Company Registration No: 05647630

# BRIDGEMERE UK PLC

## Annual Report and Financial Statements
## For the year ended 31 March 2022

# ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## CONTENTS

# OFFICERS AND PROFESSIONAL ADVISERS

**DIRECTORS**

S P Morgan
A M Lewis
J R C Masters
VW Fairclough
W R Heath (appointed 25 August 2022)
G B Dix (appointed 25 August 2022)

**COMPANY SECRETARY**

A M Lewis

**REGISTERED OFFICE**

Bridgemere House
Chester Road
Preston Brook
Cheshire
WA7 3BD

**BANKERS**

Barclays Bank plc

**AUDITOR**

Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH

# STRATEGIC REPORT

The directors present their Strategic report on the affairs of Bridgemere UK PLC ("the Group"), together with the Directors' report, financial statements and auditor's report, for the year ended 31 March 2022.

**PRINCIPAL ACTIVITIES**

The principal activities of the Group are split into property and leisure related activities. Within the property division, the Group's activities comprise housebuilding, through a majority stake in a regional housebuilder, ownership of former brownfield sites in the course of remediation, ownership and development of other landholdings within Europe. The Group also owns a minority stake in a company set up to acquire land with a view to enhancing its value by obtaining planning permission for mainly residential development. The leisure division of the Group owns Carden Park, a golf, leisure and spa resort hotel and Trinity Aviation Limited, the owner of an aircraft.

Aside from the specific comments made below on each division of the business, the directors do not expect the principal activities of the operating business to change significantly going forwards.

The subsidiaries and joint ventures principally affecting the profits or net assets of the Group in the year are listed in note 23 to the financial year statements.

**REVIEW OF THE BUSINESS, DEVELOPMENTS AND PROSPECTS**

**Property Division**

The company has three wholly owned subsidiaries, Bridgemere Development Capital plc (BDC), Development Finance Europe plc (DFE) and Bridgemere Land plc (BL) as well as a majority stake in Castle Green Homes Ltd (CGH) and a minority interest in Carden Group plc.

BDC partners with UK developers, providing development finance and management expertise to individual projects.

BDC continued to trade satisfactorily during the year with profit before tax totalling £5,082,516 (2021: £5,347,484) and net assets totalling £31,227,728 (2021: £26,591,559). The increase in profit is in line with increased profit shares received during this year, driven by a higher number of completions achieved by the company's main customer.

The DFE profit before taxation of £723,999 (2021: loss of £133,856) resulted the receipt of a dividend from the Company's Polish subsidiary. However, this was paid out by way of dividend to the shareholder, as any proceeds achieved from the Polish exits noted below were used to repay outstanding loans leaving no value for the shareholder. The BL loss before tax of £958,321 compared to a profit in 2021 of £10,228,020, Losses have been incurred in the year due to a fall in revenue from £12,000,000 to £400,000 as a consequence of the decrease in land asset sales during the year. The decrease in net assets was also driven by these losses.

The majority of the company's previously retained development land has now been sold with only two remaining development sites yet to be developed once planning and remediation issues have been dealt with. A planning consent was achieved on one of those sites immediately following year end, and development is expected to commence during the current year. The CGH business, made a profit before tax of £3,070,375 (2021: £3,368,361) from increased turnover of £78,659,908 (2021: £53,865,328), driven in turn by a large increase in the number of legal completions from 213 to 280. Net assets increased from £5,068,688 to £7,118,255 during the year as a consequence of the net profits generated.

Carden Group plc, in which the group has a minority stake, acquired its first landholding in 2021, financed by an issue of preference shares, £4,500,000 of which was financed by the company. Net liabilities (net of preference share capital) stood at £1,125,941 at year end.

# STRATEGIC REPORT (continued)

## REVIEW OF THE BUSINESS, DEVELOPMENTS AND PROSPECTS (continued)

### Leisure Division

**Carden Park Hotel**

The company's turnover increased by almost 250% following the impact on the 2021 results due to the impact of the Pandemic related closures suffered during that year. However, importantly, turnover was up by 40.2% against the 2020 results which demonstrates the strength of the return to normal trading achieved during the year. Whilst occupancy increased by 21.6% during the year, it was the 25.2% increase in the average room rate achieved versus last year (and a 60.1% increase over the 2020 average room rate), which actually helped most significantly. This was achieved partly due to Governmental help from their reduction in applicable VAT rates across some of our revenue lines, but was mainly achieved due to the strength of the well-publicised 'staycation' market which saw very strong levels of leisure business visiting hotel facilities which have been significantly improved as a result of the new award winning spa and refurbished internal lounge and dining facilities. As a result the hotel was able to generate a bottom-line profit of over £1.1m. The balance sheet position was also significantly strengthened by way of a revaluation of the hotel assets carried out by Colliers which resulted in a revaluation reserve of £13.56m as a consequence of the increased asset valuation.

**Trinity Aviation**

The company currently owns a Falcon 2000LX jet which is chartered out to both external customers and the wider Bridgemere Investments Limited Group. The level of charter work increased significantly following the end of international lockdowns and travel restrictions. As a consequence the pre-tax loss fell to £806,164 (2021: loss of £1,190,613).

## RESULTS AND KEY PERFORMANCE INDICATORS

The directors consider the key performance indicators to be turnover, profit before tax and net assets.

| | 2022<br>£'000 | 2021<br>£'000 | Movement<br>£'000 |
|---|---|---|---|
| Turnover | 101,848 | 69,715 | 32,133 |
| Profit before tax | 7,574 | 6,377 | 14,757 |
| Net assets | 52,670 | 33,863 | 18,807 |

The Group's results and financial position are set out in the Consolidated profit and loss account and Group and Company balance sheets on pages 14 and 16.

Turnover for the year totalled £101,848,000 (2021 - £69,715,000) all of which was attributed to continuing operations in the current year. The operating profit for the year was £10,155,000 (2021 – loss £1,881,000).

Other key performance indicators being the consolidated cash flow statement on page 19 illustrates the net decrease in cash for the year of £10,394,000 (2021 - £10,446,000). Operational activities required £4,935,000 (2021 – £30,854,000) of cash during the year, whilst £5,335,000 was spent on acquiring new assets.

Average staff numbers have increased from 304 to 317 in the current year.

During the year, the Group invested in a 75% holding in Redline Equestrian Limited. The resulting goodwill has been written off in the year.

The Directors consider that the company's property, plant and equipment are worth no less than the amount at which they are stated in the company's balance sheet given recent investment. Additional comfort has been received by way of the hotel revaluation exercise noted above. Further, the Directors also consider that the company's investment in subsidiaries are recoverable at amounts at which they are stated in the company's balance sheet given recent investment.

# STRATEGIC REPORT (continued)

## PRINCIPAL RISKS AND UNCERTAINTIES

A principal risk for the Group over the next couple of years will be how long the current economic environment will continue to impact, particularly on the house buying market. The Group's developments are going to take longer to work through to conclusion as a result of market conditions. However, the directors consider that its key strength relates to the extensive skills and experience of the management team together with the financial support of the overall Bridgemere Investments Limited group infrastructure.

Whilst the hotel has recovered strongly from the effects of the Pandemic, ongoing operational changes, particularly with respect to enhanced health and safety measures, remain in place and have impacted on the company's ongoing costs.

A key risk for the aviation company is the level of external charter work achieved. The directors consider that this risk is mitigated by using a reputable executive air charter operator.

## FUTURE DEVELOPMENTS

**Property Division**
The acquisition, by Bridgemere UK plc, of BDC's main customer, completed during September 2020, means that future activity in that company will be limited, particularly now that all loans, and profits thereon, had been realized by year end.

Since the year-end, DFE continued to work with the local development partners in pursuing the most favourable course of action on the remaining Romanian site. However, having now concluded the sale of the Romanian company and with only the closedown of the dormant Polish subsidiaries still to take place, the principal risks to the company have been mitigated and the directors are considering the wind down of existing investments and reviewing for other investment opportunities. It is not anticipated that there will be any further land acquisitions directly into Bridgemere Land although this activity and property consultancy services will continue to be provided for the foreseeable future. There are now only two remaining development sites yet to be developed once planning and remediation issues have been dealt with.

**Carden Park Hotel**
Work has continued during the year with a view to further enhancing the hotel's offering, including the refurbishment of the Vines restaurant, and the opening of a brand new luxury lounge which opened during the year.

**Trinity Aviation**
The company continues to charter out its jet to both external customers and the wider Bridgemere Investments Limited Group.

There have been no material impacts of Brexit on the Group and its subsidiaries.

Approved by the Board of Directors and signed on behalf of the Board:

A M Lewis 23rd December 2022
Bridgemere House, Chester Road, Preston Brook, Cheshire, WA7 3BD

## DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the Strategic Report and audited financial statements and auditor's report, for the year ended 31 March 2022. In accordance with S414 (C) (11) of the Companies Act, included in the Strategic Reports is information relating to future developments which forms part of this report by cross reference.

**Section 172 (1) Statement**

The Directors are fully aware of their duty under S.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long-term

  All major decisions are reviewed and discussed during regular Management meetings with any major investment decisions also being signed off by the Board at their bimonthly Board meetings, at which also such decisions and their likely consequences are reviewed.

- The interests of the company's employees

  Consideration of the interests of the company's employees is at the forefront of any decision taken by the Board of Directors. The development of and engagement with employees is actively encouraged in particular by way of regular training procedures particularly for all hotel and aviation staff. In the light of the COVID-19 Pandemic even greater emphasis than usual has been placed on the safety of all employees by way of new constantly developing processes in line with Government advice to ensure that all staff are protected to the greatest extent possible from the risks posed by the virus.

- The need to foster the company's business relationships with suppliers, customers and others

  The company relies heavily on long-term relationships with many suppliers managed by an internal procurement team for most purchases but also using an external advisory team in relation to certain supply lines. These are all closely managed by the Board to ensure that these relationships remain for the mutual benefit of both the hotel and its suppliers.

- The impact of the company's operations on the community and the environment

  The impact on the environment is considered in all new investments made by the company including, in the case of the new Spa built during the year under review, an investment into solar technology within the roof structure of the development to maximise the carbon efficiency of the building.

- The desirability of the company maintaining a reputation for high standards of business conduct

  The Board of Directors of the company employs suitably qualified and trained employees within each department as well as investing significantly in the necessary IT systems. Significant investment in all aspects of the business ensures that high standards of business conduct can be and are achieved.

# DIRECTORS' REPORT (continued)

## GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the sections above. This includes an overview of the Group's financial position, its cash flows, liquidity position and borrowing facilities. In addition, there is a description of the Group's policies and procedures to manage their principal risks and uncertainties.

After making enquiries, the directors have relied upon a financial commitment from the Company's ultimate parent (see note 1) and the directors have made appropriate enquiries to confirm that the Company's ultimate parent has adequate resources to continue in operational existence for at least 12 months from the date of the approval of the financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1.

## FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

*Cash flow risk*

The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap contracts to hedge this exposure.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

*Credit risk*

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

*Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the note 1 within the accounting policies in the financial statements.

## DIRECTORS' REPORT (continued)

### POST BALANCE SHEET EVENTS

Details of significant events since the balance sheet date are contained in note 25 to the financial statements.**DIVIDENDS**

Following receipt of a dividend from Polish subsidiaries, a dividend of £802,319 was paid via Bridgemere UK plc to the ultimate holding company Bridgemere Investments Limited during the year (2021 - £nil).

### DIRECTORS

The directors who held office during the financial year and thereafter are as set out on page 1.

### DIRECTOR'S INDEMNITIES

The Company and Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made a £250,000 political contribution to the Conservative Party during the financial year (2021 - £1m).

### DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees, matters of concern to them and on the various factors affecting the performance of the Group. This is achieved through consultation with employees via formal and informal meetings throughout the year.

### STREAMLINED ENERGY AND CARBON REPORTING

We have reported on all sources of GHG emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulation 2008 as amended.

GHG emissions and energy usage data for period 1 April 2021 to 31 March 2022

| | Emissions (tCO2e) |
|---|---|
| Emissions from combustion of gas (Scope 1 – tonnes of CO2e) | 11.94 |
| Emissions from other Fuels | 3,816.11 |
| Emissions from combustion of fuel for transport purposes (Scope 1 – tonnes of CO2e) | 1,834.48 |
| Emissions from electricity purchased for own use, including for the purposes of transport (Scope 2 – tonnes of CO2e) | 782.68 |
| Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 – tonnes of CO2e) | 0.00 |
| **Total gross CO2e based on above** | 6,445.21 |
| Intensity Ratio – Emissions (tCO2e) per £m revenue | 63.28 |

## DIRECTORS' REPORT (continued)

### REPORTING BOUNDARY AND METHODOLOGY

We have followed the 2019 UK Government Environmental Reporting Guidelines. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019 to calculate the above disclosures.

Bridgemere UK plc have chosen 'Tonnes of CO2e per million revenue' as an intensity metric as this is an appropriate metric for the business. The reporting boundary used for collation of the above data is subsidiaries of the group with emissions over 40,000kwh with exemptions in individual subsidiaries being taken where applicable.

### ENERGY EFFICIENCY ACTIONS TAKEN

During the year we have taken a number of steps to improve energy efficiency. These include the incorporation of photo-voltaic panels and enhanced levels of thermal insulation as part of our progressive development plan. Across the group there are plans in place to improve energy efficiency and the group only uses electric vehicles wherever possible.

### AUDITOR

Each of the persons who is a director at the date of approval of this report confirms 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 he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board:

A M Lewis 23rd December 2022

Director

Bridgemere House, Chester Road, Preston Brook, Cheshire, WA7 3BD

## DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 Group and parent company and of the profit or loss of the Group 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGEMERE UK PLC

### Report on the audit of the financial statements

**Opinion**

In our opinion the financial statements of Bridgemere UK PLC (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 25.

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 are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Extent to which the audit was considered 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 considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector. We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Bribery Act 2010 and General Data Protection Regulation.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as valuations regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Valuation of the hotel: We challenge the principal assumptions used to derive the open market value through a number of procedures. These include review of the design and implementation of associated controls, the review of equivalent yields against market rates, challenge of methodology by RICS certified internal experts, substantive testing of committed rent receivable and the assessment of disposals against fair values held.
- Risk of fraud in revenue recognition: pinpointed to the cut off assertion relating to the identified risk period determined to be March 2022 and April 2022. In response to this, we tested the design and implementation of key controls related to revenue recognition and agreed the sale recorded in the year to relevant supporting evidence.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGEMERE UK PLC (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### Report on other legal and regulatory requirements

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGEMERE UK PLC (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.

Heather Crosby

**Heather Crosby FCA (Senior Statutory Auditor)**
**for and on behalf of Deloitte LLP**
**Statutory Auditor**
**Manchester, United Kingdom**
**23rd December 2022**

## CONSOLIDATED PROFIT AND LOSS ACCOUNT
## For the year ended 31 March 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---|---|---|---|
| **TURNOVER** | 3 | 101,848 | 69,715 |
| Cost of sales | | (66,085) | (39,150) |
| **GROSS PROFIT** | | 35,763 | 30,565 |
| Administrative expenses | | (25,468) | (19,808) |
| Impairment of goodwill | 4 | (265) | (11,503) |
| Other operating income | 4 | 125 | 2,627 |
| **OPERATING PROFIT** | | 10,155 | 1,881 |
| Share of joint ventures operating loss | | (33) | (13) |
| Profit on disposal of joint venture | 11b | - | 2,792 |
| **PROFIT BEFORE INTEREST AND TAXATION** | | 10,122 | 4,660 |
| Net finance income | 5 | (2,548) | 1,717 |
| **PROFIT BEFORE TAXATION** | 4 | 7,574 | 6,377 |
| Tax on profit | 6 | (2,525) | (2,923) |
| **PROFIT FOR THE FINANCIAL YEAR** | | 5,049 | 3,454 |

The accompanying notes form an integral part of these financial statements.

The Group's turnover is stated net of turnover for joint ventures and the Group's reported net interest payable and taxation include the Group's share of joint ventures' net interest payable and taxation. These are not material to the Group and accordingly are separately disclosed in the notes to the financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## For the year ended 31 March 2022

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| **Profit/(loss) for the financial year:** | | |
| **Group** | 5,082 | 3,467 |
| **Joint ventures** | (33) | (13) |
| **Profit for the financial year** | 5,049 | 3,454 |
| Surplus on revaluation of fixed assets | 13,561 | - |
| Currency translation difference on foreign currency net investments | 595 | (183) |
| **Other comprehensive income/(expense)** | 14,156 | (183) |
| **Total comprehensive income for the year** | 19,205 | 3,270 |
| Profit for the year attributable to: | | |
| Non-controlling interest | (294) | (2,686) |
| Equity shareholders of the Company | 5,343 | 6,140 |
| | 5,049 | 3,454 |
| Total comprehensive income for the year attributable to: | | |
| Non-controlling interest | 93 | 804 |
| Equity shareholders of the Company | 19,112 | 2,466 |
| | 19,205 | 3,270 |

## CONSOLIDATED AND COMPANY BALANCE SHEETS
## As at 31 March 2022

| | Note | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Goodwill | 9 | - | - | - | - |
| Tangible fixed assets | 10 | 68,168 | 53,734 | 101 | 37 |
| Investment in associates | | | 20 | 33 | 33 |
| Investments in subsidiaries | 11 | | - | 90,511 | 90,513 |
| Loans to group undertaking | 11 | 8,376 | 6,110 | 118,065 | 106,841 |
| Investments in joint ventures | 11 | | | | |
| - share of gross assets | | | - | - | - |
| - share of gross liabilities | | | - | | - |
| | | 76,544 | 59,864 | 208,710 | 197,424 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 12 | 112,353 | 93,104 | - | - |
| Debtors | 13 | 15,601 | 16,360 | 788 | 116 |
| Cash at bank and in hand | | 11,377 | 21,771 | 2,202 | 5,374 |
| | | 139,331 | 131,235 | 2,990 | 5,490 |
| **CREDITORS: amounts falling due within one year** | 15 | (138,093) | (131,984) | (188,127) | (182,332) |
| **NET CURRENT ASSETS / (LIABILITIES)** | | 1,238 | (749) | (185,137) | (176,842) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 77,782 | 59,115 | 23,573 | 20,582 |
| **CREDITORS: amounts falling due after more than one year** | 16 | (25,113) | (23,575) | - | - |
| **PROVISION FOR LIABILITIES** | 18 | - | (1,677) | - | - |
| **NET ASSETS** | | 52,670 | 33,863 | 23,573 | 20,582 |
| **Financed by capital and reserves** | | | | | |
| Called-up share capital | 19 | 10,000 | 10,000 | 10,000 | 10,000 |
| Revaluation Reserve | | 13,561 | | | |
| Profit and loss account | | 33,314 | 28,003 | 13,573 | 10,582 |
| Non-controlling interest | 23 | (4,205) | (4,140) | - | - |
| **SHAREHOLDERS' FUNDS** | | 52,670 | 33,863 | 23,573 | 20,582 |

The profit for the financial year dealt with in the financial statements of the parent company was £3,794,000 (2021- £987,000).

The financial statements of Bridgemere UK plc, registered number 05647630, were approved by the Board of Directors and authorised for issue on 23rd December 2022.

Approved by the Board of Directors and signed on behalf of the Board:

A M Lewis, Director

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## As at 31 March 2022

| | Called up share capital £'000 | Revaluation Reserve £'000 | Profit and loss account £'000 | Total £'000 | Non-controlling interest £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **At 1 April 2020** | 10,000 | - | 25,536 | 35,536 | - | 35,536 |
| Acquisition of subsidiary (see note 23) | - | - | - | - | (4,944) | (4,944) |
| Profit for the financial year | - | - | 6,140 | 6,140 | (2,686) | 3,454 |
| Currency translation difference on foreign currency net investments | - | - | (3,673) | (3,673) | 3,490 | (183) |
| **Total comprehensive income** | - | - | 2,467 | 2,467 | (4,140) | (1,673) |
| **At 31 March 2021** | 10,000 | - | 28,003 | 38,003 | (4,140) | 33,863 |
| Acquisition of subsidiary (see note 23) | - | - | (252) | (252) | (146) | (398) |
| Profit for the financial year | | 13,561 | 5,343 | 18,904 | (294) | 18,610 |
| Currency translation difference on foreign currency net investments | - | - | 209 | 209 | 387 | 596 |
| **Total comprehensive income** | | 13,561 | 5,300 | 18,861 | (53) | 18,808 |
| **At 31 March 2022** | **10,000** | **13,561** | **33,303** | **56,864** | **(4,193)** | **52,670** |

## COMPANY STATEMENT OF CHANGES IN EQUITY
## As at 31 March 2022

| | Called up share capital £'000 | Profit and loss account £'000 | Total £'000 |
|---|---|---|---|
| **At 1 April 2020** | 10,000 | 9,595 | 19,595 |
| Profit for the financial year and total comprehensive income | - | 987 | 987 |
| **At 31 March 2021** | 10,000 | 10,582 | 20,582 |
| Profit for the financial year and total comprehensive income | - | 3,794 | 3,794 |
| Dividend | - | (802) | (802) |
| **At 31 March 2022** | 10,000 | 13,574 | 23,574 |

## CONSOLIDATED CASH FLOW STATEMENT
## For the year ended 31 March 2022

| | Note | 2022 £'000 | 2021 £'000 |
|---|---|---|---|
| **Net cash outflow from operating activities** | 20 | (4,935) | (30,854) |
| **Cash flows from investing activities** | | | |
| Acquisition of goodwill | | (251) | (11,503) |
| Payments to acquire tangible fixed assets | | (5,335) | (2,464) |
| Cash from disposal of fixed assets | | - | 1,752 |
| Disposal of investments | | 20 | 2,792 |
| **Net cash flows from investing activities** | | (5,566) | (9,423) |
| **Cash flows from financing activities** | | | |
| Change in non-controlling interest | | (145) | (4,944) |
| Bank loan and overdraft interest | | (3,564) | (1,655) |
| Drawdown of loan | | 16,449 | - |
| Repayment of finance lease debt | | 133 | (92) |
| Decrease in loans due to other group undertakings | | (12,766) | 57,414 |
| **Net cash flows from financing activities** | | 107 | 50,723 |
| **Net decrease in cash and cash equivalents** | | (10,394) | (10,446) |
| **Cash and cash equivalents at beginning of year** | | (21,771) | 5,010 |
| **Cash and cash equivalents at end of year** | | 11,377 | 15,456 |

| | | | |
|---|---|---|---|
| **Reconciliation to cash at bank and in hand:** | | | |
| Cash at bank and in hand | | 11,377 | 21,771 |
| Overdrafts | | (22,764) | (6,315) |
| **Cash and cash equivalents** | | 11,377 | 15,456 |

# NOTES TO THE FINANCIAL STATEMENTS
## For the year ended 31 March 2022

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The policies have been applied consistently throughout the current and preceding financial years.

**General information and basis of accounting**

Bridgemere UK plc is a private company limited by shares incorporated in England and Wales limited by shares under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 to 5.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Bridgemere UK plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Bridgemere UK plc meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, disclosure of related party transactions and remuneration of key management personnel.

**Group financial statements**

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31 March each year.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. The Consolidated profit and loss account incorporates the Group's share of the result of joint ventures. In the Group balance sheet, the fixed asset investment in joint ventures represents the Group's share of net assets of those undertakings.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account for Bridgemere UK plc is not presented. The profit for the financial year of the company was £3,693,759 (2021 – £987,000) including dividend receipts of £802,319 (2021 - £nil).

**Going concern**

The Company meets its day-to-day working capital requirements through intercompany funding and available overdraft facilities, which are renewed annually. The current economic conditions create uncertainty however has not impacted in relation to the company's limited ongoing operations particularly over the levels of demand within the hotel and leisure sectors. After making enquiries and considering future finance requirements in accessing the going concern assumption the directors have relied upon a letter of support from Bridgemere Investments Limited (see note 24). The directors have made appropriate enquiries to confirm that Bridgemere Investments Limited has adequate resources to provide the financial commitment contained in the letter of support and to continue in operational existence for at least 12 months from the date of the approval of the financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements. With regard to costs, the Group has benefitted from further Government assistance including £264,000 from the Coronavirus Job Retention Scheme which helped to retain continuity of employment for the majority of our retained staff, as well as through the Rates Relief Scheme. Whilst the Group was affected by the pandemic in the same way as much of the economy, the above schemes did help to minimise the adverse impact inevitably suffered.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report and the director's report

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

### 1. ACCOUNTING POLICIES (continued).

**Goodwill**

Goodwill on acquisitions represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. It is amortised on a straight-line basis over an estimated useful economic life of up to ten years with provision made for any impairments.

**Tangible fixed assets**

Tangible fixed assets are stated at cost and net of depreciation. Depreciation is provided on fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|---|---|
| Land | Not depreciated |
| Operational buildings | 2% |
| Fixed plant and machinery | 5-14% |
| Office fixtures, fittings and equipment | 14-20% |
| Computer equipment | 20% |
| Motor vehicles | 25% |

No depreciation is charged on capital work in progress until the assets are available for use. On completion, such assets are transferred to the appropriate category of tangible fixed assets.

**Fixed asset investments**

Fixed asset investments are stated at cost less provision for impairment. Cost represents the aggregate cash consideration, costs incurred and either the fair value or the nominal value of shares issued.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a 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 Group after deducting all of its liabilities.

*(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

1. **ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

*(i) Financial assets and liabilities (continued)*

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

*(ii) Investments*

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

Investments in joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the joint venture.

*(iii) Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

### 1. ACCOUNTING POLICIES (continued)

**Financial instruments (continued)**

*(iv) Derivative financial instruments*

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

***Impairment of assets***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

*Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

*Financial assets*

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

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

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Other income**

The group accounts for government grants in accordance with section 24 of FRS 102. Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to the grant, and that the grant will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses, the related costs for which the grant is intended to compensate. If the grant is intended to compensate for expenses or losses already incurred, or for the purpose of giving immediate financial support to the company with no future related costs, the grant will be recognised in profit or loss in the period in which the grant becomes receivable. The group presents grants related to income as part of profit or loss, separately as other income.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

1. **ACCOUNTING POLICIES (continued)**

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Turnover**

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Hotel and leisure turnover comprises amounts receivable by the Group in respect of services provided during the financial year. Turnover is recognised when the provision of each service is complete.

Sale of land assets are accounted for on a legal completion basis.

Turnover excludes sales related taxes and is derived entirely from activities in the United Kingdom.

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

### 1. ACCOUNTING POLICIES (continued)

**Stocks**

Stocks are stated at the lower of cost, including attributable overheads, to the Group and estimated net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on the estimated selling price less the estimate cost of disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Stocks include land assets held in the course of development and are stated at the lower of cost and net realisable value.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the Group's investment in such operations, are reported in the statement comprehensive income. All other exchange differences are included in the profit and loss account.

**Pension costs**

The cost of the Group's money purchase pension arrangements are charged to the profit and loss account on the basis of contributions payable in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Leases**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

**Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Borrowing and finance costs**

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## NOTES TO THE FINANCIAL STATEMENTS (continued)
**For the year ended 31 March 2022**

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Group's accounting policies**

The directors do not deem there to be any critical judgements in applying the Company's accounting policies, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Key sources of estimation uncertainty**

*Investment properties and other fixed assets*

A key source of estimation and uncertainty relates to the valuation of fixed assets, where a valuation is obtained annually, as at 31 March, either by professionally qualified external valuers, or by the company's directors. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis.

The value of fixed assets at 31 March 2022 is £51m (2021: £37.3m), based on a valuation provided by Colliers International Property Consultants Limited, the basis of which followed RICS 'Red Book' best practice

*Valuation and impairment of land stock*

Management relies on a qualified surveyor to review the land sites held in stock to ensure that they are recognised in the financial statements at the lower of cost and net realisable value. This is a specialised area of expertise and judgements are made based on the current market conditions, market activity and the level of land remediation completed for each site. At the balance sheet date impairment of £nil has been incurred (2021: £nil).

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

### 3. TURNOVER

An analysis of the Group's turnover by class of business is set out below. All turnover is generated in the United Kingdom therefore a geographical split has not been provided.

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| Hotel and leisure | 19,049 | 5,627 |
| Aviation | 2,542 | 1,688 |
| Property division | 79,207 | 62,400 |
| Other | 1,050 | - |
| **Turnover** | 101,848 | 69,715 |

### 4. PROFIT BEFORE TAXATION

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| *Profit before taxation is stated after charging/(crediting):* | | |
| Depreciation and impairment of fixed assets | 4,300 | 3,967 |
| Other income | 125 | (2,627) |
| Impairment of goodwill | 265 | 11,503 |
| Operating lease rentals | 481 | 276 |

Other income of £264,000 was received via the Government's Coronavirus Job Retention Scheme (2021 - £1,964,000).

During the year, the group acquired a 75% shareholding in Redline Equestrian Limited, resulting in goodwill of £265,000, which management has written off during the year. Also see note 23.

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| Fees payable to the company's auditor for the audit of the company's annual financial statements excluding amounts relating to the auditing of the subsidiaries | 20 | 20 |
| The audit of the company's subsidiaries | 77 | 70 |
| Total audit fees | 97 | 90 |
| Advisory services | 25 | 69 |
| Taxation compliance services | 32 | 32 |
| Total other services | 57 | 101 |

Fees payable to Deloitte LLP have been disclosed on a consolidated basis.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
# For the year ended 31 March 2022

## 5. NET FINANCE INCOME

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| Interest payable and similar charges: | | |
| Bank loans and overdrafts | (3,564) | (1,655) |
| | (3,564) | (1,655) |
| Interest receivable and similar income: | | |
| Other loans | 1,016 | 3,372 |
| | (2,548) | 1,717 |
| Share of joint ventures net interest payable | - | - |
| Group net interest payable | (2,548) | 1,717 |

## 6. TAX ON PROFIT

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| **Current tax** | | |
| UK corporation tax | 2,096 | 2,700 |
| Adjustments in respect of prior years | (219) | (41) |
| **Total current tax** | 1,877 | 2,659 |
| **Deferred tax (note 14 and 18)** | | |
| Origination and reversal of timing differences | (197) | 78 |
| Adjustments in respect of prior years | 427 | 82 |
| Change in taxation rates | 410 | 104 |
| **Total deferred tax** | 640 | 264 |
| **Total tax on profit** | 2,517 | 2,923 |

The difference between the total tax charge shown above and the amount calculated by applying Standard rate of UK corporation tax to the profit before tax is as follows:

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| **Reconciliation of current tax charge** | | |
| Profit before taxation | 7,574 | 6,377 |
| Tax at 19% (2021 - 19%) | 1,439 | 1,212 |
| *Effects of:* | | |
| Expenses not deductible for tax purposes | 65 | 2,425 |
| Income not taxable | (23) | (920) |
| Group Relief | 9 | - |
| Adjustments in respect of prior years | 42 | 102 |
| Roundings | 3 | - |
| Losses | 572 | - |
| Changes in tax rates | 410 | 104 |
| **Total tax charge for the year** | 2,517 | 2,923 |

The March 2021 Budget announced that the UK corporation tax rate will increase to 25% with effect from 1 April 2023. As this change was substantively enacted as at 31 March 2022, deferred tax balances are measured at a rate of 25%.

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

### 7. STAFF COSTS

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|
| Staff costs (including directors): | | | | |
| Wages and salaries | 11,224 | 3,739 | 605 | 605 |
| Social security costs | 1,414 | 745 | 341 | 341 |
| Pension costs | 327 | 193 | 49 | 50 |
| | 12,965 | 4,677 | 995 | 996 |

*Defined contribution schemes*

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year ended 31 March 2022 was £327,000 (2021: £193,000).

The average monthly number of persons employed by the Group and Company during the year, inclusive of directors, was as follows:

| | Group 2022 No. | Group 2021 No. | Company 2022 No. | Company 2021 No. |
|---|---|---|---|---|
| Administration | 15 | 72 | 11 | 8 |
| Hotel and leisure staff | 225 | 174 | - | - |
| Site | 22 | 16 | - | - |
| Sales and administration | 55 | 42 | - | - |
| | 317 | 304 | 11 | 8 |

### 8. DIRECTORS' REMUNERATION

The remuneration of the directors of the Group is as follows:

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| Emoluments | 723 | 647 |
| Pension costs | 15 | 12 |
| | 738 | 659 |

The number of directors who were members of money purchase pension schemes was 2 (2021 - 2).

The remuneration of the highest paid director was as follows:

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| Emoluments | 273 | 223 |
| | 273 | 223 |

*Directors' advances, credits and guarantees*

Details of transactions with directors during the year are disclosed in note 22.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the year ended 31 March 2022**

## 9. GOODWILL

| Group | Total £'000 |
|---|---|
| **Cost** | |
| At 1 April 2021 | 20,882 |
| Additions | 265 |
| At 31 March 2022 | 21,147 |
| **Amortisation** | |
| At 1 April 2021 | 20,882 |
| Impairment | 265 |
| At 31 March 2022 | 21,147 |
| **Net book value** | |
| At 31 March 2022 | - |
| At 31 March 2021 | - |

During the year, the group acquired a 75% share of Redline Equestrian Limited, resulting in goodwill of £265,000 which management has written off during the year. Also see note 23.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**For the year ended 31 March 2022**

## 10 TANGIBLE FIXED ASSETS

**Group**

| | Land & buildings £'000 | Fixed plant and machinery £'000 | Office fixtures, fittings and equipment £'000 | Motor vehicles £'000 | Computer equipment £'000 | Horses £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 April 2021 | 40,636 | 23,533 | 25,286 | 124 | 1,444 | - | 91,023 |
| Additions and reallocations | 11,214 | (331) | (7,095) | 423 | 65 | 1,059 | 5,335 |
| Revaluations | 13,561 | - | - | - | - | - | 13,561 |
| Disposal | - | (42) | - | - | - | - | (42) |
| At 31 March 2022 | 65,411 | 23,161 | 18,191 | 547 | 1,510 | 1,059 | 109,877 |
| **Depreciation and impairment** | | | | | | | |
| At 1 April 2021 | 19,437 | 6,677 | 9,946 | 98 | 1,131 | - | 37,289 |
| Charge for the year | 169 | 1282 | 2,872 | 24 | 108 | - | 4,455 |
| Disposal | - | (37) | - | - | - | - | (37) |
| At 31 March 2022 | 19,606 | 7,922 | 12,818 | 122 | 1,239 | - | 41,707 |
| **Net book value** | | | | | | | |
| At 31 March 2022 | 45,805 | 15,238 | 5,373 | 425 | 271 | 1,059 | 68,168 |
| At 31 March 2021 | 21,199 | 16,856 | 15,340 | 26 | 313 | - | 53,734 |

Included within land and buildings is freehold land, which is not subject to depreciation, in the amount of £8,435,393 (2021 - £8,500,000).

Included in office fixtures, fittings and equipment are assets held under finance leases or hire purchase contracts with a net book value of £293,000 (2021 - £183,000).

The company had £75,000 (2021 - £37,000) of tangible fixed assets at the year-end relating to office fixtures, fittings and equipment. Cost brought forward totalled £71,000, additions in the year £59,000. Accumulated depreciation brought forward totalled £33,000 with a charge for the year incurred of £21,000.

## 11. INVESTMENTS

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|
| Subsidiary undertakings (a) | - | - | 90,511 | 90,513 |
| Joint ventures (b) | - | - | 33 | 33 |

### (a) Subsidiary undertakings

| | Company £'000 |
|---|---|
| **Cost and net book value** | |
| At 1 April 2021 | 90,513 |
| Additions | 0 |
| Disposal | (2) |
| At 31 March 2022 | 90,511 |

### (b) Joint ventures

The company's remaining investment in CrossPoint in Lodz, Poland, was sold at cost during the year.

### (c) Loans to group undertakings

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|
| Amounts owed by group undertakings | - | - | 112,055 | 102,330 |
| Amounts owed by other group undertakings | 8,376 | 6,110 | 6,010 | 4,511 |
| At 31 March 2022 | 8,376 | 6,110 | 118,065 | 106,841 |

There has been a restatement of the classification of 31 March 2021 loans to group undertakings from debtors to fixed assets to reflect their nature as long-term assets. These have historically been shown as current assets; however, these were these were held for continuing use in the business.

All intercompany balances are legally repayable on demand but the nature of the loans to group undertakings is long term assets which are not intended to be recalled within the next twelve months.

Amounts due from group undertakings and other group undertakings are unsecured, repayable on demand and do not attract any interest (2021: same).

## 12. STOCKS

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|
| Work in progress | 103,082 | 83,351 | - | - |
| Land and property held for development | 8,968 | 9,542 | - | - |
| Goods for resale | 303 | 211 | - | - |
| | 112,353 | 93,104 | - | - |

The land and property held for development relates to the Group's continuing land development activities in the UK through Bridgemere Land plc.

There is no material difference between the balance sheet value of stocks and their replacement cost.

## 13. DEBTORS

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|
| Trade debtors | 6,456 | 9,555 | 76 | 40 |
| Amounts owed by group undertakings | - | - | 622 | - |
| Deferred tax asset | 633 | 581 | 43 | 54 |
| Other debtors | 6,062 | 1,730 | - | - |
| Prepayments and accrued income | 1,368 | 493 | 47 | 22 |
| Tax and other receivables | 1,082 | 4,001 | - | - |
| | 15,601 | 16,360 | 788 | 116 |

Other than £633,000 (2021 - £581,000) included within the deferred tax asset all debtors are due within one year.

As per note 11, there has been a restatement of the classification of 31 March 2021 loans to group undertakings to fixed assets to reflect their nature as long-term assets. These have historically been shown as current assets, however, these were these were held for continuing use in the business.

Amounts owed by group undertakings are due on demand and do not attract any interest (2021: same).

## 14. DEFERRED TAX

### Group

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances which are separately allocated to assets and liabilities and not offset.

| | 2022<br>£'000 | 2021<br>£'000 |
|---|---|---|
| Deferred tax asset (see below) | 682 | 581 |
| Deferred tax liability (note 18) | 2,392 | (1,677) |

| **Deferred taxation asset** | **£'000** |
|---|---|
| Balance at 1 April 2021 | 581 |
| Movement in the year | 101 |
| Balance at 31 March 2022 | 682 |

The amounts provided in the financial statements and the amounts not provided are as follows:

| | Provided<br>2022<br>£'000 | Provided<br>2021<br>£'000 | Not Provided<br>2022<br>£'000 | Not Provided<br>2021<br>£'000 |
|---|---|---|---|---|
| Accelerated (capital allowances)/depreciation | 682 | 578 | - | - |
| Short term timing differences | - | 3 | 250 | 190 |
| Losses | - | - | 340 | 256 |
| | 682 | 581 | 590 | 446 |

A deferred tax asset has not been recognised in respect of timing differences relating to depreciation in excess of capital allowances, other short term timing differences and tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £590,000 (2021 - £446,000). The asset would be recognised if the timing differences were to reverse within the next 12 months. During the year beginning 1 April 2022, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge for the year by £49,655.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|
| Bank loans and overdraft | 22,764 | 6,315 | - | - |
| Obligations under finance leases | 126 | 4 | 32 | - |
| Trade creditors | 23,154 | 20,404 | 68 | 17 |
| Amounts owed to group undertakings | - | - | 106,362 | 60,198 |
| Amounts owed to other group undertakings | 81,152 | 92,400 | 81,084 | 121,868 |
| Corporation tax | 470 | 278 | 219 | 9 |
| Other taxes and social security | 264 | 1,622 | - | - |
| Other creditors | 4,252 | 2,512 | 42 | 42 |
| Accruals and deferred income | 5,911 | 6,949 | 319 | 198 |
| Deferred consideration (refer note 16) | - | 1,500 | - | - |
| | 138,093 | 131,984 | 188,127 | 182,332 |

Details of security on the above borrowings are disclosed in note 17.

Amounts owed to group undertakings and other group undertakings are repayable on demand, unsecured and are interest free (2021: same).

### 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|
| Obligations under finance leases | 124 | 113 | - | - |
| Deferred consideration | - | 1,500 | - | - |
| Amounts owed to other group undertakings | 22,710 | 21,962 | - | - |
| Deferred tax | 2,279 | - | - | - |
| Debts falling due after more than one year | 25,113 | 23,575 | - | - |

Details of security on the above borrowings are disclosed in note 17.

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

### 17. BORROWINGS

| | Group 2022 | Group 2021 |
|---|---|---|
| | £'000 | £'000 |
| **(a) Financial liabilities** | | |
| Bank loans and overdrafts | 22,764 | 6,315 |
| Amounts owed to other group undertakings | 103,862 | 283,054 |
| Finance lease obligations | 218 | 117 |
| Deferred consideration | - | 3,000 |
| | 126,844 | 292,486 |

Amounts owed to group undertakings and other group undertakings are repayable on demand and are interest free (2021: same).

**(b) Maturity of financial liabilities**

| | Group 2022 | Group 2021 |
|---|---|---|
| **Maturity of other financial liabilities:** | £'000 | £'000 |
| In one year or less or on demand | 126,844 | 235,310 |
| In more than one year, but not more than two years | - | 54,176 |
| **Financial liabilities, net of unamortised issue costs and finance charges allocated to future periods** | 126,844 | 289,486 |

The bank debt is guaranteed through a mortgage and fixed charge on the assets of Carden Park Hotel Limited and an unlimited cross corporation guarantee between certain group undertakings within the Bridgemere Investments Limited Group.

### 18. PROVISIONS FOR LIABILITIES

| **Group** | **Deferred taxation liability (see note 14) £'000** |
|---|---|
| At 1 April 2021 | 1,677 |
| Deferred tax debit to the profit and loss (note 6) | 601 |
| At 31 March 2022 | 2,279 |

The deferred tax liability is in respect of fixed asset timing differences and is expected to be payable after 12 months.
The company had no provisions at 1 April 2021 or 31 March 2022.

## 19. CALLED-UP SHARE CAPITAL

| | Group and Company 2022 £'000 | Group and Company 2021 £'000 |
|---|---|---|
| **Allotted, called-up and fully paid** | | |
| 10,000,000 ordinary shares of £1.00 each | 10,000 | 10,000 |

The Group and Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses and net of dividends paid. The revaluation reserve is in relation to the revaluation of fixed assets which takes place annually. It represents the accumulated annual transfers of the surplus, or deficit which reverses a previous surplus, on revaluation.

## 20. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2022 £'000 | 2021 £'000 |
|---|---|---|
| Group operating profit | 23,716 | 1,881 |
| Depreciation | 4,455 | 4,015 |
| Impairment of goodwill | - | 11,503 |
| Surplus on revaluation of fixed asset | (13,561) | - |
| (Increase)/decrease in stocks | (19,252) | (84,942) |
| Decrease/(increase) in debtors | 439 | 11,585 |
| Increase/(decrease) in creditors | (337) | 25,020 |
| Net cash outflow from operating activities | (4,540) | (30,938) |
| Other interest received | 1,016 | 3,372 |
| Taxation paid | (1,411) | (3,288) |
| **Net cash outflow from operating activities** | (4,935) | (30,854) |

*Analysis of changes in net debt:*

| | At 1 April 2021 £'000 | Cash flows £'000 | Non-cash changes £'000 | At 31 March 2022 £'000 |
|---|---|---|---|---|
| Cash | 15,456 | (4,079) | - | 11,377 |
| Finance Lease | (183) | (98) | (12) | (293) |
| Bank Overdrafts | (4,815) | 2,051 | - | (2,764) |
| Bank loans | (1,500) | (18,500) | - | (20,000) |
| ***Net debt*** | 8,958 | (20,626) | (12) | (11,680) |

# NOTES TO THE FINANCIAL STATEMENTS (continued)
**For the year ended 31 March 2022**

## 21. FINANCIAL COMMITMENTS

**Capital commitments:**

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|---|---|---|---|
| Contracted but not provided for | | | | |
| - Tangible fixed assets | 33,713 | - | - | - |

The commitment is in relation to a replacement plane to be funded in part by the trade-in of the company's existing plane.

**Other Financial commitments:**
Total future minimum lease payments under non-cancellable operating leases are as follows:

| Group | 2022 Other £'000 | 2021 Other £'000 |
|---|---|---|
| Within one year | 227 | 136 |
| Between one and five years | 416 | 352 |

The company has no future minimum lease payments under non-cancellable operating leases.

## 22. RELATED PARTY TRANSACTIONS

During the year the wider Bridgemere Investments Limited Group provided inter-company funds amounting to £38,407,455 (2021 - £41,493,000) for support of the ongoing trade of the Group. At 31 March 2022 the total net amount due to the Bridgemere Investments Group amounted to £79,900,455 (2021 - £60,198,000). The repayment of the liability element has been disclosed in line with the terms of the loan. No interest is charged on this net creditor.

*Transactions with directors*

Other than payments of emoluments as set out in note 8, there were no transactions with directors in the year.

**23. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES**

The parent company and the Group have investments in the following subsidiary undertakings and joint ventures which have been included in the consolidation and which principally affected the profits or net assets of the Group. All of the entities below were wholly-owned by Bridgemere UK plc unless otherwise stated:

| Incorporated, registered and operating in: | Company | Principal activities | Registered address | Note |
|---|---|---|---|---|
| England and Wales | Carden Park Hotel Limited | Hotel operator | (iii) | |
| England and Wales | Bridgemere Development Capital plc | Property development | (iii) | |
| England and Wales | Development Finance Europe plc | Holding company | (iii) | |
| England and Wales | Bridgemere Land plc | Land remediation | (iii) | |
| England and Wales | Castle Green Group Limited*** | Holding Company | (iii) | |
| England and Wales | Carden Group PLC*** | Associate | (iii) | |
| England and Wales | Redline Equestrian Limited | Equestrian activities | (iii) | (v) |
| Poland | Development Finance Europe Sp. z.o.o.* | Holding company | ul. Postępu 18a 02-676, Warsaw, Poland | (i) |
| Poland | Development Finance Europe Polska Sp. z.o.o.* | Holding company | ul. Postępu 18a, 02-676, Warsaw, Poland | (i) |
| Poland | Casa Bella Development Finance Europe Sp. z o.o.* | Property development | ul. Postępu 18a, 02-676, Warsaw, Poland | (ii) |
| Romania | SC Cernica Residential Park SRL* | Property development | Aleea Alexandru nr 32, Bucharest, Romania | (v) |
| Guernsey | Trinity Aviation Limited** | Ownership and charter of aircraft | PO Box 341, Third Floor, Cambridge House, Le Truchot, St Peter Port, Guernsey, GY1 3UW | |

(i) 100% ordinary share capital owned by Development Finance Europe plc
(ii) 100% ordinary share capital owned by Development Finance Europe Polska Sp. z.o.o (99%) and Development Finance Europe Sp. z.o.o. (1%)
(iii) Registered address for these entities is Bridgemere House, Chester Road, Preston Brook, Cheshire, WA7 3BD
(iv) 65% ordinary share capital owned by Development Finance Europe plc, increased from 50% in the prior year.
(v) 75% ordinary share capital owned by Bridgemere UK
* year end being 31 December 2021.
** Having been exempt from audit under section 256 of the Companies (Guernsey) Law 2008 for the year, its financial statements are exempted from the requirement to be audited and have therefore not been audited. The registered number of this company is 35498.
*** Holding company with 80% ownership, used as an acquisition vehicle for Castle Green St Asaph Limited ("CGSAL"), and Castle Green Homes Limited ("CGHL"), both 100% subsidiaries.
Carden Group plc is a new associate in the year with 33% ownership

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 March 2022

### 23. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

The acquisition of 75% of the Redline Equestrian Limited share capital was funded by way of issue of 75 new ordinary shares of £1 each at par.

### 24. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking and ultimate holding company is Bridgemere Investments Limited, a company incorporated in Guernsey. Bridgemere Investments Limited is controlled by the trustees of the Trinity Trust (Registered address: PO Box 341, Third Floor, Cambridge House, Le Truchot, St Peter Port, Guernsey, GY1 3UW). The largest and smallest group for which consolidated accounts are drawn up is Bridgemere UK PLC (Registered address for these entities is Bridgemere House, Chester Road, Preston Brook, Cheshire, WA7 3BD).

### 25. POST BALANCE SHEET EVENTS

Post year end, management secured a buyer and disposed of its investment held in SC Cernica Residential Park SRL. The result of the sale was that a recovery of fees incurred by the company during the last two years was received from our joint venture partner amounting to €117,422 including the nominal book value of the share capital in the company, whist all other proceeds arising from the sale were treated as a repayment of loans previously advanced to Cernica by the company's ultimate holding company Bridgemere Investments Limited and were repaid by way of a partial recovery of those loans. There are no other material post balance sheet events.

The Company and Group bought a 50% share of Outerspace Buildings Limited on 20th April 2022 for £100 of new share capital. A committed loan facility of £2m is in place to assist the business through its planned growth phase.