

Wy (Ettington Park) Limited

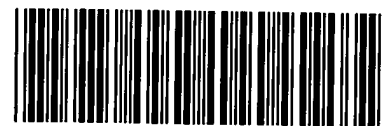
Report and Financial Statements

Period Ended

29 December 2022

Company Number 03819491

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Wy (Ettington Park) Limited

Company Information

Directors	D R Waddell P Herbert
Company secretary	Vistra Company Secretaries Limited
Registered number	03819491
Registered office	The Old Library The Drive Sevenoaks Kent TN13 3AB
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Wy (Ettington Park) Limited

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Wy (Ettington Park) Limited

Directors' Report For the period ended 29 December 2022

The directors present their report and the financial statements for the 52 week period ended 29 December 2022. (2021: 57 week period ended 30 December).

Principal activities

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

Review of business and future developments

The hotel turnover has increased by 19% to £2,671k (period ended 30 December 2021: £2,251k), operating loss was £2,178k compared to £858k in 2021 and adding back depreciation and provisions against investments EBITDA for the period was negative £980k compared to negative earnings of £482k for 2021.

Rooms performance showed an increase of 11.2% in occupancy for the period and an increase of £16.68 in revpar (revenue per available room). The upturn in results is due to the lifting of the government restrictions which were introduced during the COVID-19 pandemic.

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.

Going concern

The company and wider group have been negatively impacted by Coronavirus during 2020-22, and more recently impacted by high inflation, rising interest rates and other economic factors impacting on consumer spending and costs, including wages, utilities, food and beverage. These have been and continue to be closely monitored and responded to by the company and group directors. Further information in this regard is provided in note 1 to these financial statements, including the basis on which the board has concluded that it remains appropriate to adopt the going concern basis of preparation.

Dividends

The loss for the period, after taxation, amounted to £2,194k (period ended 30 December 2021 - £822k).

No dividends were paid during the current or previous period.

Directors

The directors who served during the period were:

D R Waddell
H O'Connor (resigned 21 October 2022)
P Herbert (appointed 21 October 2022)

Wy (Ettington Park) Limited

Directors' Report (continued) For the period ended 29 December 2022

Directors' responsibilities statement

The directors are responsible for preparing 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.

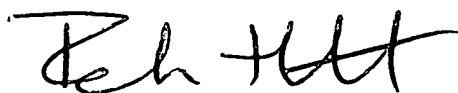
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 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 27 September 2023 and signed on its behalf.



P Herbert
Director

Wy (Ettington Park) Limited

Independent Auditor's Report to the Members of Wy (Ettington Park) Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2022 and of its loss for the period 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.

We have audited the financial statements of Wy (Ettington Park) Limited (the 'company') for the period ended 29 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements explains that the company remain 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.

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.

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

Wy (Ettington Park) Limited

Independent Auditor's Report to the Members of Wy (Ettington Park) Limited (continued)

Other information

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

We have nothing to report in this regard.

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 period 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.

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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 (Ettington Park) Limited

Independent Auditor's Report to the Members of Wy (Ettington Park) 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.
- We considered compliance with these laws and regulations through discussions with management and those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. We identified the potential for in the following areas and performed the following procedures:
 - management override of controls: 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 manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included:
 - challenging assumptions made by management in their significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries to revenue which are not in line with expectations and reviewing journal entries for journals inconsistent with the usual transactions of the company.
 - revenue recognition: existence of revenue, application of cut off at, and measurement of accrued income to, the year-end. We reconciled annual revenue to cash receipts, reviewed transactions pre and post year end to check that the associated revenue is reflected in the correct period.
- We identified areas at risk of management bias and reviewed key estimates and judgements applied by Management in the financial statements to assess their appropriateness; and
- We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

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.

Wy (Ettington Park) Limited

Independent Auditor's Report to the Members of Wy (Ettington Park) Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ian Clayden

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

Date: 27 September 2023

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

Wy (Ettington Park) Limited

Statement of Comprehensive Income For the period ended 29 December 2022

	Note	Period ended 29 December 2022 £	Period ended 30 December 2021 £
Turnover		2,670,875	2,250,704
Cost of sales		(658,999)	(480,128)
Gross profit		2,011,876	1,770,576
Administrative expenses		(3,241,677)	(2,643,067)
Other operating income	3	6,000	124,414
Provision against investments	10	(953,836)	(109,712)
Operating loss	4	(2,177,637)	(857,789)
Interest receivable	6	-	35,833
Interest payable	7	(16,807)	-
Loss on ordinary activities before taxation		(2,194,444)	(821,956)
Tax on loss on ordinary activities	8	-	-
Loss for the financial period		(2,194,444)	(821,956)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(2,194,444)	(821,956)

All amounts relate to continuing activities.

The notes on pages 10 to 24 form part of these financial statements.

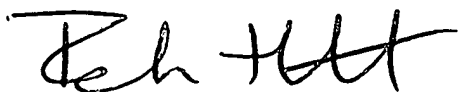
Wy (Ettington Park) Limited

Registered number: 03819491

Statement of Financial Position As at 29 December 2022

	Note	29 December 2022 £	30 December 2021 £
Fixed assets			
Tangible fixed assets	9	1,402,279	1,467,614
Investments	10	2,640,162	3,593,998
		<u>4,042,441</u>	<u>5,061,612</u>
Current assets			
Stocks	11	31,087	34,670
Debtors	12	100,035	343,195
Cash and cash equivalents		74,690	89,633
		<u>205,812</u>	<u>467,498</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(1,717,043)	(803,456)
Net current liabilities		<u>(1,511,231)</u>	<u>(335,958)</u>
Net assets		<u>2,531,210</u>	<u>4,725,654</u>
Capital and reserves			
Share capital	14	8,913,601	8,913,601
Profit and loss account	15	(6,382,391)	(4,187,947)
Total equity		<u>2,531,210</u>	<u>4,725,654</u>

The financial statement were approved and authorised for issue by the board and were signed on its behalf on 27 September 2023.



P Herbert
Director

The notes on pages 10 to 24 form part of these financial statements.

Wy (Ettington Park) Limited

Statement of Changes in Equity For the period ended 29 December 2022

	Share capital £	Profit and loss account £	Total equity £
At 27 November 2020	8,913,601	(3,365,991)	5,547,610
Loss for the period	-	(821,956)	(821,956)
At 31 December 2021	8,913,601	(4,187,947)	4,725,654
Loss for the period	-	(2,194,444)	(2,194,444)
At 29 December 2022	8,913,601	(6,382,391)	2,531,210

The notes on pages 10 to 24 form part of these financial statements.

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

1. Accounting policies

General information

Wy (Ettington Park) Limited is a private limited company incorporated in England & Wales under the Companies Act 2006. 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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).

The following principal accounting policies have been applied consistently throughout the preceding and current periods.

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; and
- 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 29 December 2022 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 operating cash flows and loans provided by other members of the Hand Picked Hotels Limited group or ultimate shareholders.

The company is a subsidiary of Hand Picked Hotels Limited. As at 29 December 2022, the group reported net liabilities of £31,311k (2021: £15,367k). Following repayments of bank loans of £30m during FY21, Hand Picked Hotels Limited has repaid all external non-related party borrowings. 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. Additionally, the UK economy including the leisure and hospitality sector has been subject to increased volatility with regard to supply chain inflation, wage inflation, utility costs, and the related impacts on consumer disposable income and spending. These factors heighten the inherent uncertainty in forecasting the ongoing performance within the hotels sector and therefore the company and its subsidiary alike, albeit the board acknowledge that trading conditions are widely to remain challenging in the short term and this continues to have an impact on the company's and group's forecasts.

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

1. Accounting policies (continued)

Going concern (continued)

The directors of the company and the wider group acknowledge that 'full trading' may look very different in future years than it did pre-COVID-19 and the management team have been planning and executing a restructuring of its operations in response to 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 took measures to reduce and mitigate its cost base. However, in September 2022, the group board announced increases in pay rates for its employees in order to support its workforce during a high inflationary period. Naturally as a significant employer, this will have a material impact on the company's and group's cost base and this has been incorporated into these forecasts. To the extent necessary, shareholders have also provided additional funds in order to meet working capital requirements.

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 and group's ability to continue as a going concern for no less than 12 months from the date of approval of the financial statements. During the period end, further shareholder loans have been provided to the group amounting to £7.78m.

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

Exemption from preparing consolidated financial statements

The company has taken advantage of section 400 of the Companies Act 2006 and elected not to prepare consolidated accounts as it is included in the consolidated accounts of a larger group. Accordingly, these financial statements show company only results and not group.

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 (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

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

Fixtures and fittings	- 4 to 25 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

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.

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

1. Accounting policies (continued)

Holiday pay accrual

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

Interest

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

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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 Statement of Financial Position 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 income 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 the Statement of Comprehensive Income 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 (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

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 (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

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 or group'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 (2021: £nil) has been recorded against the tangible fixed assets of the company. The directors have based their assessment of the carrying value of the tangible fixed assets on an independent third party red book valuation of the hotel assets performed by a RICS qualified valuer.

The hotel property has been valued by reference to its trading potential, as this is the basis upon which such properties are most commonly bought and sold. Under this approach, the property is valued by assessing its Fair Maintainable Turnover (FMT) and the Fair Maintainable Operating Profit (FMOP) that could be generated at the Property by a Reasonably Efficient Operator (REO) of the business in a stabilised year of operation, which is the basis upon which a potential purchaser would be likely to base an offer. EBITDA has been adopted as the FMOP which is stated prior to deductions for finance costs, taxation, depreciation and amortisation. This figure is then capitalised at a yield which reflects the market's perception of the risk and desirability associated with the subject Property having regard to the sector's approach to value, the availability of properties and each asset's current and future trading potential.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 9)

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.

- Investments (see note 10)

Where indicators of impairment exist, impairment reviews consider the current value of the investments' assets and liabilities along with its future performance and timing of the expected return on these investments.

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

3. Other operating income

	Period Ended 29 December 2022 £	Period Ended 30 December 2021 £
Furlough grant income	-	101,700
Other council grants received	6,000	22,714
	<u>6,000</u>	<u>124,414</u>

4. Operating loss

This is stated after charging:

	Period Ended 29 December 2022 £	Period Ended 30 December 2021 £
Depreciation of tangible fixed assets	244,178	266,081
Operating lease rental - plant and machinery	3,715	2,096
Auditor's remuneration for audit services	5,892	7,050
	<u>253,785</u>	<u>275,227</u>

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

5. Staff costs

	Period ended 30 December 2022 £	Period Ended 30 December 2021 £
Wages and salaries	1,344,562	1,029,932
Social security costs	109,002	82,066
Cost of defined contribution scheme	37,339	32,946
	<u>1,490,903</u>	<u>1,144,944</u>
Agency staff	204,245	46,804
	<u>1,695,148</u>	<u>1,191,748</u>

None of the directors received any remuneration for the period (period ended 30 December 2021: £Nil).

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

	Period Ended 29 December 2022 No.	Period Ended 30 December 2021 No.
Hotel operations	38	31
Administration	7	6
	<u>45</u>	<u>37</u>

6. Interest receivable

	Period Ended 29 December 2022 £	Period Ended 30 December 2021 £
Group interest receivable	-	35,833

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

7. Interest payable

	Period Ended 29 December 2022 £	Period Ended 30 December 2021 £
Group interest payable	<u>16,807</u>	<u>-</u>

8. Taxation

	Period Ended 29 December 2022 £	Period Ended 30 December 2021 £
Current tax		
UK corporation tax at 19% (period ended 30 December 2021: 19%)	-	-
	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>-</u>	<u>-</u>

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

8. Taxation (continued)

Reconciliation of tax charge

	Period Ended 29 December 2022 £	Period Ended 30 December 2021 £
Loss on ordinary activities before tax	(2,194,444)	(821,956)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (period ended 30 December 2021: 19%)	(416,944)	(156,172)
Effects of:		
Fixed asset differences	14,833	25,564
Expenses not deductible for tax purposes	181,229	20,845
Transfer pricing adjustments	(97,280)	-
Movement in deferred tax not recognised	418,634	339,613
Remeasurement of deferred tax for changes in tax rates	(100,472)	(240,620)
Group relief surrendered	-	10,770
Total tax charge for the period	-	-

Potential deferred tax assets of £1,435,389 (30 December 2021: £1,002,583) have not been recognised in respect of depreciation charged in excess of capital allowances at the end of the period, short term timing differences and tax losses carried forward.

The company also has capital losses carried forward of £23,956 (30 December 2021: £23,956) which creates a potential deferred tax asset of £5,989 (30 December 2021: £5,989).

Factors affecting future tax charges

The substantively enacted tax rate remained at 19% as at the Statement of Financial Position 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 2022 that had its third reading on 24 May 2021 and is now considered substantively enacted.

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

9. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 31 December 2021	1,906,358
Additions	178,843
Disposals	(81,233)
At 29 December 2022	<u>2,003,968</u>
Depreciation	
At 31 December 2021	438,744
Charge for the period	244,178
Disposals	(81,233)
At 29 December 2022	<u>601,689</u>
Net book value	
At 29 December 2022	<u><u>1,402,279</u></u>
At 30 December 2021	<u><u>1,467,614</u></u>

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

10. Investments

	Shares in subsidiary undertakings £	Preference shares in subsidiary undertakings £	Total £
Cost			
At 31 December 2021 and 29 December 2022	8,542,013	416,987	8,959,000
Provision			
At 31 December 2021	5,365,002	-	5,365,002
Increase in period	953,836	-	953,836
At 29 December 2022	6,318,838	-	6,318,838
Net book value			
At 29 December 2022	2,223,175	416,987	2,640,162
At 30 December 2021	3,177,011	416,987	3,593,998

Subsidiary undertaking

The company holds 20% or more of the share capital of the following companies:

Name	Country of incorporation	Shares held class	%
Ettington Park Group Limited	England and Wales	Ordinary	100%

The registered office is The Old Library, The Drive, Sevenoaks, Kent, TN13 3AB.

The nature of the operation is other letting and operating of own or leased real estate.

11. Stocks

	29 December 2022 £	30 December 2021 £
Goods for resale	31,087	34,670

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

12. Debtors

	29 December 2022 £	30 December 2021 £
Trade debtors	41,083	36,565
Amounts owed by group undertakings	-	208,887
Other debtors	39,507	28,607
Prepayments and accrued income	19,445	69,136
	<u>100,035</u>	<u>343,195</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

13. Creditors: amounts falling due within one year

	29 December 2022 £	30 December 2021 £
Payments in advance	280,543	279,820
Trade creditors	80,223	111,356
Amounts owed to subsidiary undertakings	243,895	243,895
Amounts owed to group undertakings	912,013	-
Other taxes and social security costs	39,615	35,184
Other creditors	9,279	7,640
Accruals	151,475	125,561
	<u>1,717,043</u>	<u>803,456</u>

Amounts owed to subsidiary undertakings are interest free, unsecured and repayable on demand.

14. Share capital

	29 December 2022 £	30 December 2021 £
Allotted, called up and fully paid		
8,913,601 Ordinary shares of £1 each	<u>8,913,601</u>	<u>8,913,601</u>

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

15. Reserves

Profit and loss account

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

16. 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 £37,339 (period ended 30 December 2021: £32,946). Contributions payable to the fund at the year end included in creditors totalled £6,489 (30 December 2021: £4,335).

17. Capital commitments

	29 December 2022 £	30 December 2021 £
Amounts contracted for but not provided in the accounts	1,086	4,471

At the period end the company had entered into construction contracts with unrelated parties for an amount of £1k, for minor improvement and refurbishment works.

18. Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases:

	29 December 2022 Other £	30 December 2021 Other £
Falling due:		
Within 1 year	4,253	1,572
Between two to five years	13,828	-
	18,081	1,572

Wy (Ettington Park) Limited

Notes to the Financial Statements For the period ended 29 December 2022

19. Ultimate parent company and 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.