

**Strategic Report, Directors' Report and  
Financial Statements for the Year Ended 31 October 2021  
for  
Moyola (Cellars) Limited**



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for the Year Ended 31 October 2021**

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**Moyola (Cellars) Limited**

**Company Information  
for the Year Ended 31 October 2021**

<b>Directors:</b>	Mr H J Hastings Mr P D E Gibson Mr J E Carson
<b>Secretary:</b>	Mr J E Carson
<b>Registered office:</b>	1066 House 587 Upper Newtownards Road Belfast BT4 3LP
<b>Registered number:</b>	NI003445
<b>Independent auditors:</b>	Grant Thornton (NI) LLP 12-15 Donegall Square West Belfast Northern Ireland BT1 6JH
<b>Solicitors:</b>	O'Reilly Stewart 75-77 May Street Belfast BT1 3JL

## **Moyola (Cellars) Limited**

### **Strategic Report for the Year Ended 31 October 2021**

The directors present their strategic report for the year ended 31 October 2021.

#### **Development and performance**

The principal activity of the company during the year continues to be in the hotel and catering industry in Northern Ireland.

On 26th March 2021, the company sold the trade and assets of its hotel operations to a number of fellow subsidiary undertakings of the Hastings Hotels Group with an effective date of 1st November 2020, realising an exceptional gain on disposal of £42,558,411. On the same date the company entered into Managed Services Agreements with those companies for the provision of hotel management services.

The results for the company show turnover of £2,541,259 and a profit for the year of £44,081,109 which includes the above mentioned exceptional profit of £42,558,411. The company has net assets of £59,906,631. The directors consider that the outturn for the year and the year-end position to be satisfactory given the challenges presented by the Covid pandemic during the period. The company will continue to seek every opportunity to increase profitable turnover as we emerge from the pandemic.

#### **Future developments**

We remain focused on managing the business appropriately through the current challenging period while also ensuring that we are positioned to emerge strongly as our markets recover from the COVID-19 pandemic. We were very pleased to have re-opened the hotels on 24 May 2021 in line with Government guidelines. We continue to take advantage of all of the government schemes that have been made available to support our industry through this difficult period.

#### **Environment**

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

#### **Health and Safety**

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

#### **Human resources**

The company's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

#### **Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company.

## **Moyola (Cellars) Limited**

### **Strategic Report for the Year Ended 31 October 2021**

#### **Principal risks and uncertainties**

The management of the company and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competition from other licensed premises and hotel groups and employee retention. These risks are addressed by the Board carrying out regular strategic reviews and including assessments of competitor activity and the Board's active review of competitor prices and services provides protections and maximises opportunities. These risks are also addressed through strong customer service as well as investment in its people and facilities.

#### **Financial Risk Management**

##### **Overview**

The company's operations expose it to a variety of financial risks that include liquidity risk, foreign exchange risk, credit risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of directors are implemented by the company's finance department.

##### **Liquidity risk**

The company actively maintains a mixture of short to medium term debt finance that is designed to ensure that the company has sufficient available funds for operations and planned expansions.

##### **Foreign exchange risk**

While the greater part of the company's revenues and expenses are denominated in sterling, the company is exposed to some foreign exchange risk in the normal course of business.

##### **Credit risk**

The company implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board.

##### **Interest rate risk**

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances, which earn interest at variable rates. Interest bearing liabilities relate to loans and overdrafts which bear interest at a variable rate.

**On behalf of the board:**



Mr H J Hastings - Director

4 May 2022

## **Moyola (Cellars) Limited**

### **Directors' Report for the Year Ended 31 October 2021**

The directors present their report with the financial statements of the Company for the year ended 31 October 2021.

#### **Business review, position, employees, financial risk management and future developments**

A review of the business, position at the year end, employees, financial risk management and future developments are detailed in the Strategic Report and are included in this report by cross reference.

#### **Principal activity**

The principal activity of the Company in the year under review was that of the provision of services to the Hotel and Catering Industry in Northern Ireland.

#### **Dividends**

No dividends will be distributed for the year ended 31 October 2021.

#### **Directors**

The directors shown below have held office during the whole of the period from 1 November 2020 to the date of this report.

Mr H J Hastings  
Mr P D E Gibson  
Mr J E Carson

#### **Post balance sheet events**

There are no post balance sheet events to report.

#### **Principal risks and uncertainties**

The principal risks and uncertainties are detailed in the Strategic report and included in this report by cross reference.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect of and the reasons for any material departure from those standards
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### **Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Moyola (Cellars) Limited**

**Directors' Report  
for the Year Ended 31 October 2021**

**Auditors**

The auditors, Grant Thornton (NI) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**On behalf of the board:**

A handwritten signature in black ink, appearing to read 'H. J. Hastings', written in a cursive style.

Mr H J Hastings - Director

4 May 2022

## **Independent auditor's report to the members of Moyola (Cellars) Limited Limited**

### **Opinion**

We have audited the financial statements of Moyola (Cellars) Limited Limited ("the company"), which comprise the Statement of Comprehensive income, the Balance sheet and the Statement of Changes in Equity for the period ended 31 October 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Moyola (Cellars) Limited Limited financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the company as at 31 October 2021 and of its financial performance for the year then ended; and
- have been properly 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 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 Company's ability to continue as a going concern for a period of at least twelve months from the date 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 matter**

The financial statements of Moyola (Cellars) Limited for the year ended 31 October 2020 were audited by PricewaterhouseCoopers LLP who expressed an unmodified opinion with an emphasis of matter on the assessment of the going concern assumption on those statements on 29 April 2021.

### **Other information**

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report.

The directors are responsible for the other information. 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 in the financial statements, 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.

We have nothing to report in this regard.

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

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

- the information given in the 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.



## **Independent auditor's report to the members of Moyola (Cellars) Limited Limited**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited 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 management and those charged with governance for the financial statements**

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, FRS 102, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

## **Independent auditor's report to the members of Moyola (Cellars) Limited Limited**

### **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Employment Law, Environmental Regulations and Health and Safety laws, and we considered the extent to which non-compliance might 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 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

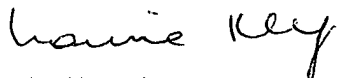
- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of director's meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including useful life of tangible and intangible assets; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

**Independent auditor's report to the members of  
Moyola (Cellars) Limited Limited**

**The purpose of our audit work and to whom we owe our responsibilities**

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.



Louise Kelly (Senior Statutory Auditor)  
For and on behalf of  
Grant Thornton/Grant Thornton (NI) LLP  
Chartered Accountants & Statutory Auditors  
Belfast

4 May 2022

**Moyola (Cellars) Limited****Statement of Comprehensive Income  
for the Year Ended 31 October 2021**

	Notes	2021 £	2020 £
Turnover	4	2,514,259	25,124,317
Cost of sales		-	(3,712,553)
<b>Gross profit</b>		<b>2,514,259</b>	<b>21,411,764</b>
Administrative expenses - exceptional	8	42,558,411	(5,279,001)
Administrative expenses - other		(2,767,687)	(32,845,873)
		<b>42,304,983</b>	<b>(16,713,110)</b>
Other operating income	5	169,780	3,411,767
<b>Operating profit/(loss)</b>	7	<b>42,474,763</b>	<b>(13,301,343)</b>
Interest receivable and similar income		3,436,988	-
Interest payable and similar expenses	9	(1,172,850)	(1,353,462)
<b>Profit/(loss) before taxation</b>		<b>44,738,901</b>	<b>(14,654,805)</b>
Tax on profit/(loss)	10	(657,792)	1,909,380
<b>Profit/(loss) for the financial year</b>		<b>44,081,109</b>	<b>(12,745,425)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>44,081,109</b>	<b>(12,745,425)</b>

The notes form part of these financial statements

**Moyola (Cellars) Limited (Registered number: NI003445)**

**Balance Sheet**  
**31 October 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	177,454	79,481,727
Investments	12	-	-
Investment property	13	<u>3,672,277</u>	<u>3,500,389</u>
		<b>3,849,731</b>	<b>82,982,116</b>
<b>Current assets</b>			
Stocks	14	-	253,116
Debtors	15	92,795,430	1,703,621
Cash at bank		<u>1,663,554</u>	<u>32,147</u>
		<b>94,458,984</b>	<b>1,988,884</b>
<b>Creditors</b>			
Amounts falling due within one year	16	<u>20,890,977</u>	<u>25,562,793</u>
<b>Net current assets/(liabilities)</b>		<b>73,568,007</b>	<b>(23,573,909)</b>
<b>Total assets less current liabilities</b>		<b>77,417,738</b>	<b>59,408,207</b>
<b>Creditors</b>			
Amounts falling due after more than one year	17	(17,000,001)	(38,904,168)
<b>Provisions for liabilities</b>	20	(457,683)	(1,121,551)
<b>Accruals and deferred income</b>	21	<u>(53,423)</u>	<u>(3,556,966)</u>
<b>Net assets</b>		<b><u>59,906,631</u></b>	<b><u>15,825,522</u></b>
<b>Capital and reserves</b>			
Called up share capital	22	70,200	70,200
Revaluation reserve	23	2,171,269	2,171,269
Retained earnings	23	<u>57,665,162</u>	<u>13,584,053</u>
<b>Shareholders' funds</b>		<b><u>59,906,631</u></b>	<b><u>15,825,522</u></b>

The financial statements were approved by the Board of Directors and authorised for issue on 4 May 2022 and were signed on its behalf by:



Mr P D E Gibson - Director

**Moyola (Cellars) Limited**

**Statement of Changes in Equity  
for the Year Ended 31 October 2021**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Revaluation reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 November 2019</b>	70,200	26,329,478	2,171,269	28,570,947
<b>Changes in equity</b>				
Deficit for the year	-	(12,745,425)	-	(12,745,425)
Total comprehensive income	-	(12,745,425)	-	(12,745,425)
<b>Balance at 31 October 2020</b>	<u>70,200</u>	<u>13,584,053</u>	<u>2,171,269</u>	<u>15,825,522</u>
<b>Changes in equity</b>				
Profit for the year	-	44,081,109	-	44,081,109
Total comprehensive income	-	44,081,109	-	44,081,109
<b>Balance at 31 October 2021</b>	<u>70,200</u>	<u>57,665,162</u>	<u>2,171,269</u>	<u>59,906,631</u>

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 October 2021**

**1. Statutory information**

The principal activity of the company in the period under review was that of the provision of services to the hotel and catering industry in Northern Ireland.

The company is a private company, limited by shares and is registered in Northern Ireland, within the United Kingdom. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound sterling.

**2. Accounting policies**

**Basis of preparing the financial statements**

These financial statements have been 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. The financial statements have been prepared under the historical cost convention.

The following accounting policies have been applied consistently unless otherwise stated.

**Going Concern**

The company's activities, together with factors likely to affect its future development, performance and position are continuously reviewed by the directors. These include the company's cashflow, liquidity position and borrowing facilities. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The company meets its day to day working capital requirements through its bank overdraft facility.

The directors are confident that the company has adequate resources to continue its normal business with the continued support of its shareholders and fellow group companies for the foreseeable future, and accordingly they continue to adopt the going concern basis in preparing the Directors' report and financial statements.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including no objection to the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cashflows, required under Section 7 of FRS 102 and paragraph 3.17(d), on the basis that it is a qualifying entity and its ultimate parent company, Hastings Hotels Holdings Limited includes the company's cash flows in its own consolidated financial statements;
- from disclosing certain financial instruments disclosures, required under FRS 102 paragraph 11.39 to 11.48A and paragraph 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the company's key management personnel compensation as required by FRS 102 paragraph 33.7; and
- from disclosing related party transactions that are wholly owned within the same group under paragraph 33.1 A from the provisions of FRS 102, on the grounds that at 31 October 2021 it was a wholly owned subsidiary.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**2. Accounting policies - continued**

**Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the Turnover can be reliably measured. Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is primarily derived from the sources below and is generally recognised as services are rendered and when collectability is reasonably assured. Amounts received in advance of revenue recognition are deferred as liabilities.

Hotel Revenue primarily consist of room rentals, food and beverage sales and other ancillary goods and services. Revenue is recorded when rooms are occupied, or goods and services have delivered or rendered.

**Other operating income**

Rental income is accounted for on an accruals basis.

**Finance Costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Tangible fixed assets**

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance method. Land is not depreciated.

Depreciation is provided on the following bases:

Freehold and long leasehold property:	2% straight line
Plant and machinery:	12.5% straight line
Motor Vehicles:	25% reducing balance
Fixtures and fittings:	12.5% straight line
Computer Equipment:	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

**Government grants**

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

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**Investment property**

Investment properties are stated at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income. Deferred tax is provided on these gains at the rate expected to apply when the property is sold.



**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**2. Accounting policies - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

**Financial instruments**

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

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and loans from other parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

**Current Tax**

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**2. Accounting policies - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**3. Critical accounting judgements and key sources of estimation uncertainty**

**(a) Critical judgements in applying the company's accounting policies**

There are no critical judgements in applying the entity's accounting policies.

**(b) Critical accounting estimates and assumptions**

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year, are discussed below.

**Property valuation**

Investment properties are measured at revalued amount for financial reporting purposes, with the value of £3,672,277 at the Balance Sheet date (2020: £3,500,390). The fair value calculation utilised the current market value for the properties.

**4. Turnover**

All turnover arose from the principal activity within the United Kingdom.

**5. Other operating income**

	2021	2020
	£	£
Rental Income	100,683	200,652
Government grants	69,097	3,211,115
	<u>169,780</u>	<u>3,411,767</u>

**6. Employees and directors**

	2021	2020
	£	£
Wages and salaries	60,760	11,561,456
Social security costs	3,930	674,360
Other pension costs	1,209	281,068
	<u>65,899</u>	<u>12,516,884</u>

The average number of employees during the year was as follows:

	2021	2020
Full Time	6	481
Part Time	6	663
	<u>12</u>	<u>1,144</u>

There were no emoluments paid to directors during the year. The remuneration for directors is borne by another group company and will be disclosed in the financial statements of Hastings Hotels Group Limited. The directors' remuneration is paid by Hastings Hotels Group Limited and recharged to the company as part of a management charge. This management charge also includes a recharge of administration costs borne by Hastings Hotels Group Limited on behalf of the company and it is not possible to identify separately the directors' remuneration.

# Moyola (Cellars) Limited

## Notes to the Financial Statements - continued for the Year Ended 31 October 2021

### 7. Operating profit/(loss)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	35,387	5,817,059
Profit on disposal of fixed assets	-	(11,670)

The Auditor's remuneration is borne by Hastings Hotels Group Limited, a fellow subsidiary undertaking, and is disclosed in those accounts.

### 8. Exceptional items

	2021 £	2020 £
Profit on sale of trade and assets	42,558,411	-
Impairment of tangible assets	-	(5,279,001)
	<u>42,558,411</u>	<u>(5,279,001)</u>

### 9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest	1,150,529	1,353,462
Other Loan Interest	22,321	-
	<u>1,172,850</u>	<u>1,353,462</u>

### 10. Taxation

#### Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	-	(697,978)
Adjustments for prior periods	-	(49,003)
Total current tax	-	<u>(746,981)</u>
Deferred tax:		
Origination and reversal of timing differences	549,075	(1,565,840)
Effect of changes in tax rates	109,844	282,883
Adjustments in respect of prior periods	(1,127)	120,558
Total deferred tax	<u>657,792</u>	<u>(1,162,399)</u>
Tax on profit/(loss)	<u>657,792</u>	<u>(1,909,380)</u>

UK corporation tax has been charged at 19%.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**10. Taxation - continued**

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit/(loss) before tax	<u>44,738,901</u>	<u>(14,654,805)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	8,500,391	(2,784,413)
Effects of:		
Expenses not deductible for tax purposes	6,827	353,973
Income not taxable for tax purposes	(8,086,098)	-
Adjustments to tax charge in respect of previous periods	(1,127)	71,555
Effect of changes in tax rates	109,844	282,883
Group relief	<u>127,955</u>	<u>166,622</u>
Total tax charge/(credit)	<u>657,792</u>	<u>(1,909,380)</u>

**11. Tangible fixed assets**

	Freehold property £	Long leasehold £	Plant and machinery £
<b>Cost</b>			
At 1 November 2020	81,306,573	7,038,080	42,057,743
Additions	-	-	11,543
Disposals	<u>(81,108,380)</u>	<u>(7,038,080)</u>	<u>(41,662,632)</u>
At 31 October 2021	<u>198,193</u>	-	<u>406,654</u>
<b>Depreciation</b>			
At 1 November 2020	25,189,257	3,378,054	31,125,161
Charge for year	1,000	-	4,671
Eliminated on disposal	(25,026,058)	(3,375,054)	(30,739,272)
Reclassification/transfer	<u>3,000</u>	<u>(3,000)</u>	-
At 31 October 2021	<u>167,199</u>	-	<u>390,560</u>
<b>Net book value</b>			
At 31 October 2021	<u>30,994</u>	-	<u>16,094</u>
At 31 October 2020	<u>56,117,316</u>	<u>3,660,026</u>	<u>10,932,582</u>

# Moyola (Cellars) Limited

## Notes to the Financial Statements - continued for the Year Ended 31 October 2021

### 11. Tangible fixed assets - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 November 2020	34,637,773	160,050	42,566	165,242,785
Additions	1,544	-	24,050	37,137
Disposals	(34,065,931)	(160,050)	(40,922)	(164,075,995)
At 31 October 2021	573,386	-	25,694	1,203,927
<b>Depreciation</b>				
At 1 November 2020	25,968,348	99,548	690	85,761,058
Charge for year	27,690	-	2,026	35,387
Eliminated on disposal	(25,529,374)	(99,548)	(666)	(84,769,972)
Reclassification/transfer	-	-	-	-
At 31 October 2021	466,664	-	2,050	1,026,473
<b>Net book value</b>				
At 31 October 2021	106,722	-	23,644	177,454
At 31 October 2020	8,669,425	60,502	41,876	79,481,727

Fixed Asset disposals include disposals to fellow subsidiary undertakings of the Hastings Hotels Group of assets with a cost of £164,075,994 and net book value of £79,306,022.

### 12. Fixed asset investments

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

**Moyola Nightclubs Limited**  
Registered office: United Kingdom  
Nature of business: Dormant

	% holding
Class of shares: Ordinary	58.00

### 13. Investment property

	Total £
<b>Fair value</b>	
At 1 November 2020	3,500,389
Additions	171,888
At 31 October 2021	3,672,277
<b>Net book value</b>	
At 31 October 2021	3,672,277
At 31 October 2020	3,500,389

The investment properties are carried at market value as estimated by the directors with the assistance of Lambert Smith Hampton and other valuation sources.

**Moyola (Cellars) Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**14. Stocks**

	2021 £	2020 £
Finished goods	<u>-</u>	<u>253,116</u>

The replacement value of stock is not materially different from the disclosed amounts at year end.

**15. Debtors: amounts falling due within one year**

	2021 £	2020 £
Trade debtors	787	648,388
Amounts owed by group undertakings	91,565,999	7,292
Other debtors	555	9,422
Corporation Tax Receivable	640,272	-
VAT	550,560	986,645
Prepayments	<u>37,257</u>	<u>51,874</u>
	<u>92,795,430</u>	<u>1,703,621</u>

Amounts owed by group undertakings are unsecured and repayable on demand. Balances of a trading nature are interest free. Interest is charged on balances which are financing in nature. The average interest rate receivable in the year was 3.0%.

**16. Creditors: amounts falling due within one year**

	2021 £	2020 £
Bank loans and overdrafts (see note 18)	-	8,738,478
Other loans (see note 18)	4,923,265	-
Trade creditors	502,792	2,180,189
Amounts owed to group undertakings	10,603,347	9,289,553
Social security and other taxes	459,385	65,830
Other creditors	655,412	11,498
Guest deposits received	17,999	1,685,531
Accruals and deferred income	<u>3,728,777</u>	<u>3,591,714</u>
	<u>20,890,977</u>	<u>25,562,793</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Balances of a trading nature are interest free. Interest is charged on balances which are financing in nature. The average interest rate payable in the year was 3.0%.

**17. Creditors: amounts falling due after more than one year**

	2021 £	2020 £
Bank loans (see note 18)	-	38,904,168
Other loans (see note 18)	<u>17,000,001</u>	<u>-</u>
	<u>17,000,001</u>	<u>38,904,168</u>

## Moyola (Cellars) Limited

### Notes to the Financial Statements - continued for the Year Ended 31 October 2021

#### 18. Loans

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	252,811
Bank loans	-	8,485,667
Related party loans	<u>4,923,265</u>	<u>-</u>
	<u>4,923,265</u>	<u>8,738,478</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	38,904,168
Related party loans 1-2 years	<u>7,224,998</u>	<u>-</u>
	<u>7,224,998</u>	<u>38,904,168</u>
Amounts falling due between two and five years:		
Related party loans 2-5 years	<u>6,900,002</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Related party loans > 5 years	<u>2,875,001</u>	<u>-</u>

#### 19. Secured debts

The following secured debts are included within creditors:

	2021 £	2020 £
Bank overdraft	-	252,811
Bank loans	<u>-</u>	<u>47,389,835</u>
	<u>-</u>	<u>47,642,646</u>

The bank loans and overdrafts of £nil (2020: £47,642,646) are secured by a first legal mortgage over the company's properties, a mortgage debenture over all company assets and an unlimited cross guarantee with the parent company in respect of each other's liabilities to the bank.

#### 20. Provisions for liabilities

	2021 £	2020 £
Deferred tax		
Accelerated capital allowances	13,523	1,536,366
Tax losses carried forward	-	(414,815)
Other timing differences	<u>444,160</u>	<u>-</u>
	<u>457,683</u>	<u>1,121,551</u>



**Moyola (Cellars) Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**20. Provisions for liabilities - continued**

	Deferred tax £
Balance at 1 November 2020	1,121,551
Charge to Statement of Comprehensive Income during year	657,792
Sold to fellow subsidiaries	<u>(1,321,660)</u>
Balance at 31 October 2021	<u>457,683</u>

**21. Accruals and deferred income**

	2021 £	2020 £
Deferred government grants	<u>53,423</u>	<u>3,556,966</u>

**22. Called up share capital**

Allotted, issued and fully paid:			
Number:	Class:	Nominal value: £1	
70,200	Ordinary		
		2021 £ <u>70,200</u>	2020 £ <u>70,200</u>

**23. Reserves**

	Retained earnings £	Revaluation reserve £	Totals £
At 1 November 2020	13,584,053	2,171,269	15,755,322
Profit for the year	<u>44,081,109</u>		<u>44,081,109</u>
At 31 October 2021	<u>57,665,162</u>	<u>2,171,269</u>	<u>59,836,431</u>

**24. Ultimate parent company**

Hastings Hotels Holdings Limited is regarded by the directors as being the Company's ultimate parent company.

Hastings Hotels Holdings Limited is incorporated in Northern Ireland. Its financial statements are available at 1066 House, 587 Upper Newtownards Road, Belfast BT4 3LP. The smallest and largest group within which the results of the company are consolidated is that of Hastings Hotels Holdings Limited and these are available as noted above.

**25. Contingent liabilities**

The company has signed, together with other fellow subsidiaries of the Hastings Hotels Holdings Limited group, a joint and several letter of unlimited cross guarantee to secure the overdrafts of the group companies. There are no present indications that the group will be called on to honour its overdraft guarantee.

**26. Capital commitments**

	2021 £	2020 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>11,000</u>

**Moyola (Cellars) Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2021**

**27. Related party disclosures**

During the year, the following loan transactions took place with related parties:

	2021 £	2020 £
Loans from related parties at beginning of year	-	-
Amounts borrowed	26,152,282	-
Amounts repaid	<u>(4,229,018)</u>	<u>-</u>
Loans from related parties at end of year	<u>21,923,264</u>	<u>-</u>

During the year, the following interest was accrued and paid in relation to these related party loans:

	2021 £	2020 £
Accrued interest payable on related party loans at beginning of year	-	-
Interest accrued	22,321	-
Interest paid	<u>-</u>	<u>-</u>
Accrued interest payable on related party loans at end of year	<u>22,321</u>	<u>-</u>

**28. Ultimate controlling party**

The ultimate controlling party is The Hastings Family.