

SBAW Group Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 December 2022
Registration number: 05754830

21/12/2023

FRIDAY
F



	RCIWKZSA	
RM	22/12/2023	#86
	COMPANIES HOUSE	
	ACIXCLRU	
A38	22/12/2023	#320
	COMPANIES HOUSE	

SBAW Group Limited

Contents

Company Information	1
Strategic Report	2 to 3
Director's Report	4 to 5
Statement of Director's Responsibilities	6
Independent Auditor's Report	7 to 10
Consolidated Profit and Loss Account	11 to 12
Consolidated Statement of Comprehensive Income	13
Consolidated Balance Sheet	14
Balance Sheet	15
Consolidated Statement of Changes in Equity	16
Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18 to 19
Notes to the Financial Statements	20 to 41

SBAW Group Limited

Company Information

Director K R Newton

Company secretary D R Newton

Registered office Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Auditors PKF Francis Clark
Statutory Auditor
Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

SBAW Group Limited

Strategic Report

Year Ended 31 December 2022

The director presents his strategic report for the year ended 31 December 2022.

The comparative information presented in these financial statements is not directly comparable being the results for the 18 month period 1 July 2019 to 31 December 2020.

Principal activity and fair review of the business

The investment property portfolio of the group saw significant movements in the year with £1.175m (£nil) of properties being sold and revaluation downwards of £115k (2021 – restated revaluation upwards of £1,616,169). The director does note the potential for future market volatility in light of the UK economic uncertainty and is taking a prudent approach to Loan to Value ratios in the debt position of the group. At the close of the year the company held a diversified range of commercial and residential investment property spread across Bristol and Somerset with a carrying value of £12,126,228 (2021 – restated £13,416,728).

The property development element of the group has remained quiet in the year, with no active development in the year. After the year end, the "Old Hospital" site in Bridgwater, Somerset, has been sold for £2.1m.

The hotels element of the group has seen significant change with the first full year of trading since Covid-19 restrictions were lifted, and the sale of the Swan Hotel, Wells, to a national chain in August 2022, which led to the repayment of £2.465m of bank debt. The hotels division of the group contributed turnover of £2,248,641 (2021 - £2,184,143) during 2022.

The Group's key financial and other performance indicators during the year were as follows:

	Unit	2022	2021
Turnover	£	3,350,284	4,639,831
Carrying value of work in progress	£	1,851,440	1,685,237
Fair value of investment properties	£	12,126,228	13,416,728
Increase in cash and cash equivalents	£	799,419	79,565
Total Loans and borrowings	£	9,124,038	(13,987,657)
Net debt	£	(7,468,636)	(13,117,746)
Net assets	£	6,875,957	7,137,270
Employee headcount (average)	No.	70	82

Principal risks and uncertainties

The Group faces the same risks and uncertainties as other businesses in these sectors, namely:

Whilst the group's exposure to risks arising in the hospitality sector has diminished with the sale of the Swan Hotel, the director recognizes that there may be a contraction in activity due to reduction in disposable income or spending power which has now been exacerbated by the inflationary pressures in the UK economy. In response to this the director is focused on the delivery of high-quality hotel and related events activity at the Shrubbery Hotel in Ilminster, differentiating from local competitors.

Additionally, there has been a shortage of skilled staff particularly in the hospitality sector, driven by Brexit, and to a degree, the pandemic which saw many workers move away from the sector. This risk is being addressed by renewed recruitment efforts and by changes in working practices.

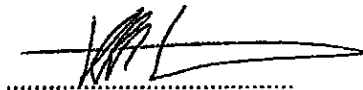
SBAW Group Limited

Strategic Report

Year Ended 31 December 2022

Thus far activity in the property portfolio has not been impacted too greatly and these income streams have been maintained although the director recognizes in the current economic environment could impact this.

Approved by the director on 21.12.23 and signed on his behalf by:

A handwritten signature in black ink, appearing to be 'K R Newton', written over a horizontal dotted line.

K R Newton
Director

SBAW Group Limited

Director's Report

Year Ended 31 December 2022

The director presents his report and the financial statements for the year ended 31 December 2022.

Director of the group

The director who held office during the year was as follows:

K R Newton

Financial instruments

Objectives and policies

The Group's principal financial instruments comprise bank balances, bank loans and other loan finance, deposits received in advance from customers and short term trade and other debtors and creditors.

The financial instruments are used to support the business activities and operations of the Group. The Director's approach is to address risk and uncertainty on a proactive basis.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

Due to the nature of the financial instruments used by the Group there is limited exposure to price risk. As discussed in note 21 to the financial statements, the borrowings of the group have interest charged on them at a variety of rates.

Credit risk

The Group has little exposure to credit risk in its property transactions as these are effected via solicitors on legal completion and hotel based transactions are generally conducted in cash, card or by the receipt of deposits in advance. The Group has policies and procedures for evaluating credit risk where credit is made available to business customers and upon the letting of properties to new tenants.

Liquidity and cashflow risk

The Group sets budgets in advance of each trading period for key trading operations. This includes the forecasting of cashflows. Performance against budget and facilities available is monitored regularly with refreshing and flexing of cashflow forecasts as appropriate.

Future developments

Having sold the Swan Hotel as described in the Strategic Report, the group will also continue its programme of ongoing investment into the Shrubbery Hotel.

The investment property portfolio remains a fundamental part of the director's plans moving forward with a well diversified mix of commercial and residential properties and ensuring that the group is able to take advantage of opportunities (be they sales or purchases) as they arise.

SBAW Group Limited


Director's Report

Year Ended 31 December 2022

Disclosure of Information to the auditor

The director has taken 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. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Approved and authorised by the director on 21.12.23


.....
K R Newton
Director

SBAW Group Limited

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SBAW Group Limited

Independent Auditor's Report to the Members of SBAW Group Limited

Opinion

We have audited the financial statements of SBAW Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's loss 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 director's 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 and parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 director are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

SBAW Group Limited

Independent Auditor's Report to the Members of SBAW Group Limited

We have nothing to report in this regard.

Opinion on other matter 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities set out on page 6, the director is 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 director determines 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 director is 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 director either intends 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.

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:

SBAW Group Limited

Independent Auditor's Report to the Members of SBAW Group Limited

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the group. We gained an understanding of the industries in which the group operates as part of this assessment to identify the key laws and regulations affecting the group. As part of this, we discussed these with the relevant individuals responsible for compliance. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. The key laws and regulations identified were the food standards and licensing laws, employment laws and regulations, GDPR, health and safety legislation, and Landlord and Tenants Acts. In addition, other laws and regulations such as the Companies Act 2006 and Corporation Taxes Acts 2009 & 2010 have been considered.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewing legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance;
- Reviewing relevant certification records, Food Hygiene Ratings awarded, ICO website for evidence of breaches being reported;
- Review of relevant correspondence and paperwork; and
- Enquiries of legal advisors.

As part of our enquiries, we discussed with management whether there had been any instances of known or alleged fraud, of which management confirmed there were none.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based upon our understanding we designed and conducted audit procedures including:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates;
- Undertaking transactional testing on revenue; and
- Performing reconciliation work from the booking system to the nominal ledger to prove income in total between the two operating systems for hotel revenue.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

SBAW Group Limited

Independent Auditor's Report to the Members of SBAW Group Limited

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

Use of our report

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

PKF Francis Clark

.....
Robert Whitehead FCCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 21/12/2023
.....

SBAW Group Limited

Consolidated Profit and Loss Account

Year Ended 31 December 2022

	Note	Continuing operations 2022 £	Discontinued operations 2022 £	Total 2022 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £
Turnover	3	3,350,284	-	3,350,284	4,639,831	-	4,639,831
Cost of sales		(1,691,479)	-	(1,691,479)	(3,034,238)	-	(3,034,238)
Gross profit		1,658,805	-	1,658,805	1,605,593	-	1,605,593
Administrative expenses		(1,417,698)	-	(1,417,698)	(1,332,278)	(1,986)	(1,334,264)
Exceptional items		-	-	-	2,150,872	-	2,150,872
Fair value gain/(loss) on investment property	7	(115,000)	-	(115,000)	1,616,169	-	1,616,169
Other operating income	5	164,167	-	164,167	852,305	-	852,305
Operating profit/(loss)	8	290,274	-	290,274	4,892,661	(1,986)	4,890,675
Profit on disposal of operations	6	-	-	-	-	16,400	16,400
Other interest receivable and similar income		3,989	-	3,989	37	-	37
Interest payable and similar expenses		(700,416)	-	(700,416)	(521,704)	(103)	(521,807)
(Loss)/profit before tax		(406,153)	-	(406,153)	4,370,994	14,311	4,385,305
Tax on (loss)/profit	13	144,840	-	144,840	(957,755)	-	(957,755)

The notes on pages 20 to 41 form an integral part of these financial statements.

SBAW Group Limited

Consolidated Profit and Loss Account

Year Ended 31 December 2022

	Note	Continuing operations 2022 £	Discontinued operations 2022 £	Total 2022 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £
(Loss)/profit for the financial year		(261,313)	-	(261,313)	3,413,239	14,311	3,427,550
Profit/(loss) attributable to:							
Owners of the company		(180,109)	-	(180,109)	3,203,177	14,311	3,217,488
minority interests		(81,204)	-	(81,204)	210,062	-	210,062
		(261,313)	-	(261,313)	3,413,239	14,311	3,427,550

SBAW Group Limited

Consolidated Statement of Comprehensive Income

Year Ended 31 December 2022

	2022 £	2021 £
(Loss)/profit for the year	(261,313)	3,427,550
Deferred tax movement on property revaluation	-	(33,400)
Total comprehensive income for the year	<u>(261,313)</u>	<u>3,394,150</u>
Total comprehensive income attributable to:		
Owners of the company	(180,109)	3,184,088
minority interests	<u>(81,204)</u>	<u>210,062</u>
	<u>(261,313)</u>	<u>3,394,150</u>

SBAW Group Limited

Consolidated Balance Sheet

31 December 2022

	Note	2022 £	(As restated) 2021 £
Fixed assets			
Tangible assets	15	2,404,087	7,719,646
Investment property	16	<u>12,126,228</u>	<u>13,416,728</u>
		<u>14,530,315</u>	<u>21,136,374</u>
Current assets			
Stocks	18	1,859,507	1,954,386
Debtors	19	393,796	237,236
Cash at bank and in hand	20	<u>1,655,402</u>	<u>868,911</u>
		3,908,705	3,060,533
Creditors: Amounts falling due within one year	22	<u>(8,552,536)</u>	<u>(10,183,196)</u>
Net current liabilities		<u>(4,643,831)</u>	<u>(7,122,663)</u>
Total assets less current liabilities		9,886,484	14,013,711
Creditors: Amounts falling due after more than one year	22	(1,843,527)	(5,570,691)
Provisions for liabilities	25	<u>(1,167,000)</u>	<u>(1,305,750)</u>
Net assets		<u>6,875,957</u>	<u>7,137,270</u>
Capital and reserves			
Called up share capital	27	1,002	1,002
Revaluation reserve		509,239	509,239
Merger reserve		105	105
Profit and loss account (non-distributable)		3,927,179	4,101,184
Profit and loss account (distributable)		<u>1,017,618</u>	<u>1,023,722</u>
Equity attributable to owners of the company		5,455,143	5,635,252
minority interests		<u>1,420,814</u>	<u>1,502,018</u>
Total equity		<u>6,875,957</u>	<u>7,137,270</u>

Approved and authorised by the director on 21.12.23



K R Newton
Director

Company Registration Number: 05754830

SBAW Group Limited


Balance Sheet

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	17	207	207
Current assets			
Debtors	19	1,354,989	245,760
Cash at bank and in hand	20	<u>4,279</u>	<u>16,351</u>
		1,359,268	262,111
Creditors: Amounts falling due within one year	22	<u>(1,454,815)</u>	<u>(328,174)</u>
Net current liabilities		<u>(95,547)</u>	<u>(66,063)</u>
Net liabilities		<u>(95,340)</u>	<u>(65,856)</u>
Capital and reserves			
Called up share capital		1,002	1,002
Profit and loss account		<u>(96,342)</u>	<u>(66,858)</u>
Total equity		<u>(95,340)</u>	<u>(65,856)</u>

The company made a loss after tax for the financial year of £29,484 (2021 - loss of £66,856).

Approved and authorised by the director on 21.12.23


.....
K R Newton
Director

Company Registration Number: 05754830

SBAW Group Limited

Consolidated Statement of Changes in Equity **Year Ended 31 December 2022**

	Share capital £	Revaluation reserve £	Merger reserve £	Profit and loss account (non - distributable) £	Profit and loss account (distributable) £	Equity attributable to owners of the parent £	Non- controlling interests £	Total equity £
At 1 January 2022	1,002	509,239	105	4,101,184	1,023,722	5,635,252	1,502,018	7,137,270
Loss for the year	-	-	-	(85,000)	(95,109)	(180,109)	(81,204)	(261,313)
Total comprehensive income	-	-	-	(85,000)	(95,109)	(180,109)	(81,204)	(261,313)
Transfers	-	-	-	(89,005)	89,005	-	-	-
At 31 December 2022	1,002	509,239	105	3,927,179	1,017,618	5,455,143	1,420,814	6,875,957

	Share capital £	Revaluation reserve £	Merger reserve £	Profit and loss account (non- distributable) £	Profit and loss account (distributable) £	Equity attributable to owners of the parent £	Non- controlling interests £	Total equity £
At 1 January 2021 (as restated)	1,002	542,639	105	3,140,765	(1,233,347)	2,451,164	1,291,956	3,743,120
Profit for the year (as restated)	-	-	-	960,419	2,257,069	3,217,488	210,062	3,427,550
Other comprehensive income	-	(33,400)	-	-	-	(33,400)	-	(33,400)
Total comprehensive income	-	(33,400)	-	960,419	2,257,069	3,184,088	210,062	3,394,150
At 31 December 2021 (as restated)	1,002	509,239	105	4,101,184	1,023,722	5,635,252	1,502,018	7,137,270

The notes on pages 20 to 41 form an integral part of these financial statements.
Page 16

SBAW Group Limited

Statement of Changes in Equity

Year Ended 31 December 2022

	Share capital £	Profit and loss account £	Total £
At 1 January 2022	1,002	(66,858)	(65,856)
Loss for the year	-	(29,484)	(29,484)
At 31 December 2022	1,002	(96,342)	(95,340)

	Share capital £	Profit and loss account £	Total £
At 1 January 2021	1,002	(2)	1,000
Loss for the year	-	(66,856)	(66,856)
At 31 December 2021	1,002	(66,858)	(65,856)

SBAW Group Limited

Consolidated Statement of Cash Flows

Year Ended 31 December 2022

		2022 £	(As restated) 2021 £
Cash flows from operating activities			
(Loss)/profit for the year		(261,313)	3,427,550
<u>Adjustments to cash flows from non-cash items</u>			
Depreciation and amortisation	8	45,701	99,266
Changes in fair value of investment property	16	115,000	(1,616,169)
Loss on disposal of tangible assets	6	203,435	368
Finance income		(3,989)	(37)
Finance costs	12	700,416	521,807
Tax (credit)/expense	13	(144,840)	957,755
Profit on disposal of subsidiaries		-	(16,400)
Exceptional income - debt forgiveness	4	-	(2,150,872)
		<u>654,410</u>	<u>1,223,268</u>
<u>Working capital adjustments</u>			
Decrease in stocks	18	94,879	1,228,343
(Increase)/decrease in debtors	19	(156,559)	179,559
(Decrease)/increase in creditors	22	(391,795)	165,308
Decrease in provisions	25	-	(143,158)
Increase/(decrease) in deferred income, including government grants		<u>41,645</u>	<u>(425)</u>
Cash generated from operations		242,580	2,652,895
Corporation tax paid	13	<u>(107,454)</u>	<u>(55,162)</u>
Net cash flow from operating activities		<u>135,126</u>	<u>2,597,733</u>
Cash flows from investing activities			
Interest received		3,989	37
Acquisitions of tangible assets		(15,089)	(58,835)
Proceeds from sale of tangible assets		5,050,000	-
Proceeds from sale of investment properties		1,175,500	-
Net cash inflow/(outflow) on disposal of subsidiaries		<u>-</u>	<u>4</u>
Net cash flows from investing activities		<u>6,214,400</u>	<u>(58,794)</u>
Cash flows from financing activities			
Interest paid	12	(700,416)	(515,899)
Proceeds from bank and other borrowing draw downs		4,801,800	1,922,240
Repayment of bank and other borrowing		(9,651,408)	(3,805,666)
Payments to finance lease creditors		<u>(83)</u>	<u>(60,049)</u>
Net cash flows from financing activities		<u>(5,550,107)</u>	<u>(2,459,374)</u>

The notes on pages 20 to 41 form an integral part of these financial statements.

SBAW Group Limited

Consolidated Statement of Cash Flows

Year Ended 31 December 2022

		2022	(As restated)
	Note	£	2021
Net increase in cash and cash equivalents		799,419	79,565
Cash and cash equivalents at 1 January		<u>849,250</u>	<u>769,685</u>
Cash and cash equivalents at 31 December	20	<u><u>1,648,669</u></u>	<u><u>849,250</u></u>

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

The principal place of business is:

Sherston Mews
Priory Road
Wells
Somerset
BA5 1SU

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. There are no material departures from FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair values.

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to the presentation of a statement of cash flows and key management personnel compensation. Equivalent information is presented in relation to these group accounts.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2022.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

The group was formed as a result of a share for share exchange by SBAW Group Limited with Coxley Developments Limited and the gift of shares in other subsidiaries to SBAW Group Limited. The ultimate shareholding has remained consistent. As this constitutes a group restructure under FRS 102 the financial statements have been prepared under merger accounting principles as if the group has been in existence since the parent company was incorporated.

No profit or loss account is presented for the company as permitted by Section 408 of the Companies Act 2006.

Going concern

Notwithstanding the net current liabilities as at 31 December 2022 of £4,643,831 (2021 - £7,122,663), the director is satisfied, having made all necessary enquiries, that the going concern basis of preparation remains appropriate. In forming his opinion, the director has considered a period of not less than 12 months from the date of approval of these financial statements, and specifically considered; the ongoing refinancing exercise which has led to facilities of c£4m being secured in December 2023; the post year end sales of development (£2.1m) and investment property (£140k) which has generated surplus cash; and, the intention to wind up a further two companies in the group in order to further simplify the group structure and therefore the administrative function.

Revenue recognition

Turnover comprises the fair value of the consideration receivable for the sale of goods and the provision of services in the ordinary course of the group's activities. Turnover is shown net of value added tax, returns, rebates and discounts. Rental income is recognised on a receivable basis. Rents received in advance are deferred against the period to which they relate. Revenue from sale of property is recognised on practical completion. Revenue from the sale of room, food and beverages in hotels is recognised as the service is provided. Revenue from the sale of goods is recognised at the point of despatch to the customer.

Government grants

Government revenue grants are accounted for under the accruals method. These are credited to the profit and loss account when the company is entitled to the income.

Tax

Tax is recognised in profit or loss, except when a change is attributable to an item of income or expense recognised as other comprehensive income and then it is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Key accounting judgements and sources of estimation uncertainty

In the application of the group's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

The key judgements that have a significant effect on the financial statements are as follows:

Going concern which is considered in detail in the Strategic Report and the note above.

Depreciation of freehold properties - The director considers that no depreciation should be provided on freehold properties. This treatment as regards the group's freehold properties is a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. This policy is adopted on the basis that any depreciation charge would be immaterial as the residual value of the hotel properties is maintained through heavy and continuous improvement in repairs and maintenance.

The key estimates that have a significant effect on the financial statements are as follows:

Work in progress is carried at the lower of cost and net realisable value, which requires estimation as to the recoverable value of each project. The carrying amount is £1,851,440 (2021 - £1,685,237).

Investment properties are carried at fair value, which requires estimation by the director as to the market value of the properties. The carrying amount is £12,126,228 (2021 - £14,715,728).

Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows. Amortisation charge is included within administrative expenses in the profit and loss account.

Asset class	Amortisation method and rate
--------------------	-------------------------------------

Computer software	33% straight line
-------------------	-------------------

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land, freehold properties and assets under construction, over their estimated useful lives, as follows:

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Asset class	Depreciation method and rate
Motor vehicles	25% reducing balance
Furniture, fittings and equipment	15% straight line
Leasehold property	Over the life of the lease
Plant and machinery	20-25% reducing balance

Capitalised finance cost

Finance costs relating to assets under construction are capitalised in the period in which they arise. Capitalisation of interest ceases when the relevant project is completed and is transferred into land and buildings.

Investment property

Investment properties are carried at fair value, which is derived from the current market prices for comparable real estate and is assessed annually. The value is based on observable market prices, current market rents and investment property yields adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the profit and loss account.

Investments

Investments in subsidiaries are measured at cost less impairment.

Stocks

Stock is stated at the lower of cost and net realisable value, being estimated selling price less costs to complete and sell. At each reporting date, stocks are assessed for impairment. Any impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the group has an obligation at the reporting date 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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Finance lease obligations are subsequently measured at amortised cost using the effective interest method.

Defined contribution pension obligation

The group operates defined contribution pension plans for eligible employees. Contributions are charged to the profit and loss account in accordance with the rules of the scheme.

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Financial instruments

Classification

The group holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank and other loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The group has chosen to apply the recognition and measurement principles in FRS 102.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party. Financial liabilities are derecognised only when the group's obligations are discharged, expire or are cancelled.

Except for bank and other loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank and other loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

3 Turnover

The analysis of the group's Turnover for the year from continuing operations is as follows:

	2022 £	2021 £
Sale of goods	-	1,636,229
Rendering of services	2,669,202	2,335,491
Rental income from investment property	681,082	668,111
	<u>3,350,284</u>	<u>4,639,831</u>

The analysis of the group's turnover for the year by class of business is as follows:

	2022 £	2021 £
Hotels and hospitality	2,614,921	2,184,144
Property sales and rental	735,363	2,455,687
	<u>3,350,284</u>	<u>4,639,831</u>

4 Exceptional items

	2022 £	2021 £
Exceptional income	-	2,150,872
	<u>-</u>	<u>2,150,872</u>

During the year ended 31 December 2021 the group recognised exceptional other operating income relating to the release of bank borrowing liabilities agreed in 2017 and which became effective during that year.

5 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022 £	2021 £
Government grants	19,167	434,400
Other operating income	145,000	417,905
	<u>164,167</u>	<u>852,305</u>

Government grants includes CJRS income of £nil (2021 - £268,873).

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

6 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2022 £	2021 £
Gain/loss on disposal of property, plant and equipment	(203,435)	(368)
Exceptional profit on disposal of subsidiaries - discontinued operations	-	16,400
	<u>(203,435)</u>	<u>16,032</u>

7 Fair Value gain/(loss) on investment property

Investment properties have been revalued to fair value which has resulted in a loss of £115,000 (2021 - gain of £1,616,169, restated from £2,915,169).

8 Operating profit

Arrived at after charging

	2022 £	2021 £
Depreciation expense	45,701	99,266
Loss on disposal of property, plant and equipment	203,435	368
Exceptional profit on disposal of subsidiaries - discontinued operations	-	(16,400)

9 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Wages and salaries	853,479	942,965
Social security costs	51,085	49,693
Defined contribution pension costs	12,016	15,054
	<u>916,580</u>	<u>1,007,712</u>

The average number of persons employed by the group during the year, analysed by category was as follows:

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

	2022 No.	2021 No.
Administration and management	8	10
Operations	62	72
	<u>70</u>	<u>82</u>

10 Director's remuneration

The director's remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	<u>32,000</u>	<u>29,710</u>

11 Auditor's remuneration

	2022 £	2021 £
Audit of these financial statements	<u>17,500</u>	<u>5,500</u>

12 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	183,637	275,448
Interest on finance leases and hire purchase contracts	-	5,908
Interest expense on other financial liabilities	<u>516,779</u>	<u>240,451</u>
	<u>700,416</u>	<u>521,807</u>

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

13 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	(As restated) 2021 £
Current taxation		
UK corporation tax	82,000	196,000
UK corporation tax adjustment to prior periods	(88,090)	(415)
	(6,090)	195,585
Deferred taxation	(138,750)	762,170
Tax (receipt)/expense in the profit and loss account	(144,840)	957,755

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	(As restated) 2021 £
(Loss)/profit before tax	(406,153)	4,385,305
Corporation tax at standard rate	(77,169)	833,208
Income not taxable	(27,888)	(638,478)
Effect of expenses not deductible	115,526	70,935
Adjustments to deferred tax in respect of changes in tax rates	(140,244)	239,400
Change in unrecognised deferred tax	(10,179)	(229,428)
Adjustment in respect of prior periods	(5,954)	2,125
Effect of indexation allowance	1,068	679,993
Total tax (credit)/charge	(144,840)	957,755

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Fixed asset differences	-	200,500
Capital gains	-	1,051,500
Tax losses carried forward	85,000	-
	<u>85,000</u>	<u>1,252,000</u>
	Asset £	Liability £
2021		
Fixed asset differences	-	273,300
Capital gains	-	1,035,450
Short term timing differences	3,000	-
	<u>3,000</u>	<u>1,308,750</u>

14 Intangible assets

Group

	Goodwill £	Computer software £	Total £
Cost or valuation			
At 1 January 2022	<u>4</u>	<u>38,665</u>	<u>38,669</u>
At 31 December 2022	<u>4</u>	<u>38,665</u>	<u>38,669</u>
Amortisation			
At 1 January 2022	<u>4</u>	<u>38,665</u>	<u>38,669</u>
At 31 December 2022	<u>4</u>	<u>38,665</u>	<u>38,669</u>
Carrying amount			
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>

SBAW Group Limited

Notes to the Financial Statements Year Ended 31 December 2022

15 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Assets under construction £	Plant and equipment £	Total £
Cost or valuation					
At 1 January 2022	7,560,641	598,485	3,386	11,954	8,174,466
Additions	-	13,789	-	1,300	15,089
Disposals	(5,182,704)	(390,673)	(3,386)	-	(5,576,763)
At 31 December 2022	2,377,937	221,601	-	13,254	2,612,792
Depreciation					
At 1 January 2022	-	444,581	-	10,239	454,820
Charge for the year	-	45,333	-	368	45,701
Eliminated on disposal	-	(291,816)	-	-	(291,816)
At 31 December 2022	-	198,098	-	10,607	208,705
Carrying amount					
At 31 December 2022	2,377,937	23,503	-	2,647	2,404,087
At 31 December 2021	7,560,641	153,904	3,386	1,715	7,719,646

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Included within the net book value of land and buildings above is £2,377,937 (2021 - £7,560,641) in respect of freehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Fixtures and fittings	-	6,466

Restriction on title and pledged as security

Land and buildings with a carrying amount of £2,377,937 (2021 - £7,560,641) have been pledged as security for the bank borrowings of the group.

Capitalised borrowing costs

Within land and buildings are capitalised borrowing costs of £27,503 (2021 - £27,503). The capitalisation rate used to determine the amount of finance costs capitalised during the prior period was 12%.

16 Investment properties

Group

	(As restated) £
At 1 January 2022	13,416,728
Disposals	(1,175,500)
Fair value adjustments	(115,000)
At 31 December 2022	12,126,228

Some of the properties have been valued by the director, others have independent valuations dating from 2013 to 2022, which have been updated to 31 December 2022 by the director.

Investment properties would be accounted for as follows under the historic cost model:

	2022 £	2021 £
Historic cost	7,184,604	8,131,920

Investment properties with a carrying amount of £12,126,228 (2021 restated- £13,416,728) have been pledged as security for the bank and other borrowings of the group.

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

17 Investments

For the year ending 31 December 2022 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

Independent Quality Leisure Limited (registered number: 06389804)

Link 4 Developments Limited (registered number: 06660714)

Oakhill Brewery Management Limited (registered number: 09022585)

Company

	2022 £	2021 £
Investments in subsidiaries	207	207
Subsidiaries		£
Cost or valuation		
At 1 January 2022		207
Carrying amount		
At 31 December 2022		207
At 31 December 2021		207

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Cent Management Limited*	As parent company	Ordinary	100%	100%
Cent Records Limited*	As parent company	Ordinary	100%	100%
Coxley Developments Limited*	As parent company		100%	100%
Danzo Development Limited*	As parent company	Ordinary	100%	100%
Here We Go Again Limited*	As parent company	Ordinary	100%	100%
Independent Quality Leisure Limited*	As parent company	Ordinary	100%	100%

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Link 4 Developments Limited*	As parent company	Ordinary	100%	100%
MIM (2022) Limited (formerly known as Money In Muck Limited)*	As parent company	Ordinary	100%	100%
Nettlebridge Inn Limited	As parent company	Ordinary	100%	100%
Oakhill Brewery Developments Limited*	As parent company	Ordinary	100%	100%
Oakhill Brewery Management Limited	As parent company	Limited by guarantee	100%	100%
QS 2015 Limited*	As parent company	Ordinary	100%	100%
Salmon Parade Developments Limited*	As parent company	Ordinary	100%	100%
Shrubbery Hotel (2013) Limited	As parent company	Ordinary	100%	100%
Corries Cross Limited (formerly known as Swan Hotel Wells (2007) Limited)	As parent company	Ordinary	50%	50%

* indicates direct investment of the company

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Subsidiary undertakings

Cent Management Limited

The principal activity of Cent Management Limited is artistic creation. The company was dissolved on 14 March 2023.

Cent Records Limited

The principal activity of Cent Records Limited is artistic creation. The company was dissolved on 21 March 2023.

Coxley Developments Limited

The principal activity of Coxley Developments Limited is property development, investment and rental.

Danzo Development Limited

The principal activity of Danzo Development Limited is that of a dormant holding company.

Here We Go Again Limited

The principal activity of Here We Go Again Limited is property investment and rental.

Independent Quality Leisure Limited

The principal activity of Independent Quality Leisure Limited is property investment and rental.

Link 4 Developments Limited

The principal activity of Link 4 Developments Limited is property investment and rental.

MIM (2022) Limited (formerly known as Money In Muck Limited)

The principal activity of MIM (2022) Limited (formerly known as Money In Muck Limited) is property development. The company was dissolved on 14 March 2023.

Nettlebridge Inn Limited

The principal activity of Nettlebridge Inn Limited is property development. The company was dissolved on 21 March 2023.

Oakhill Brewery Developments Limited

The principal activity of Oakhill Brewery Developments Limited is property development. The company was dissolved on 21 March 2023.

Oakhill Brewery Management Limited

The principal activity of Oakhill Brewery Management Limited is property management.

QS 2015 Limited

The principal activity of QS 2015 Limited is property investment and rental.

Salmon Parade Developments Limited

The principal activity of Salmon Parade Developments Limited is property development.

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Shrubbery Hotel (2013) Limited

The principal activity of Shrubbery Hotel (2013) Limited is the ownership and operation of a hotel.

Corries Cross Limited (formerly known as Swan Hotel Wells (2007) Limited)

The principal activity of Corries Cross Limited (formerly known as Swan Hotel Wells (2007) Limited) is the ownership and operation of a hotel.

50% of the Ordinary share capital of Swan Hotel Wells (2007) Limited is owned within the group. The company is consolidated as a subsidiary of the group as it is operationally controlled by the group and its director.

18 Stocks

	2022 £	Group 2021 £	2022 £	Company 2021 £
Raw materials and consumables	8,067	16,112	-	-
Work in progress (property development)	1,851,440	1,685,237	-	-
Properties for resale	-	253,037	-	-
	<u>1,859,507</u>	<u>1,954,386</u>	<u>-</u>	<u>-</u>

Group

The carrying amount of stocks pledged as security for liabilities amounted to £1,838,226 (2021 - £1,929,060).

19 Debtors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Trade debtors		93,243	109,355	10,647	-
Amounts due from group undertakings	29	-	-	1,341,938	243,609
Other debtors		156,191	17,039	2,404	2,151
Prepayments		143,790	93,713	-	-
Accrued income		-	16,250	-	-
Corporation tax asset	13	572	879	-	-
		<u>393,796</u>	<u>237,236</u>	<u>1,354,989</u>	<u>245,760</u>

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

20 Cash and cash equivalents

	2022 £	Group 2021 £	2022 £	Company 2021 £
Cash on hand	800	1,350	-	-
Cash at bank	1,654,602	867,561	4,279	16,351
	<u>1,655,402</u>	<u>868,911</u>	<u>4,279</u>	<u>16,351</u>
Bank overdrafts	(6,733)	(19,661)	-	-
Cash and cash equivalents in statement of cash flows	<u>1,648,669</u>	<u>849,250</u>	<u>4,279</u>	<u>16,351</u>

21 Analysis of cash and cash equivalents and net debt

	At 1 January 2022 £	Cash flow £	Non-cash movements £	At 31 December 2022 £
Cash at bank and on hand	868,911	786,491	-	1,655,402
Bank overdrafts	(19,661)	12,928	-	(6,733)
Cash and cash equivalents	<u>849,250</u>	<u>799,419</u>	-	<u>1,648,669</u>
Bank loans	(11,976,971)	4,216,419	-	(7,760,552)
Finance lease liabilities	(83)	83	-	(1,356,753)
Other borrowings	(1,989,942)	633,189	-	-
Net debt	<u>(13,117,746)</u>	<u>5,649,110</u>	-	<u>(7,468,636)</u>

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

22 Creditors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Due within one year					
Loans and borrowings	23	7,280,511	8,416,966	-	-
Trade creditors		202,718	211,642	30,852	900
Amounts due to group undertakings	2	-	-	1,417,310	317,405
Corporation tax		97,418	235,533	-	-
Social security and other taxes		64,321	87,683	-	-
Other creditors		348,203	526,443	2	2
Accrued expenses and deferred income		509,848	697,059	6,651	9,867
Deferred income		49,515	7,870	-	-
		<u>8,552,536</u>	<u>10,183,196</u>	<u>1,454,815</u>	<u>328,174</u>
Due after one year					
Loans and borrowings	23	<u>1,843,527</u>	<u>5,570,691</u>	<u>-</u>	<u>-</u>

23 Loans and borrowings

	2022 £	Group 2021 £	2022 £	Company 2021 £
Due within one year				
Bank borrowings	6,380,407	7,453,126	-	-
Bank overdrafts	6,733	19,661	-	-
HP and finance lease liabilities	-	83	-	-
Other borrowings	<u>893,371</u>	<u>944,096</u>	<u>-</u>	<u>-</u>
	<u>7,280,511</u>	<u>8,416,966</u>	<u>-</u>	<u>-</u>

	2022 £	Group 2021 £	2022 £	Company 2021 £
Due after one year				
Bank borrowings	1,380,145	4,523,845	-	-
Other borrowings	<u>463,382</u>	<u>1,046,846</u>	<u>-</u>	<u>-</u>
	<u>1,843,527</u>	<u>5,570,691</u>	<u>-</u>	<u>-</u>

Group

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

Included in the loans and borrowings are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	185,978	198,433
After more than five years not by instalments	636,578	1,009,411
	<u>822,556</u>	<u>1,207,844</u>

Bank borrowings with a carrying value of £7,591,460 (2021 - £11,758,324) are secured via legal mortgages over the freehold and investment property belonging to the group, which is held within investment properties, tangible fixed assets and stock and personal guarantees given by the director, which total £5,293,711 (2021 - £3,425,750).

Bank borrowings are denominated in sterling. Interest is charged on the loans at rates between 2% over base rate to 11.4%. Some of the loans are repayable on demand. Others are repayable in equal monthly instalments. Others are repayable in full on fixed dates in the future, with monthly interest only repayments being made. The final repayment date is October 2039.

Other borrowings with a carrying value of £437,714 (2021 - £441,326) are secured via legal mortgages over the freehold property belonging to the group, which is held within investment properties, tangible fixed assets and stock and personal guarantees given by the director, which total £437,714 (2021 - £441,326).

Other borrowings are denominated in sterling. Interest is charged on the loans at 0% to 19.9%. Some of the loans are repayable on demand. Others are repayable on fixed future dates. The final repayment is due in December 2026.

Finance lease liabilities are secured on the assets to which they relate.

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

24 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	-	83
	-	83

Operating leases - lessor

The total of future minimum rentals due to the group under operating leases is as follows:

	2022	2021
	£	£
Not later than one year	368,939	382,273
Later than one year and not later than five years	980,400	973,250
Later than five years	350,848	387,423
	<u>1,700,187</u>	<u>1,742,946</u>

25 Provisions

Group

	Deferred tax	Total
	£	£
At 1 January 2022	1,305,750	1,305,750
Decrease in existing provisions	<u>(138,750)</u>	<u>(138,750)</u>
At 31 December 2022	<u>1,167,000</u>	<u>1,167,000</u>

26 Pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £12,016 (2021 - £15,054).

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

27 Share capital

Allotted and called up share capital

	No.	2022 £	No.	2021 £
Ordinary shares of £1 each	<u>1,002</u>	<u>1,002</u>	<u>1,002</u>	<u>1,002</u>

Unpaid share capital

	No.	2022 £	No.	2021 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:
full voting, dividend and capital distribution on winding up rights.

28 Non adjusting events after the financial period

On 7 August 2023, the group sold the vast majority of its remaining development property stockholding for consideration of £2,100,000.

SBAW Group Limited

Notes to the Financial Statements

Year Ended 31 December 2022

29 Related party transactions

Group

Key management compensation

	2022 £	2021 £
Salaries and other short term employee benefits	<u>32,000</u>	<u>29,710</u>

Transactions with subsidiaries

Non wholly owned subsidiary

During the period, the group paid rent of £nil (2021 - £3,125) to its subsidiary. The group charged management charges to its subsidiary of £nil (2021 - £22,500). In a previous period, the group advanced a loan of £704,500 to the subsidiary, such amounts being unsecured, interest free and repayable in one year and one day at the request of the group. Repayments of £539,450 (2021 - £100,000) were made during the period. The amount owed by the subsidiary at the period end was £372 (2021 - £539,822).

Transactions with other related parties

Controlling party of the entity which owns 50% of a group company

In a previous period, the related party advanced loan finance to the group. The loan is made interest free, is unsecured and is repayable within one year and one day at the request of the related party. Repayments of £539,450 (2021 - £100,000) were made during the period. At the period end, the amount owed to the related party was £nil (2021 - £539,450).

A company under the common control of a director

During the period, the related party collected and paid over rental income on behalf of the group of £367,898 (2021 - £509,640). It incurred and recharged expenditure on behalf of the group of £10,631 (2021 - £708). It advanced net cash to the group of £3,500 (2021 - £15,600). At the period end, the amount owed to the related party was £50,329 (2021 - £56,835).

During the period there were sales of £123,684 (2021 - £24,782) with other companies under common control of the director. There were purchases of £1,854 (2021 - £nil). At the period end, the amount owed by the related parties was £119,094 (2021 - £5,080) and there were provisions in place of £6,669 (2021 - £10,387) against the balances due.

Transactions with close family members

During the period there were sales of £nil (2021 - £13,800) and repayments of £20,000 (2021 - £nil) to close family members. At the period end, the amount due to the related party was £25,767 (2021 - £45,962). During the period there were sales to a company owned by a close family member of £nil (2021 - £28,000). There were purchases of £3,320 (2021 - £nil) from the related party. As at the year end the balance owed to the related party was £418 (2021 - £418).

30 Parent and ultimate parent undertaking

The ultimate controlling party is Mr K R Newton by virtue of his 100% shareholding in the parent company.