Company Registration No. 06330688 (England and Wales)

SNOWCENTRES LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

SNOWCENTRES LIMITED

COMPANY INFORMATION

Directors	R J Cook T W Harris D I Brown
Company number	06330688
Registered office	The Snow Centre St Albans Hill Hemel Hempstead Hertfordshire HP3 9NH
Auditor	Mercer & Hole LLP 72 London Road St Albans Hertfordshire AL1 1NS

SNOWCENTRES LIMITED

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SNOWCENTRES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report for the year ended 30 September 2022.

Fair review of the business

The company continued to trade profitably and ahead of expectations through early part of financial year from October 2021 through to December 2021 despite ongoing capacity and product restrictions in place. This was attributed to pent up demand from guests during Covid lockdown combined with overseas travel restrictions in place.

A second wave of Covid towards Christmas 2021 resulted in a marginal slow down of trade as guests protected themselves and families for Christmas. Impact was also felt in the business with staffing levels low due to sickness.

The opening of European borders in early 2022 saw demand increase significantly and the company traded well above expectations through spring period with March an exceptional month due to guests now able to get away for their ski "fix".

This positive trading continued into the summer with trading consistently above budget and consequently the directors are pleased to report an EBITDA of £7,403k for the year. Both sites performing very similarly. Chill Factore benefitting in particular from focus on guest journey and experience and consistent pricing. We are replicating and developing the Snow Centre Snowsports programme and products at Chill Factore, and this has been very successful.

The Lodge (F & B) performance was very strong at The Snow Centre, while the Lodge at Chill Factore is taking more time to develop, given competition on site from other F & B retailers.

Principal risks and uncertainties

Whilst restrictions around COVID-19 have been lifted and there appears to be little appetite to re-introduce should there be further waves or variants there remains a reduced risk on our future trading. We remain reliant on the political policies of other nations with regards to the ability of UK residents to holiday abroad and any restrictions will reduce demand for lessons, in particular beginner lessons.

Further to this cost-of-living increases and inflation has the potential to reduce footfall on site with Snowsports activities seen as a luxury spend rather than an essential. Current trading across winter 22/23 suggest this hasn't happened to date. The business however has seen prices increase from suppliers especially around F&B and continues to monitor impact on margins.

Increases to National Minimum Wage from Apr 23 will impact payroll costs in the second half of our financial year.

Key performance indicators

The company monitors the following key performance indicators:

- Spend per guest visit
- Lodge Cafe spend per transaction
- Guest visits
- Total guest database
- Profit margin and payroll margin.
- Guest feedback
- Health & Safety audits.
- Team engagement, absence, turnover.

Future prospects

The risks have already been identified previously, however current trading is increased on last year, a combination of footfall and average spend, both ahead of expectation. While energy costs will reduce profitability, with these costs lowering, we expect to return to more "normal" profits in the coming years.

On behalf of the board

D I Brown
Director

28 June 2023

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities
The principal activity of the Company is that of a holding company for its subsidiary undertakings, Hemel Snowcentre Limited and TraffordCity Snowcentre Limited.

The principal activity of the Group is the ownership and operation of indoor real snow ski slopes.

Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R J Cook
T W Harris
D I Brown

Financial instruments
Financial risk management objectives and policies
The Company makes little use of financial instruments other than an operational bank account and therefore its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position or profit or loss of the Company.

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

Employee involvement

Our team are our most important asset. Our culture, values, behaviours, performance, and engagement directly impact how the Company serves and interacts with all other stakeholders.

Last year we recruited a Group Head of Talent to take responsibility for induction, training, development, and well being of our team.

We regularly communicate to our team keeping them up to speed with developments, trading, and recognizing individual performance. Bulletins are sent out by our Managing Director, and Head of Departments send out weekly updates to their teams. Twice a year we hold summit meetings where team meet in person and have the chance to ask questions and give feedback.

We are committed to continuing to create and maintain an inclusive culture that values and respects diversity of all kinds. Women hold leadership positions throughout the Company, including our Senior Team at Group Level. We are currently organizing training for Head of Departments on mental health at work, so we can support our team. We also offer a benefits scheme and counseling services are also available. This year we made an additional "Cost of Living" payment to our team to help support them during the current economic challenges.

The Company conducts an annual digital employee engagement survey, with resulting data analysed and presented to Head of Departments to build appropriate plans to address concerns communicated by team members.

Auditor

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

D I Brown
Director

28 June 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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). 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 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SNOWCENTRES LIMITED

Opinion

We have audited the financial statements of Snowcentres Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.

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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches under health and safety and GDPR regulations and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principle risks were related to posting inappropriate entries including journals to understate revenue or overstate expenditure, and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Ross Lane
Senior Statutory Auditor
For and on behalf of Mercer & Hole LLP

29 June 2023

Chartered Accountants
Statutory Auditor

72 London Road
St Albans
Herts
AL1 1NS

SNOWCENTRES LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £000	2021 £000
Turnover	3	17,206	5,040
Cost of sales		(5,145)	(2,146)
Gross profit		12,061	2,894
Administrative expenses		(7,309)	(4,347)
Other operating income		1,370	1,205
Operating profit/(loss)	5	6,122	(248)
Interest receivable and similar income	8	9	4
Profit/(loss) before taxation		6,131	(244)
Tax on profit/(loss)	9	(1,330)	(489)
Profit/(loss) for the financial year	24	4,801	(733)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

SNOWCENTRES LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	**£000**	**£000**	**£000**	**£000**
Fixed assets					
Goodwill	**10**		886		990
Tangible assets	**11**		30,805		30,895
			31,691		31,885
Current assets					
Stocks	**14**	126		101	
Debtors	**15**	1,099		876	
Cash at bank and in hand		4,571		7,104	
		5,796		8,081	
Creditors: amounts falling due within one year	**16**	(7,530)		(15,215)	
Net current liabilities			(1,734)		(7,134)
Total assets less current liabilities			29,957		24,751
Provisions for liabilities					
Provisions	**18**	162		15	
Deferred tax liability	**19**	2,384		2,126	
			(2,546)		(2,141)
Net assets			27,411		22,610
Capital and reserves					
Called up share capital	**23**		4,183		4,183
Share premium account	**24**		6,381		6,381
Capital redemption reserve	**24**		6,480		6,480
Profit and loss reserves	**24**		10,367		5,566
Total equity			27,411		22,610

The financial statements were approved by the board of directors and authorised for issue on 28 June 2023 and are signed on its behalf by:

T W Harris
Director

Company registration number 06330688 (England and Wales)

SNOWCENTRES LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Investments	**12**		10,448		10,448
Current assets					
Debtors	**15**	18,293		18,133	
Cash at bank and in hand		37		161	
		18,330		18,294	
Creditors: amounts falling due within one year	**16**	(3,357)		(11,321)	
Net current assets			14,973		6,973
Net assets			25,421		17,421
Capital and reserves					
Called up share capital	**23**		4,183		4,183
Share premium account	**24**		6,381		6,381
Capital redemption reserve	**24**		6,480		6,480
Profit and loss reserves	**24**		8,377		377
Total equity			25,421		17,421

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £7,999,967 (2021 - £5,258 loss).

The financial statements were approved by the board of directors and authorised for issue on 28 June 2023 and are signed on its behalf by:

T W Harris
Director

Company registration number 06330688 (England and Wales)

SNOWCENTRES LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss reserves £000	Total £000
Balance at 1 October 2020		3,240	-	3,240	417	9,447	16,344
Year ended 30 September 2021:							
Loss and total comprehensive income for the year		-	-	-	-	(733)	(733)
Issue of share capital	**23**	897	6,103	-	-	-	7,000
Bonus issue of shares	**23**	46	278	-	-	(325)	(1)
Redemption of shares	**23**	-	-	3,240	-	(3,240)	-
Share based payments charge		-	-	-	(417)	417	-
Balance at 30 September 2021		4,183	6,381	6,480	-	5,566	22,610
Year ended 30 September 2022:							
Profit and total comprehensive income for the year		-	-	-	-	4,801	4,801
Balance at 30 September 2022		4,183	6,381	6,480	-	10,367	27,411

SNOWCENTRES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss reserves £000	Total £000
Balance at 1 October 2020		3,240	-	3,240	417	3,530	10,427
Year ended 30 September 2021:							
Loss and total comprehensive income for the year		-	-	-	-	(5)	(5)
Issue of share capital	**23**	897	6,103	-	-	-	7,000
Bonus issue of shares	**23**	46	278	-	-	(325)	(1)
Redemption of shares	**23**	-	-	3,240	-	(3,240)	-
Share based payments charge		-	-	-	(417)	417	-
Balance at 30 September 2021		4,183	6,381	6,480	-	377	17,421
Year ended 30 September 2022:							
Profit and total comprehensive income for the year		-	-	-	-	8,000	8,000
Balance at 30 September 2022		4,183	6,381	6,480	-	8,377	25,421

SNOWCENTRES LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
Cash flows from operating activities					
Cash generated from operations	**28**		6,855		3,576
Income taxes paid			(18)		(306)
Net cash inflow from operating activities			6,837		3,270
Investing activities					
Purchase of business		-		(15,037)	
Purchase of tangible fixed assets		(1,379)		(999)	
Interest received		9		4	
Net cash used in investing activities			(1,370)		(16,032)
Financing activities					
Proceeds from issue of shares		-		7,000	
Issue of preference shares		-		8,186	
Repayment of preference shares		(8,000)		(186)	
Net cash (used in)/generated from financing activities			(8,000)		15,000
Net (decrease)/increase in cash and cash equivalents			(2,533)		2,238
Cash and cash equivalents at beginning of year			7,104		4,866
Cash and cash equivalents at end of year			4,571		7,104

1 Accounting policies

Company information

Snowcentres Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is: The Snow Centre, St Albans Hill, Hemel Hempstead, Hertfordshire, HP3 9NH.

The group consists of Snowcentres Limited, Hemel Snowcentre Limited and TraffordCity Snowcentre Limited.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies **(Continued)**

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Snowcentres Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the g roup.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

The consolidated financial statements have been prepared on the going concern basis. The group has recorded a profit before tax of £6,130k for the year ended 30 September 2022 and has net current liabilities of £1,715k at that date.

Post year-end management accounts indicate that the Group has continued to make a profit in the following period and that the group has been able to meet its liabilities as they fall due.

The directors have considered the cash and profit forecasts prepared by the Group for the 12 months following the approval of the financial statements which indicate that the Group will be able to meet its liabilities as they fall due.

The financial statements do not include any adjustments which may be required should the basis of preparation turn out to be inappropriate.

1.5 Turnover

Turnover represents the amounts received from customers (excluding VAT) for admissions tickets, memberships, vouchers, retail, food and beverage sales and sponsorship.

Revenue from the sale of goods such as merchandise, food and beverages is recognised at the point of sale.

Ticket revenue is recognised at the point of entry. Revenue from memberships is deferred and then recognised over the period the membership is valid. Revenue from vouchers is deferred and then recognised when redeemed. Revenue from sponsorships is recognised over the period to which the sponsorship relates.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of certain trade assets and liabilities over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1 Accounting policies **(Continued)**

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Snow Centres	50 years straight line
Leasehold land	125 years straight line
Leasehold improvements	10 years straight line
Plant and equipment	2-10 years straight line
Fixtures and fittings	3-10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost is calculated using the first-in first-out method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents 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.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
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.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.22 Interest receivable and interest payable

Interest payable and similar charges include interest payable and finance charges on shares classified as liabilities recognised in profit and loss using the effective interest method.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. The assessment of indicators of impairment require judgements to be made.

Impairment of investments

The group hold investments in subsidiaries at cost. Impairment reviews are carried out on a regular basis to ensure the carrying amounts of investments remain appropriate. Factors such as value of underlying net assets and trading forecasts are taken into consideration which requires management to exercise judgement in making its assessment.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Economic useful life of tangible fixed assets

The group depreciates tangible fixed assets over their estimated economic useful lives. The useful lives are estimated by reference to historic performance as well as expectations about future use and benefit and are reviewed on a regular basis to ensure the policies remain appropriate.

3 Turnover and other revenue

	2022	2021
	£000	£000
Turnover analysed by class of business		
Sale of goods	1,552	407
Provision of snow sports facilities	15,654	4,633
	17,206	5,040

	2022	2021
	£000	£000
Turnover analysed by geographical market		
United Kingdom	17,206	5,040

4 Other operating income

	2022	2021
	£000	£000
VAT reclaim	47	17
Rent receivable	1,310	613
Grants received	-	603
	1,357	1,233

5 Operating profit/(loss)

	2022	2021
	£000	£000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	-	(622)
Depreciation of owned tangible fixed assets	1,469	1,095
Profit on disposal of tangible fixed assets	-	(20)
Amortisation of intangible assets	104	52
Operating lease charges	829	545

6 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£000	£000
For audit services		
Audit of the financial statements of the group and company	45	41
For other services		
Taxation compliance services	8	4
All other non-audit services	5	114
	13	118

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Management, administration and sales staff	64	80	3	3
Slope staff	412	213	-	-
Food and beverage staff	45	16	-	-
Total	521	309	3	3

7 Employees **(Continued)**

Their aggregate remuneration comprised:

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Wages and salaries	5,487	2,648	-	-
Social security costs	321	177	-	-
Pension costs	140	62	-	-
	5,948	2,887	-	-

Of the above, an average of 83 (*2021:* 65) were employed on a full-time basis. The remainder are part-time staff.

8 Interest receivable and similar income

	2022 £000	2021 £000
Interest income		
Interest on bank deposits	9	4

9 Taxation

	2022 £000	2021 £000
Current tax		
UK corporation tax on profits for the current period	1,070	-
Adjustments in respect of prior periods	2	2
Total current tax	1,072	2
Deferred tax		
Origination and reversal of timing differences	258	487
Total tax charge	1,330	489

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 10 June 2021.The increase in the rate will apply to companies with profits over £250k. Also announced in the Budget on 3 March 2021 was the introduction of small profits rate of 19% to apply to profits under £50k with a tapered rate to apply on profits above this threshold but under £250k.

9 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £000	2021 £000
Profit/(loss) before taxation	6,131	(244)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,165	(46)
Tax effect of expenses that are not deductible in determining taxable profit	2	1
Adjustments in respect of prior years	2	2
Depreciation on assets not qualifying for tax allowances	100	66
Tax relief on share options	-	(42)
Effect of deferred tax being calculated at a different rate	61	508
Taxation charge	1,330	489

10 Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 October 2021 and 30 September 2022	1,042
Amortisation and impairment	
At 1 October 2021	52
Amortisation charged for the year	104
At 30 September 2022	156
Carrying amount	
At 30 September 2022	886
At 30 September 2021	990

The company had no intangible fixed assets at 30 September 2022 or 30 September 2021.

11 Tangible fixed assets

Group	Snow Centres	Leasehold land	Leasehold improvements	Plant and equipment	Fixtures and fittings	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 October 2021	34,048	1,050	167	2,362	537	38,164
Additions	-	-	595	362	422	1,379
At 30 September 2022	34,048	1,050	762	2,724	959	39,543
Depreciation and impairment						
At 1 October 2021	5,103	112	14	1,953	87	7,269
Depreciation charged in the year	786	8	78	325	272	1,469
At 30 September 2022	5,889	120	92	2,278	359	8,738
Carrying amount						
At 30 September 2022	28,159	930	670	446	600	30,805
At 30 September 2021	28,945	938	153	409	450	30,895

The company had no tangible fixed assets at 30 September 2022 or 30 September 2021.

The Directors have considered the carrying value of the Snow Centre asset without undergoing a formal valuation exercise, and in doing so have satisfied themselves that the aggregate value of that class of assets at the balance sheet date was not less than the aggregate amount at which they are stated in the Group's accounts.

12 Fixed asset investments

		Group		Company	
		2022	2021	2022	2021
	Notes	£000	£000	£000	£000
Investments in subsidiaries	13	-	-	10,448	10,448

Movements in fixed asset investments

Company	Shares in subsidiaries
	£000
Cost or valuation	
At 1 October 2021 and 30 September 2022	10,448
Carrying amount	
At 30 September 2022	10,448
At 30 September 2021	10,448

13 Subsidiary

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Hemel Snowcentre Limited	*	Indoor Snow Centre	Ordinary & Preference	100.00	0
TraffordCity Snowcentre Limited	*	Indoor Snow Centre	Ordinary	100.00	0

The investment in subsidiaries are stated at cost.

*The Snow Centre, St Albans Hill, Hemel Hempstead, Hertfordshire, HP3 9NH.

14 Stocks

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Food and drink	18	15	-	-
Snow equipment	108	86	-	-
	126	101	-	-

15 Debtors

Amounts falling due within one year:	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	179	96	-	-
Amounts owed by group undertakings	-	-	18,293	18,133
Other debtors	384	358	-	-
Prepayments and accrued income	536	422	-	-
	1,099	876	18,293	18,133

16 Creditors: amounts falling due within one year

	Notes	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Other borrowings	**17**	3,240	11,240	3,240	11,240
Trade creditors		355	660	-	-
Corporation tax payable		1,055	1	-	-
Other taxation and social security		382	666	-	-
Deferred income	**20**	1,411	1,462	-	-
Other creditors		443	772	117	81
Accruals		644	413	-	-
		7,530	15,214	3,357	11,321

The redeemable preference shares of £3,240k (2021: £11,240k) are repayable on demand.

17 Loans and overdrafts

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Preference shares	3,240	11,240	3,240	11,240
Payable within one year	3,240	11,240	3,240	11,240

The redeemable preference shares of £3,240k (2021: £11,240k) are repayable on demand. .

See note 23 for terms attributable to the redeemable preference shares.

18 Provisions for liabilities

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Claims provision	162	15	-	-

Movements on provisions:

Group	**Claims provision £000**
At 1 October 2021	15
Additional provisions in the year	147
At 30 September 2022	162

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	**Liabilities 2022 £000**	**Liabilities 2021 £000**
Accelerated capital allowances	2,408	2,286
Tax losses	-	(161)
Retirement benefit obligations	(3)	1
Other short term timing differences	(21)	-
	2,384	2,126

The company has no deferred tax assets or liabilities.

Movements in the year:	**Group 2022 £000**	**Company 2022 £000**
Liability at 1 October 2021	2,126	-
Charge to profit or loss	258	-
Liability at 30 September 2022	2,384	-

20 Deferred income

	Group 2022 £000	**2021 £000**	**Company 2022 £000**	**2021 £000**
Other deferred income	1,411	1,462	-	-

Deferred income relates to membership fees, advance bookings and vouchers.

21 Retirement benefit schemes

Defined contribution schemes	**2022 £000**	**2021 £000**
Charge to profit or loss in respect of defined contribution schemes	140	62

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share-based payment transactions

Group and company

	Number of share options		Weighted average exercise price	
	2022	**2021**	**2022**	**2021**
	Number	**Number**	**£000**	**£000**
Outstanding at 1 October 2021	-	46,361	-	-
Exercised	-	(46,361)	-	-
Outstanding at 30 September 2022	-	-	-	-
Exercisable at 30 September 2022	-	-	-	-

There are no remaining options that remain unexercised or in issue at the year end.

23 Share capital

Group and company	**2022**	**2021**	**2022**	**2021**
Ordinary share capital	**Number**	**Number**	**£000**	**£000**
Issued and fully paid				
Ordinary shares of £1 each	4,183,678	4,183,678	4,183	4,183

	2022	**2021**	**2022**	**2021**
Preference share capital	**Number**	**Number**	**£000**	**£000**
Issued and fully paid				
Redeemable preference shares of £1 each	3,240,055	11,240,055	3,240	11,240
Preference shares classified as liabilities			3,240	11,240

Ordinary shares

The holders of these share are entitled to participate in voting, dividends and distribution of capital subject to the terms of the preference shares.

Redeemable preference shares

The holders of these shares are entitled to a fixed non-cumulative preferential dividend at the rate of 5 per cent per annum on the capital for the time being paid up thereon, to be declared and paid at the company's directors' sole discretion. On a return of capital the assets of the Company available for distribution among the members shall be applied in repaying to the holders of the Preference Shares the amounts paid up on such shares together with a sum equal to any arrears and accruals of the fixed dividend thereon. The Preference shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company. The preference shares shall rank in priority to any Ordinary shares for dividend or on a return of capital. There are limited situations in which the Redeemable preference share holders are entitled to vote. The company may at any time redeem any or all Preference shares from the holders of such Preference shares at a price not exceeding the nominal amount of a Preference Share together with a sum equal to any arrears and accruals of the fixed dividend thereon.

In July 2022, 8,000,000 preference shares of £1 each were redeemed at par.

24 Reserves

Equity reserve
The equity reserve is comprised of the cumulative equity settled share based payments charges recognised in the accounts where the share options are yet to be exercised.

Profit and loss reserves
The profit and loss reserves include all current and prior period retained profits and losses.

25 Financial commitments, guarantees and contingent liabilities

Bank facilities have been secured over the group's assets by way of a debenture in standard form and legal charge.

In December 2022, the company received notification from HMRC that it intended to recover VAT on lift pass sales from the period December 2016 to March 2020 which had been treated as reduced rate supplies in line with case law. In accordance with the legal and tax advice it has received the company is defending this claim and has concluded that the amount in dispute represents a contingent liability on the basis that any potential settlement is not considered probable. As a result, no provision has been made in these financial statements. Were the claim to be successful, the amount of VAT owed by the company to HMRC under the assessment would be £1m.

26 Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	485	770	-	-
Between two and five years	1,943	3,082	-	-
In over five years	50,473	81,281	-	-
	52,901	85,133	-	-

Lessor
At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	749	1,184	-	-
Between two and five years	2,338	2,101	-	-
In over five years	4,439	4,689	-	-
	7,526	7,974	-	-

26 Operating lease commitments **(Continued)**

During the year £848k was recognised as an expense in the profit and loss account in respect of operating leases (2021: £545k)

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022	2021	Company 2022	2021
	£000	£000	£000	£000
Acquisition of tangible fixed assets	-	650	-	-

28 Cash generated from group operations

	2022	2021
	£000	£000
Profit/(loss) for the year after tax	4,801	(733)
Adjustments for:		
Taxation charged	1,330	489
Investment income	(9)	(4)
Gain on disposal of tangible fixed assets	-	(20)
Amortisation and impairment of intangible assets	104	52
Depreciation and impairment of tangible fixed assets	1,469	1,095
Increase in provisions	147	15
Movements in working capital:		
(Increase)/decrease in stocks	(25)	21
(Increase)/decrease in debtors	(223)	721
(Decrease)/increase in creditors	(688)	1,041
(Decrease)/increase in deferred income	(51)	899
Cash generated from operations	6,855	3,576

29 Analysis of changes in net funds/(debt) - group

	1 October 2021	Cash flows	30 September 2022
	£000	£000	£000
Cash at bank and in hand	7,104	(2,533)	4,571
Borrowings excluding overdrafts	(11,240)	8,000	(3,240)
	(4,136)	5,467	1,331