

Wy (Rookery Hall) Limited

Report and Financial Statements

Period Ended

26 November 2020

Company Number 03819475



Wy (Rookery Hall) Limited

Company Information

Directors	D Waddell H O'Connor
Company secretary	Vistra Company Secretaries Limited
Registered number	03819475
Registered office	The Old Library The Drive Sevenoaks Kent TN13 3AB
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Wy (Rookery Hall) Limited

Contents

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 22

Wy (Rookery Hall) Limited

Strategic Report For the period ended 26 November 2020

The directors present their Strategic Report for the 52 week period ended 26 November 2020 (2019: 52 week period).

Business review and key performance indicators

The hotel turnover has decreased by 63% to £2,012k (2019: £5,420k). Operating loss was £1,970k compared to a loss of £587k in 2019. EBITDA for the period was negative £1,381k compared to £18k for 2019. The downturn in performance is caused by the temporary closure of the hotel in accordance with government guidelines as a result of the COVID-19 pandemic.

Rooms performance showed a decrease of 48% in occupancy for the period and a decrease of £45.62 in revpar (revenue per available room).

The hotel has continued to operate within the upmarket country house hotel business and has maintained the assets of the business through a programme of improvements to services and facilities.

Despite the challenging times as a result of COVID-19, and its negative impact on the economy especially within the hospitality industry, the directors still remain optimistic as to the future success of the company.

Principal risks and uncertainties

The directors consider the following to be principal risks and uncertainties facing the company:

- financial and operational impact of the coronavirus pandemic;
- economic recession;
- changes to government regulations including legislation on employees, environmental and health and safety;
- natural disasters.

The directors take a regular review of the company's exposure to these risks.

Expansion for the future

We are maintaining our investment in constantly upgrading and improving our existing bedroom stock.

Environment

The hotel operates in a beautiful location and it is in our best interests to minimise the impact upon the environment, particularly by energy saving initiatives within the hotel.

Personnel

We clearly understand that our employees are the most valuable asset in the company. We continue to invest in training and skills development programmes. We intend to continue our philosophy and invest in our staff. The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

This report was approved by the board on 29 November 2021


H O'Connor
Director

Wy (Rookery Hall) Limited

Directors' Report For the period ended 26 November 2020

The directors present their report and the financial statements for the 52 week period ended 26 November 2020 (2019: 52 week period).

Principal activities

The company's principal activity during the period continued to be that of the ownership and operation of the Rookery Hall Hotel.

Results and dividends

The loss for the period, after taxation, amounted to £2,749,355 (2019: loss £1,289,381).

No dividends were paid during the period ended 26 November 2020 (2019: £nil).

Going concern

The global and UK outbreak of coronavirus during the period and its impact on the company, has been and continues to be closely reviewed by the board of directors. Further information in this regard is provided in note 1 to these financial statements, including the basis on which the board have concluded that it remains appropriate to adopt the going concern basis of preparation.

Financial instruments

The company is exposed to the usual credit risk and cash flow movement involved with selling on credit and manages this through the company credit policy. The policy is to finance working capital through retained earnings and finance fixed assets through long term borrowings on fixed interest. The group of which the company is part has borrowings in sterling on fixed and floating interest rates with an interest rate swap in place, the profile of which is reviewed on a regular basis. The counterparty to the majority of the group's financial instruments (other than its shareholders) is its bankers; the company is exposed to minimal credit and liquidity risks in respect of these instruments.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of the company's financial position or result.

Directors

The directors who served during the period were:

K Arkley (resigned 2 July 2021)
P Fullerton (resigned 30 November 2020)
S Fairs (resigned 1 April 2021)

Subsequent to the period end, the following directors were appointed:

D Waddell (appointed 1 April 2021)
H O'Connor (appointed 2 July 2021)

Wy (Rookery Hall) Limited

Directors' Report (continued) For the period ended 26 November 2020

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Provision of information to auditor

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

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

This report was approved by the board on 29 November 2021

and signed on its behalf.



H O'Connor
Director

Wy (Rookery Hall) Limited

Independent Auditor's Report to the Members of Wy (Rookery Hall) Limited

Opinion

We have audited the financial statements of Wy (Rookery Hall) Limited (the 'company') for the period ended 26 November 2020 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 company's affairs as at 26 November 2020 and of its loss for the period 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.

Material uncertainty relating to going concern

We draw attention to note 1 to the financial statements explains that the company remains reliant on the ongoing support of the ultimate shareholders, which is not legally binding, to enable them to continue as a going concern. As explained in note 1, these events, along with the other matters set out in note 1, indicate that a material uncertainty exists that may cast significant doubt over the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter – carrying value of tangible fixed assets

We draw attention to note 2 to the financial statements, which explains that as a result of the impact of the Novel Coronavirus (COVID-19) on the market, the company's directors have advised that less certainty, and a higher degree of caution, should be attached to their assessment of carrying value of tangible fixed assets than would normally be the case. Our opinion is not modified in respect of this matter.

Wy (Rookery Hall) Limited

Independent Auditor's Report to the Members of Wy (Rookery Hall) Limited (continued)

Other information

The other information comprises the information included in the report and financial statements, 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 period 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 and 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 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.

Wy (Rookery Hall) Limited

Independent Auditor's Report to the Members of Wy (Rookery Hall) Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAS (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

DocuSigned by:
Ian Clayden
E25A0E124BD44AA...

Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 30 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Wy (Rookery Hall) Limited

Statement of Comprehensive Income For the period ended 26 November 2020

	Note	Period ended 26 November 2020 £	Period ended 28 November 2019 £
Turnover		2,011,509	5,419,899
Cost of sales		(543,706)	(1,193,496)
Gross profit		1,467,803	4,226,403
Administrative expenses		(3,911,571)	(4,812,989)
Other operating income	3	474,148	-
Operating loss	4	(1,969,620)	(586,586)
Interest payable	6	(779,735)	(702,795)
Loss on ordinary activities before taxation		(2,749,355)	(1,289,381)
Tax on loss on ordinary activities	7	-	-
Loss for the period		(2,749,355)	(1,289,381)
Other comprehensive income		-	-
Total comprehensive loss for the period		(2,749,355)	(1,289,381)

All amounts relate to continuing activities.

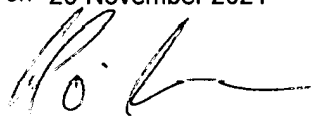
The notes on pages 10 to 22 form part of these financial statements.

Wy (Rookery Hall) Limited
Registered number: 03819475

Statement of Financial Position
As at 26 November 2020

		26 November 2020 £	28 November 2019 £
	Note		
Fixed assets			
Tangible assets	8	10,154,844	10,143,383
Current assets			
Stocks	9	39,314	57,318
Debtors	10	219,027	231,500
Cash and cash equivalents		23,041	247,972
		<u>281,382</u>	<u>536,790</u>
Creditors: amounts falling due within one year	11	(18,560,709)	(16,055,301)
Net current liabilities		(18,279,327)	(15,518,511)
Net liabilities		<u>(8,124,483)</u>	<u>(5,375,128)</u>
Capital and reserves			
Called up share capital	12	4,149,163	4,149,163
Profit and loss account	13	(12,273,646)	(9,524,291)
Total shareholders' deficit		<u>(8,124,483)</u>	<u>(5,375,128)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2021



H O'Connor
Director

The notes on pages 10 to 22 form part of these financial statements.

Wy (Rookery Hall) Limited

Statement of Changes in Equity For the period ended 26 November 2020

	Share capital £	Profit and loss account £	Total equity £
At 30 November 2018	4,149,163	(8,234,910)	(4,085,747)
Loss for the period	-	(1,289,381)	(1,289,381)
At 28 November 2019	4,149,163	(9,524,291)	(5,375,128)
Loss for the period	-	(2,749,355)	(2,749,355)
At 26 November 2020	4,149,163	(12,273,646)	(8,124,483)

The notes on pages 10 to 22 form part of these financial statements.

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

1. Accounting policies

Wy (Rookery Hall) Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The current period financial statements are prepared on a 52 week period (2019: 52 week period).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hand Picked Hotels Limited as at 26 November 2020 and these financial statements may be obtained from Companies House.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report.

The company meets its day-to-day working capital requirements through use of its cash and facilities provided by its wider group headed by Hand Picked Hotels Limited or ultimate its shareholders.

The company is a subsidiary of Hand Picked Hotels Limited. As at 26 November 2020, the company reported net liabilities of £5,112k (2019: net assets of £14,796k). Following the repayments of bank loans of £50m during FY19 and £30m subsequent to the year end, Hand Pick Hotels Limited has repaid all external non-related party borrowings. However, the Hand Picked Hotels Limited group reports amounts due to shareholders as at 26 November 2020 of £80.6m and continues to rely on shareholders for non-recall of these loans and for further funding as required as the group transitions back to a fully operating position subsequent to COVID-19 related restrictions.

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

1. Accounting policies (continued)

Going concern (continued)

It is not currently the intention of the Hand Picked Hotels Limited group to obtain new bank facilities. However, this may change in the future if considered commercially appropriate. As such, the group has no committed facilities.

In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts for the company extending beyond 12 months from the date of approval of these financial statements. However, as a hotel operator, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on the business and will continue to do so for some time. Projecting how the UK economy emerges from COVID-19 restrictions, and the level of demand for UK hotels remains challenging and this continues to have an impact on the company's forecasts.

The directors of the company and the wider group acknowledge that 'full trading' may look very different post-COVID-19 than it did pre-Covid-19 and the management team have been planning for this with a restructuring of its operations in response to anticipated market demand, ultimately to profitably deliver enhanced quality of service at lower rates of occupancy.

In order to mitigate COVID-19 impacts on revenue since the UK became impacted by the pandemic, and in order to protect the longer term interests of the company and its employees, the company and wider group has taken measures to reduce and mitigate its cost base. To the extent necessary, shareholders have also provided additional funds in order to meet working capital requirements during the period when the group was not trading.

The company relies on intergroup loans in the form of non-recall and further funds as required, and as such remains reliant on the ongoing support of the ultimate shareholders. The directors of Hand Picked Hotels Limited have received a non legally binding confirmation that this support will be forthcoming for no less than 12 months from the date of approval of the financial statements and therefore have concluded that is appropriate to prepare the financial statements on a going concern basis.

In so far as this support not being legally binding, the directors have identified a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern for no less than 12 months from the date of approval of the financial statements.

The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer. Deposits which have been received at the balance sheet date for which services have not yet been provided are shown as payments in advance within creditors. All turnover arose within the United Kingdom.

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

1. Accounting policies (continued)

Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold buildings core	- 50 years
Freehold buildings surface finishes and services	- 20 years
Fixtures and fittings	- 4 to 25 years

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Interest

Interest income and expense is recognised in the Statement of Comprehensive Income using the effective interest method.

Stocks

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

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

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment.

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

1. Accounting policies (continued)

Creditors

Short term creditors are measured at the transaction price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents include deposits with an initial term of less than 3 months.

Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough'). The company has not directly benefited from any other forms of government assistance.

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

1. Accounting policies (continued)

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income over the term of the lease as an integral part of the total lease expense.

Pensions

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

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

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

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's fixed assets. Factors taken into consideration in reaching such decisions include the economic viability and expected future financial performance of the assets and, where it is a component of a larger cash generating unit, the viability and expected future performance of that unit. An impairment charge of £nil (2019: £nil) has been recorded against the tangible fixed assets of the group. The directors have based their assessment of the carrying value of the tangible fixed assets on their expected value in use from future trading, along with reference to previous valuations bases and, where relevant, third party offers received at times close to the financial year end. In particular, greater judgement has been exercised regarding the anticipated occupancy rates of hotel assets, average daily room rates, and F&B spend and margins achievable in the short and medium term. The directors note that COVID-19 has presented an unprecedented set of circumstances across the globe and given the unknown future impacts of the pandemic on the real-estate market, there is a higher level of judgement, and hence less certainty, attached to the values of assets held on the balance sheet at the balance sheet date. Given this inherent uncertainty, the carrying value of the group's hotel assets is subject to material change and should be kept under regular review. In concluding that there was no impairment as at the year end, the directors acknowledge and have considered the impacts of sensitivities to their value in use assumptions.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 8)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. Other operating income

	Period ended 26 November 2020 £	Period ended 28 November 2019 £
Furlough grant income	474,148	-

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

4. Operating loss

This is stated after charging:

	Period ended 26 November 2020 £	Period ended 28 November 2019 £
Depreciation of tangible fixed assets	588,335	568,589
Auditors' remuneration for audit services	4,680	4,680
Operating lease rentals - plant and machinery	1,257	1,257
	<u>594,272</u>	<u>574,526</u>

5. Staff costs

	Period ended 26 November 2020 £	Period ended 28 November 2019 £
Wages and salaries	1,662,716	2,133,146
Social security costs	96,681	146,330
Other pension costs	48,048	58,552
	<u>1,807,445</u>	<u>2,338,028</u>
Agency staff	85,267	157,225
	<u>1,892,712</u>	<u>2,495,253</u>

None of the directors received any remuneration for the period (2019: £nil).

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 26 November 2020 No.	Period ended 28 November 2019 No.
Hotel operations	78	87
Administration	8	10
	<u>86</u>	<u>97</u>

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

6. Interest payable

	Period ended 26 November 2020 £	Period ended 28 November 2019 £
Group interest payable	779,735	702,795

7. Taxation

	Period ended 26 November 2020 £	Period ended 28 November 2019 £
UK corporation tax at 19% (2019: 19%)	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	-	-

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

7. Taxation (continued)

Reconciliation of tax charge

	Period ended 26 November 2020 £	Period ended 28 November 2019 £
Loss on ordinary activities before tax	(2,749,355)	(1,289,381)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(522,377)	(244,982)
Effects of:		
Fixed asset differences	80,637	79,724
Group relief surrendered	-	138,754
Deferred tax not recognised	515,125	23,714
Difference in tax rates	(73,385)	2,790
Total tax charge for the period	-	-

The company has unrecognised deferred tax assets of £1,139,000 (2019: £623,000) in respect of depreciation charged in excess of capital allowances at the end of the period, short term timing differences and trade losses carried forward.

Factors that may affect future tax charges

The substantively enacted tax rate remained at 19% as at the Balance Sheet date.

It was announced on 3 March 2021 that the main rate of corporation tax will increase from 19% to 25% from 1 April 2023. For profits up to £50,000, the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions will also be introduced for profits between the lower and upper limits.

The Government included the above changes in the Finance Bill 2021 that had its third reading on 24 May 2021 and is now (subsequent to the year end) considered substantively enacted.

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

8. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 29 November 2019	7,377,832	8,212,030	15,589,862
Additions	-	599,796	599,796
Disposals	-	(93,104)	(93,104)
At 26 November 2020	<u>7,377,832</u>	<u>8,718,722</u>	<u>16,096,554</u>
Depreciation			
At 29 November 2019	1,316,993	4,129,486	5,446,479
Charge for the period	89,196	499,139	588,335
Disposals	-	(93,104)	(93,104)
At 26 November 2020	<u>1,406,189</u>	<u>4,535,521</u>	<u>5,941,710</u>
Net book value			
At 26 November 2020	<u>5,971,643</u>	<u>4,183,201</u>	<u>10,154,844</u>
At 28 November 2019	<u>6,060,839</u>	<u>4,082,544</u>	<u>10,143,383</u>

Included in freehold land and buildings is freehold land of £1,023,000 (2019: £1,023,000) which is not depreciated.

9. Stocks

	2020 £	2019 £
Goods for resale	<u>39,314</u>	<u>57,318</u>

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

10. Debtors

	2020 £	2019 £
Trade debtors	23,117	169,785
Other debtors	157,763	30,025
Prepayments and accrued income	38,147	31,690
	<u>219,027</u>	<u>231,500</u>

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Payments in advance	692,928	490,798
Trade creditors	79,538	92,766
Other taxes and social security costs	18,225	194,916
Amounts due to parent undertakings	17,577,501	15,042,662
Other creditors	94,770	150,306
Accruals	97,747	83,853
	<u>18,560,709</u>	<u>16,055,301</u>

Interest accrued on amounts due to the parent undertaking at 4.9%.

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
4,149,163 Ordinary shares of £1 each	<u>4,149,163</u>	<u>4,149,163</u>

13. Reserves

Profit and loss account

This is cumulative profits or losses, net of dividends paid and other adjustments.

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

14. Capital commitments

	2020 £	2019 £
Amounts contracted for but not provided in the accounts	<u>69,532</u>	<u>72,501</u>

At the period end the company had entered into construction contracts with unrelated parties for an amount of £70k (2019: £72k), for various upgrade and improvement works.

15. Defined contribution pension plans

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £48,048 (2019: £58,552). Contributions payable to the fund at the year end included in creditors totalled £6,801 (2019: £16,507).

16. Commitments under operating leases

At 26 November 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Other 2020 £	Other 2019 £
Falling due:		
Within 1 year	1,257	1,257
Within two to five	1,048	2,305
	<u>2,305</u>	<u>3,562</u>

17. Contingent liabilities

The company has granted fixed and floating charges over its assets in respect of group borrowing facilities. The amount owed by the Hand Picked Hotels Limited group as at 26 November 2020 was £30,000,000 (2019: £30,000,000).

Wy (Rookery Hall) Limited

Notes to the Financial Statements For the period ended 26 November 2020

18. Controlling party

The company's immediate parent undertaking is Hand Picked Hotels Limited. The largest and smallest group in whose financial statements the results of the company will be consolidated is Hand Picked Hotels Limited. The consolidated financial statements of Hand Picked Hotels Limited will be available to the public and will be obtainable in due course from the Registrar of Companies, Companies House, Crown Way, Cardiff.

The ultimate parent company is Julian Holdings Limited, and the ultimate controlling party is Mr G Hands.

Julian Holdings Limited is a company incorporated in Guernsey, whose registered office address is PO Box 286, Floor 2 Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY.