue to, work closely with all stakeholders to manage the risks associated with the Covid-19 pandemic.

Operational risks focus around the ability to ensure that the alcohol license is not encumbered with restrictions. The quality of food is paramount to the success of the business and great effort is made to ensure that food hygiene is maintained at the appropriate level.

HOME HOUSE LIMITED

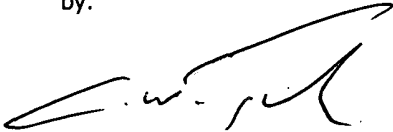
STRATEGIC REPORT *(continued)*

Year ended 31 December 2021

Corporate social responsibility (csr) policy and procedures

Fairford Group and its subsidiaries aim to be long term contributors to a sustainable society and an overarching CSR policy has been formulated by Fairford Group which has been customised by local management teams where needed and adopted by the boards in the respective Fairford Group portfolio companies. Educational workshops have been carried out to ensure that the management teams are fully informed, aligned and dedicated to spread the policy and procedures in their respective organisations. The efforts invested and measures taken ensure that each company and the group as a whole are operated and managed in a sustainable way and well positioned to match the current and upcoming legislation related to sustainability and CSR. The sustainability work is constantly ongoing and Fairford Group and its subsidiaries strive to continuously improve this further over time. The parent company Fairford Holdings Europe AB (556606-7566) provides a sustainability report for the Fairford Group as part of their annual report.

This report was approved by the board of directors on11/3/22..... and signed on behalf of the board by:



Mr C W Tuke
Director

HOME HOUSE LIMITED

DIRECTORS' REPORT

Year ended 31 December 2021

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

Directors

The directors who served the company during the year were as follows:

Mr S M Al-Hajaj
Mr C W Tuke
Mr S N Osseiran
Mr B A Dahl
Mr B Dahl
Mr O M S Jaroudi

Dividends

Particulars of recommended dividends are detailed in note 10 to the financial statements.

Financial instruments

The company's principal instruments comprise bank balances, trade creditors, trade debtors, and other loans due to the company. The main purpose of these instruments is to raise funds and to finance the company's operations.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of loans these comprise loans to and from group companies. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

HOME HOUSE LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 December 2021

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

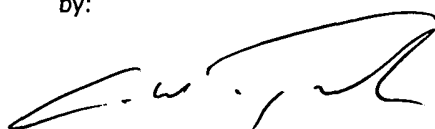
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

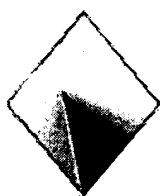
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on11/3/22..... and signed on behalf of the board by:



Mr C W Tuke
Director



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME HOUSE LIMITED

Year ended 31 December 2021

Opinion

We have audited the financial statements of Home House Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

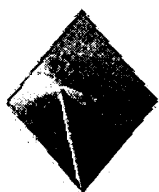
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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.



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME HOUSE LIMITED *(continued)*

Year ended 31 December 2021

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

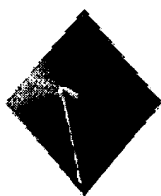
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters 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, 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



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME HOUSE LIMITED *(continued)*

Year ended 31 December 2021

statements that are free from material misstatement, whether due to fraud or error.

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

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.

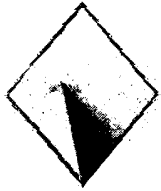
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME HOUSE
LIMITED (continued)**

Year ended 31 December 2021

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Kilsby Williams LLP 26/02 March 2022

Simon Tee (Senior Statutory Auditor)

For and on behalf of

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

HOME HOUSE LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 December 2021

| | Note | 2021 £ | 2020 £ |
|--|-------------|-------------------------|-------------------------|
| TURNOVER | 4 | 11,473,202 | 6,339,537 |
| Cost of sales | | (6,117,115) | (4,755,566) |
| GROSS PROFIT | | 5,356,087 | 1,583,971 |
| Selling and distribution expenses | | (388,014) | (447,030) |
| Administrative expenses | | (5,027,268) | (4,140,992) |
| Other operating income | | 652,530 | 1,327,610 |
| OPERATING PROFIT/(LOSS) | 5 | 593,335 | (1,676,441) |
| Other interest receivable and similar income | 8 | 554 | 5,489 |
| PROFIT/(LOSS) BEFORE TAXATION | | 593,889 | (1,670,952) |
| Tax on profit/(loss) | 9 | 217,747 | 36,206 |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME | | <u>811,636</u> | <u>(1,634,746)</u> |

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

HOME HOUSE LIMITED

BALANCE SHEET

31 December 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 1,006,527 | 1,336,179 |
| CURRENT ASSETS | | | |
| Stock | 12 | 183,160 | 151,436 |
| Debtors | 13 | 4,854,789 | 5,117,593 |
| Cash at bank and in hand | | 2,180,333 | 1,780,666 |
| | | <u>7,218,282</u> | <u>7,049,695</u> |
| CREDITORS: amounts falling due within one year | 14 | (3,021,247) | (3,538,123) |
| NET CURRENT ASSETS | | <u>4,197,035</u> | <u>3,511,572</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>5,203,562</u> | <u>4,847,751</u> |
| PROVISIONS | 15 | (44,175) | — |
| NET ASSETS | | <u><u>5,159,387</u></u> | <u><u>4,847,751</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 20 | 2,075,002 | 2,075,002 |
| Profit and loss account | 21 | 3,084,385 | 2,772,749 |
| SHAREHOLDERS FUNDS | | <u><u>5,159,387</u></u> | <u><u>4,847,751</u></u> |

These financial statements were approved by the board of directors and authorised for issue on 11/3/22, and are signed on behalf of the board by:


Mr C W Tuke
Director

Company registration number: 03054972

The notes on pages 12 to 21 form part of these financial statements.

HOME HOUSE LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2021

| | 2021 £ | 2020 £ |
|---|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) for the financial year | 811,636 | (1,634,746) |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible assets | 524,270 | 626,206 |
| Government grant income | (652,530) | (1,327,610) |
| Other interest receivable and similar income | (554) | (5,489) |
| Gains on disposal of tangible assets | (960) | (35,000) |
| Tax on profit/(loss) | (217,747) | (36,206) |
| Accrued (income)/expenses | (597,834) | 810,905 |
| Management charges | 1,606,248 | 887,534 |
| Group recharges | (1,324,557) | (1,309,788) |
| <i>Changes in:</i> | | |
| Stock | (31,724) | 65,888 |
| Trade and other debtors | (336,993) | 496,174 |
| Trade and other creditors | 177,931 | (505,074) |
| Cash generated from operations | (42,814) | (1,967,206) |
| Interest received | 554 | 5,489 |
| Tax received | — | 726 |
| Net cash used in operating activities | (42,260) | (1,960,991) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of tangible assets | (194,618) | (456,874) |
| Proceeds from sale of tangible assets | 960 | 35,000 |
| Net cash used in investing activities | (193,658) | (421,874) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayments of loans from group undertakings | (16,945) | 205,498 |
| Government grant income | 652,530 | 1,327,610 |
| Net cash from financing activities | 635,585 | 1,533,108 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 399,667 | (849,757) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 1,780,666 | 2,630,423 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 2,180,333 | 1,780,666 |

The notes on pages 12 to 21 form part of these financial statements.

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. GENERAL INFORMATION

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The principal place of business is 20 Portman Square, London, W1H 6LW.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through the profit and loss account.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Home House Collection Limited which can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic life of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Turnover from the sale of goods such as bar and restaurant takings are recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually at the point of sale. At this point the amount of turnover can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Turnover from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided the outcome can be reliably measured. The significant service turnover income streams are discussed below.

Membership subscription revenue is recognised on a straight-line basis over the life of the membership. Joining fees in relation to memberships are recognised in the month in which they are received.

Room hire revenue is recognised at the end of the financial day.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | |
|-----------------------|----------------------------|
| Fixtures and fittings | - 10% to 33% straight line |
| Office equipment | - 33% straight line |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

No assets were deemed to be impaired.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

3. ACCOUNTING POLICIES *(continued)*

Government grants *(continued)*

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

4. TURNOVER

Turnover arises from:

| | 2021 | 2020 |
|-----------------------|-------------------|------------------|
| | £ | £ |
| Sale of goods | 6,350,636 | 2,551,161 |
| Rendering of services | 5,122,566 | 3,788,376 |
| | <u>11,473,202</u> | <u>6,339,537</u> |

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

| | 2021 | 2020 |
|--------------------------------------|----------|----------|
| | £ | £ |
| Depreciation of tangible assets | 524,270 | 626,206 |
| Gains on disposal of tangible assets | (960) | (35,000) |
| Impairment of trade debtors | — | 17,841 |
| | <u>—</u> | <u>—</u> |

6. AUDITOR'S REMUNERATION

| | 2021 | 2020 |
|--|--------------|--------------|
| | £ | £ |
| Fees payable for the audit of the financial statements | <u>9,600</u> | <u>9,600</u> |

7. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

| | 2021 | 2020 |
|-----------------------------|------------|------------|
| | No. | No. |
| Administrative staff | 17 | 20 |
| Management staff | 4 | 4 |
| Number of operational staff | 137 | 145 |
| | <u>158</u> | <u>169</u> |

The aggregate payroll costs incurred during the year, relating to the above, were:

| | 2021 | 2020 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 4,695,386 | 4,234,368 |
| Social security costs | 399,787 | 358,969 |
| Other pension costs | 86,981 | 105,158 |
| | <u>5,182,154</u> | <u>4,698,495</u> |

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

8. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2021 | 2020 |
|--|------|-------|
| | £ | £ |
| Other interest receivable and similar income | 554 | 5,489 |

9. TAX ON PROFIT/(LOSS)

Major components of tax income

| | 2021 | 2020 |
|--|------------------|-----------------|
| | £ | £ |
| Current tax: | | |
| UK current tax income | – | (726) |
| Adjustments in respect of prior periods | (261,922) | – |
| Total current tax | (261,922) | (726) |
| Deferred tax: | | |
| Origination and reversal of timing differences | 44,175 | (35,480) |
| Tax on profit/(loss) | (217,747) | (36,206) |

Reconciliation of tax income

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

| | 2021 | 2020 |
|--|------------------|-----------------|
| | £ | £ |
| Profit/(loss) on ordinary activities before taxation | 593,889 | (1,670,952) |
| Profit/(loss) on ordinary activities by rate of tax | 112,839 | (317,481) |
| Adjustment to tax charge in respect of prior periods | (272,275) | 726 |
| Effect of expenses not deductible for tax purposes | 429 | 673 |
| Effect of capital allowances and depreciation | 6,818 | 6,222 |
| Utilisation of tax losses | (68,749) | – |
| Deferred taxation: deferred tax asset not recognised | – | 269,480 |
| 30% uplift from claim for super-deduction | (7,412) | – |
| Effect of a change in rate of tax | 10,603 | 4,174 |
| Tax on profit/(loss) | (217,747) | (36,206) |

10. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

| | 2021 | 2020 |
|----------------------------|---------|------|
| | £ | £ |
| Dividends on equity shares | 500,000 | – |

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

11. TANGIBLE ASSETS

| | Fixtures and fittings £ | Equipment £ | Total £ |
|----------------------------|-------------------------------|----------------|------------------|
| Cost | | | |
| At 1 January 2021 | 6,684,302 | 505,569 | 7,189,871 |
| Additions | 175,104 | 19,514 | 194,618 |
| At 31 December 2021 | 6,859,406 | 525,083 | 7,384,489 |
| Depreciation | | | |
| At 1 January 2021 | 5,398,424 | 455,268 | 5,853,692 |
| Charge for the year | 496,952 | 27,318 | 524,270 |
| At 31 December 2021 | 5,895,376 | 482,586 | 6,377,962 |
| Carrying amount | | | |
| At 31 December 2021 | 964,030 | 42,497 | 1,006,527 |
| At 31 December 2020 | 1,285,878 | 50,301 | 1,336,179 |

12. STOCK

| | 2021 £ | 2020 £ |
|-------|-----------|-----------|
| Stock | 183,160 | 151,436 |

13. DEBTORS

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 83,297 | 10,026 |
| Amounts owed by group undertakings | 3,860,040 | 4,624,786 |
| Prepayments and accrued income | 649,530 | 482,781 |
| Corporation tax repayable | 261,922 | — |
| | 4,854,789 | 5,117,593 |

14. CREDITORS: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---------------------------------|------------------|------------------|
| Trade creditors | 1,006,511 | 543,737 |
| Accruals and deferred income | 1,615,713 | 2,310,520 |
| Social security and other taxes | 264,928 | 570,250 |
| Other creditors | 134,095 | 113,616 |
| | 3,021,247 | 3,538,123 |

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

15. PROVISIONS

| | Deferred tax (note 16) £ |
|----------------------------|--------------------------------|
| At 1 January 2021 | – |
| Additions | 44,175 |
| At 31 December 2021 | 44,175 |

16. DEFERRED TAX

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

| | 2021 £ | 2020 £ |
|----------------------------------|-----------|-----------|
| Included in provisions (note 15) | 44,175 | – |

The deferred tax account consists of the tax effect of timing differences in respect of:

| | 2021 £ | 2020 £ |
|---|---------------|-----------|
| Accelerated capital allowances | 47,334 | (56,796) |
| Unused tax losses | – | 54,804 |
| Deferred tax - other timing differences | (3,159) | 1,992 |
| | <u>44,175</u> | <u>–</u> |

17. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £86,981 (2020: £105,158).

18. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Recognised in other operating income: | | |
| Government grants recognised directly in income | 652,530 | 1,327,610 |

Government grants relate to Coronavirus Job Retention Scheme and other hospitality sector coronavirus grants.

19. FINANCIAL INSTRUMENTS

In accordance with FRS102 the company has taken advantage from disclosing the carrying amounts of financial instruments on the grounds that its parent publishes consolidated financial statements.

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

20. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

| | 2021 | | 2020 | |
|----------------------------|------------------|------------------|------------------|------------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>2,075,002</u> | <u>2,075,002</u> | <u>2,075,002</u> | <u>2,075,002</u> |

21. RESERVES

Called up share capital - Represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings, capital contributions and accumulated profits/losses.

22. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 Jan 2021 | Cash flows | At 31 Dec 2021 |
|--------------------------|------------------|----------------|-------------------|
| | £ | £ | £ |
| Cash at bank and in hand | <u>1,780,666</u> | <u>399,667</u> | <u>2,180,333</u> |

23. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| Not later than 1 year | 19,496 | 23,399 |
| Later than 1 year and not later than 5 years | <u>17,928</u> | <u>35,735</u> |
| | <u>37,424</u> | <u>59,134</u> |

24. CONTINGENCIES

At 31 December 2021 a composite cross-guarantee was in existence between Home House Limited, Berkeley Adam Limited, Home Grown Club Limited and Home House Collection Limited in respect of a bank loan amounting to £18,035,000. The directors do not expect any liability to arise from this.

HOME HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2021

25. RELATED PARTY TRANSACTIONS

The company made the following sales and purchases from the following related parties during the year.

| | Sales £ | 2021 Purchases/ Management charges £ | Sales £ | 2020 Purchases/ Management charges £ |
|------------------------------|------------|--|------------|--|
| Fairford Holdings UK Limited | 4,749 | 96,400 | 6,173 | – |

The above company is related due to common directors.

In accordance with FRS102, transactions with wholly owned entities within the group are not disclosed.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £284,917 (2020: £383,776).

26. CONTROLLING PARTY

The company is controlled by its ultimate controlling party which is The Salah Osseiran Trust.

In the opinion of the directors, the company's ultimate parent company is Osseiran Investment Limited, a company registered in Cyprus.

The parent undertaking of the largest group, which includes the company and for which group accounts are prepared, is Osseiran Investment Limited, a company registered in Cyprus.

The parent undertaking of the smallest group, which includes the company and for which group accounts are prepared, is Home House Collection Limited. Copies of the group accounts can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.