

Registered number: 05186128

NEW WORLD HAYDOCK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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NEW WORLD HAYDOCK LIMITED

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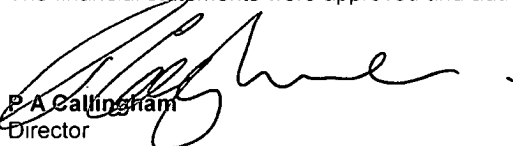
NEW WORLD HAYDOCK LIMITED**BALANCE SHEET
AS AT 30 JUNE 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	2,103,799	2,297,308
Current assets			
Stocks		3,938	5,717
Debtors: amounts falling due within one year	5	41,941	438,248
Cash at bank and in hand		4,218	14,027
		<u>50,097</u>	<u>457,992</u>
Creditors: amounts falling due within one year	6	(7,132,450)	(7,402,394)
Net current liabilities		<u>(7,082,353)</u>	<u>(6,944,402)</u>
Net liabilities		<u>(4,978,554)</u>	<u>(4,647,094)</u>
Capital and reserves			
Called up share capital	7	9,582,682	9,582,682
Profit and loss account		(14,561,236)	(14,229,776)
Net liabilities		<u>(4,978,554)</u>	<u>(4,647,094)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the 'small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. The profit and loss account and directors' report have not been filed.

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


P. A. Callingham
Director

Date: 18/11/2021

The notes on pages 3 to 11 form part of these financial statements.

NEW WORLD HAYDOCK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2018	9,582,682	(14,169,743)	(4,587,061)
Comprehensive loss for the year			
Loss for the financial year	-	(60,033)	(60,033)
Total comprehensive loss for the year	-	(60,033)	(60,033)
At 30 June 2019 and 1 July 2019	9,582,682	(14,229,776)	(4,647,094)
Comprehensive loss for the year			
Loss for the financial year	-	(331,460)	(331,460)
Total comprehensive loss for the year	-	(331,460)	(331,460)
At 30 June 2020	9,582,682	(14,561,236)	(4,978,554)

The notes on pages 3 to 11 form part of these financial statements.

NEW WORLD HAYDOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. General information

New World Haydock Limited is a private company limited by shares incorporated in England and Wales. Its registered office is Park House, 10 Penn Road, Beaconsfield, England, HP9 2LH.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

On 11 March 2020, the World Health Organisation confirmed the outbreak of Co-Vid 19 as a Pandemic.

The Company has a deficiency on its balance sheet of £4,798,554. There are outstanding loans from New World NEC Limited £2,604,427 and SBH Styles Limited £4,061,144 and both entities have confirmed that they will not seek repayment of the debt, until the company is in a position to repay these loans.

The effect of the restrictions was a material reduction in occupancy and profitability in the overall period from March 2020 until the lifting of lockdown measures in Spring/Summer 2021. The directors mitigated the cashflow effects of these measures by taking advantage of the following government relief measures:

- Coronavirus Job Retention Scheme
- Rates relief
- VAT deferral

The company is part of a cash pooling arrangement with a number of hotel companies all with a common shareholder. The combined cash pooling group arranged interest rate holidays with its lenders, obtained additional financing, as well as capital repayment holidays. This has meant that the cash pooling group will have to service higher levels of debt in future periods.

In preparing these accounts, the going concern basis has been adopted based on trading forecasts which indicate that the company has sufficient financial headroom covering a period of twelve months from the date the accounts are signed. The forecasts have been prepared on a conservative basis assuming a forecasted group occupancy of 62% for the next twelve months, when actual group occupancy to date is 63%. Forecasted group EBITDA for the next twelve months is £1.9m. The forecasted group cash balance is £2.4m on 30 November 2022.

The financial statements do not contain any adjustment if the company was not a going concern.

NEW WORLD HAYDOCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.3 Revenue

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

Rendering of services

Revenue from hotel ownership comprises amounts earned in respect of services, facilities and goods supplied by the hotel. Revenue from the rendering of services (such as accommodation and use of facilities) is recognised when services are performed. Revenue from the sale of goods (such as food and beverage sales) is recognised at the time when the goods are delivered to customers.

2.4 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.

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:

Freehold property	- 2%
Fixtures and fittings	- 10%

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 profit and loss account.

2.5 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

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

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

NEW WORLD HAYDOCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets 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 profit and loss account.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

NEW WORLD HAYDOCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets and financial liabilities

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

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

Offsetting of financial assets and financial liabilities

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

2.6 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.7 Share capital

Ordinary shares are classified as equity.

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

NEW WORLD HAYDOCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.9 Government grants

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

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

2.10 Pensions

Defined contribution pension plan

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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value.

NEW WORLD HAYDOCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

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

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 26 (2019 -21)

NEW WORLD HAYDOCK LIMITED
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4. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 July 2019	7,941,915	869,255	8,811,170
Additions	-	41,950	41,950
At 30 June 2020	7,941,915	911,205	8,853,120
Depreciation			
At 1 July 2019	6,100,333	413,529	6,513,862
Charge for the year	144,339	91,120	235,459
At 30 June 2020	6,244,672	504,649	6,749,321
Net book value			
At 30 June 2020	1,697,243	406,556	2,103,799
At 30 June 2019	1,841,582	455,726	2,297,308

The freehold property was valued on 18 December 2017 by Colliers International Specialist and Consulting UK LLP, an independent and RICS qualified valuer using market based evidence for similar properties sold in the area. Subsequent additions are at cost. The freehold property has then been depreciated from the valuation date to the year end date. The directors believe this to be an appropriate basis to value the property.

In determining this position, the directors have obtained a valuation as at 27 September 2021, undertaken by Colliers which shows a valuation on an open market basis of £2,800,000 for the hotel (including fixtures and fittings) on the basis of the existing management agreement with Starboard Hotels Limited.

At 30 June 2020, the UK was subject to unique conditions pertaining to Co-vd 19. The directors have therefore valued the property based on the value of £2,103,799. The valuation at 27 September 2021 reflects in part the rebound of coming out of lockdown, which is a non adjusting post balance sheet event.

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	1,697,243	1,841,582

NEW WORLD HAYDOCK LIMITED
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5. Debtors

	2020 £	2019 £
Trade debtors	8,304	85,914
Amounts owed by group undertakings	-	11,434
Other debtors	22,905	281,993
Prepayments and accrued income	10,732	58,907
	<u>41,941</u>	<u>438,248</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	147,952	251,895
Amounts owed to group undertakings	6,665,571	6,657,034
Other taxation and social security	17,776	72,670
Other creditors	95,551	245,590
Accruals and deferred income	205,600	175,205
	<u>7,132,450</u>	<u>7,402,394</u>

7. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
9,582,682 Ordinary shares of £1.00 each	<u>9,582,682</u>	<u>9,582,682</u>

8. Related party transactions

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

9. Contingent liabilities

Potential liabilities arising from a Bank Leumi Corporate cross guarantee, should the group default on the loan agreement, amount to £13.07mn (2019: £12.07mn).

The assets of the company are subject to a fixed and floating charge in the name of Bank Leumi for the aforementioned loan.

NEW WORLD HAYDOCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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10. Controlling party

The smallest group for which consolidated financial statements are drawn up is headed by SBH Styles Limited whose registered office is C/O Starboard Hotels Limited Park House, 10 Penn Road, Beaconsfield, England, HP9 2LH.

11. Auditor's information

The auditor's report on the financial statements for the year ended 30 June 2020 was unqualified.

The audit report was signed on 18/11/2021 by Andrew Sanford (senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.