

**Directors' Report and
Financial Statements for the Year Ended 31 October 2023
for
Hastings Hotels Management Limited**

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for the Year Ended 31 October 2023**

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Hastings Hotels Management Limited

**Company Information
for the Year Ended 31 October 2023**

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

**Directors' Report
for the Year Ended 31 October 2023**

The directors present their report with the financial statements of the Company for the year ended 31 October 2023.

Principal activity

The principal activity of the Company in the year under review was that of the provision of hotel management services to other related companies within the Hastings Hotels group.

Future developments

The external environment is expected to remain competitive in 2024.

Directors

The directors shown below have held office during the whole of the period from 1 November 2022 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.

Engagement with employees

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 group has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

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 group 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

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.

**Directors' Report
for the Year Ended 31 October 2023**

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.

Auditors

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

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

Mr H J Hastings - Director

3 April 2024

Independent Auditors' Report to the Members of Hastings Hotels Management Limited

Opinion

We have audited the financial statements of Hastings Hotels Management Limited ("Company"), which comprise the Statement of Comprehensive Income, the Balance Sheet and the Statement of Changes in Equity for the year ended 31 October 2023, 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 and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Hastings Hotels Management Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 31 October 2023 and of the 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 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Members of Hastings Hotels Management 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 material misstatements in 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities 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.

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 Data Privacy law, Employment Law, Environmental Regulations, Pensions Legislation, and Health & Safety, 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 local law and tax Companies Act 2006 and UK tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team including industry specialists, ITGC specialists and valuation experts to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. 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 statements.

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

- enquiries of management and the directors', 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 board 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, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

**Independent Auditors' Report to the Members of
Hastings Hotels Management Limited**

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.

Louise Kelly (Senior Statutory Auditor)
for and on behalf of Grant Thornton (NI) LLP
12-15 Donegall Square West
Belfast
Northern Ireland
BT1 6JH

3 April 2024

**Statement of Comprehensive Income
for the Year Ended 31 October 2023**

	Notes	2023 £	2022 £
Turnover	4	1,382,144	2,770,122
Cost of sales		-	(7,685)
Gross profit		1,382,144	2,762,437
Administrative expenses		(1,315,717)	(2,523,153)
		66,427	239,284
Other operating income	5	-	1,402,579
Operating profit	8	66,427	1,641,863
Interest receivable and similar income		1,656,954	2,945,353
Interest payable and similar expenses	9	(127)	(473,523)
Profit before taxation		1,723,254	4,113,693
Tax on profit	10	(1,359,016)	141,652
Profit for the financial year		364,238	4,255,345
Other comprehensive income			
Revaluation of investment properties		-	(1,387,366)
Income tax relating to other comprehensive income		-	-
Other comprehensive income for the year, net of income tax		-	(1,387,366)
Total comprehensive income for the year		364,238	2,867,979

Hastings Hotels Management Limited (Registered number: NI003445)

**Balance Sheet
31 October 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		225,301		-
Current assets					
Debtors	13	4,678,896		63,118,029	
Cash at bank		<u>196,945</u>		<u>777,834</u>	
		4,875,841		63,895,863	
Creditors					
Amounts falling due within one year	14	<u>5,681,469</u>		<u>1,069,102</u>	
Net current (liabilities)/assets			<u>(805,628)</u>		<u>62,826,761</u>
Total assets less current liabilities			<u>(580,327)</u>		<u>62,826,761</u>
Provisions for liabilities	15		(4,278)		-
Accruals and deferred income	16		<u>(50,879)</u>		<u>(52,151)</u>
Net (liabilities)/assets			<u>(635,484)</u>		<u>62,774,610</u>
Capital and reserves					
Called up share capital	17		70,200		70,200
Retained earnings	18		<u>(705,684)</u>		<u>62,704,410</u>
Shareholders' (deficit)/funds			<u>(635,484)</u>		<u>62,774,610</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3 April 2024 and were signed on its behalf by:

Mr P D E Gibson - Director

**Statement of Changes in Equity
for the Year Ended 31 October 2023**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 November 2021	70,200	57,665,162	2,171,269	59,906,631
Changes in equity				
Profit for the year	-	4,255,345	-	4,255,345
Other comprehensive income	-	783,903	(2,171,269)	(1,387,366)
Total comprehensive income	-	5,039,248	(2,171,269)	2,867,979
Balance at 31 October 2022	<u>70,200</u>	<u>62,704,410</u>	<u>-</u>	<u>62,774,610</u>
Changes in equity				
Profit for the year	-	364,238	-	364,238
Total comprehensive income	-	364,238	-	364,238
Dividends	-	(63,774,332)	-	(63,774,332)
Balance at 31 October 2023	<u>70,200</u>	<u>(705,684)</u>	<u>-</u>	<u>(635,484)</u>

**Notes to the Financial Statements
for the Year Ended 31 October 2023**

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 functional and 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.

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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2023**

2. Accounting policies - continued

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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2023**

2. Accounting policies - continued

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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2023**

2. Accounting policies - continued

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.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements required the directors to make significant judgements and estimates. 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 amount of assets and liabilities with the next financial year are discussed below.

Useful life of property

The annual depreciation charge for the tangible assets is sensitive to changes in the estimates made to the useful lives and residual values of assets. The useful economic lives and residual values are re-assessed annually. They are amended when it is deemed necessary to reflect current estimates based on future investments, economic utilisation and physical condition. The net book value of these assets is shown in Note 12 to the financial statements.

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

4. Turnover

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

5. Other operating income

	2023	2022
	£	£
Rental Income	-	89,751
Gain/loss on revaluation of assets	-	1,312,828
	<u>-</u>	<u>1,402,579</u>

6. Employees and directors

	2023	2022
	£	£
Wages and salaries	739,543	-
Social security costs	111,108	-
Other pension costs	70,760	-
	<u>921,411</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2023

6. **Employees and directors - continued**

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

	2023	2022
Full Time	19	-
Part Time	6	-
	<u>25</u>	<u>-</u>

7. **Directors' emoluments**

	2023	2022
£		
Directors' remuneration	438,387	-
Directors' pension contributions to money purchase schemes	34,913	-
	<u>473,300</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2023	2022
Money purchase schemes	3	-
Defined benefit schemes	<u>1</u>	<u>-</u>

The highest paid director received remuneration of £106,225 (2022: £nil) including pension contributions of £11,588 (2022: £nil). Key management is defined as the directors disclosed above.

8. **Operating profit**

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

	2023	2022
£		
Depreciation - owned assets	26,857	40,723
Profit on disposal of fixed assets	-	(33,677)
The auditing of accounts of any associate of the company	24,640	-
The auditing of accounts of the company	6,340	-
Taxation compliance services	<u>10,545</u>	<u>-</u>

9. **Interest payable and similar expenses**

	2023	2022
£		
Bank interest	127	-
Other interest expense	-	16,873
Other loan Interest	-	456,650
	<u>127</u>	<u>473,523</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2023**
10. Taxation
Analysis of the tax charge/(credit)

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

	2023 £	2022 £
Current tax:		
UK corporation tax	432,204	540,587
Adjustments for prior periods	-	697,978
Total current tax	<u>432,204</u>	<u>1,238,565</u>
Deferred tax:		
Origination and reversal of timing differences	7,581	(350,986)
Effect of changes in tax rates	836	(331,253)
Adjustments in respect of prior periods	918,395	(697,978)
Total deferred tax	<u>926,812</u>	<u>(1,380,217)</u>
Tax on profit	<u>1,359,016</u>	<u>(141,652)</u>

UK corporation tax has been charged at 22.52% (2022 - 19%).

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

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

	2023 £	2022 £
Profit before tax	<u>1,723,254</u>	<u>4,113,693</u>
Profit multiplied by the standard rate of corporation tax in the UK of 22.518% (2022 - 19%)	388,042	781,602
Effects of:		
Expenses not deductible for tax purposes	52,029	223
Income not taxable for tax purposes	(286)	(254,662)
Adjustments to tax charge in respect of previous periods	918,395	-
Effect of changes in tax rates	836	(331,253)
Chargeable gains/(losses)	-	(337,562)
Total tax charge/(credit)	<u>1,359,016</u>	<u>(141,652)</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 October 2023.

	Gross £	2022 Tax £	Net £
Revaluation of investment properties	<u>(1,387,366)</u>	<u>-</u>	<u>(1,387,366)</u>

Factors that may affect future tax charges

The standard rate of UK Corporation Tax from 1 April 2023 has increased to 25% for companies generating taxable profits of more than £250,000. The previous 19% tax rate will continue to apply to small companies with profits of less than £50,000, with taper relief rate for those companies with profits between the new thresholds.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2023

11. Dividends

	2023 £	2022 £
Ordinary shares of £1 each		
Interim	<u>63,774,332</u>	<u>-</u>

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Cost			
Additions	<u>29,500</u>	<u>2,250</u>	<u>69,372</u>
At 31 October 2023	<u>29,500</u>	<u>2,250</u>	<u>69,372</u>
Depreciation			
Charge for year	<u>500</u>	<u>170</u>	<u>14,407</u>
At 31 October 2023	<u>500</u>	<u>170</u>	<u>14,407</u>
Net book value			
At 31 October 2023	<u>29,000</u>	<u>2,080</u>	<u>54,965</u>
	Motor vehicles £	Computer equipment £	Totals £
Cost			
Additions	<u>23,072</u>	<u>127,964</u>	<u>252,158</u>
At 31 October 2023	<u>23,072</u>	<u>127,964</u>	<u>252,158</u>
Depreciation			
Charge for year	<u>3,296</u>	<u>8,484</u>	<u>26,857</u>
At 31 October 2023	<u>3,296</u>	<u>8,484</u>	<u>26,857</u>
Net book value			
At 31 October 2023	<u>19,776</u>	<u>119,480</u>	<u>225,301</u>

13. Debtors: amounts falling due within one year

	2023 £	2022 £
Trade debtors	-	890
Amounts owed by group undertakings	<u>4,212,057</u>	<u>62,143,029</u>
Other debtors	<u>9,757</u>	<u>3,566</u>
VAT	<u>376,688</u>	<u>-</u>
Deferred tax asset	-	922,534
Prepayments	<u>80,394</u>	<u>48,010</u>
	<u>4,678,896</u>	<u>63,118,029</u>

Deferred tax asset

	2022 £
Tax losses carried forward	918,395
Other timing differences	<u>4,139</u>
	<u>922,534</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2023**
13. Debtors: amounts falling due within one year - continued

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 6.1% (2022: 3.2%).

14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	318,876	44,425
Amounts owed to group undertakings	-	567,768
Corporation tax payable	223,854	45,737
Social security and other taxes	1,751,710	192,772
Other creditors	25,829	42,276
Guest deposits received	-	1,925
Accruals and deferred income	3,361,200	174,199
	<u>5,681,469</u>	<u>1,069,102</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 6.1% (2022: 3.2%).

15. Provisions for liabilities

	2023	
	£	
Deferred tax		
Accelerated capital allowances	7,259	
Other timing differences	(2,981)	
	<u>4,278</u>	
		Deferred tax
		£
Balance at 1 November 2022		(922,534)
Charge to Statement of Comprehensive Income during year		<u>926,812</u>
Balance at 31 October 2023		<u>4,278</u>

16. Accruals and deferred income

	2023	2022
	£	£
Deferred government grants	<u>50,879</u>	<u>52,151</u>

17. Called up share capital

Allotted, issued and fully paid:		Nominal value:	2023	2022
Number:	Class:		£	£
70,200	Ordinary	£1	<u>70,200</u>	<u>70,200</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2023

18. Reserves

	Retained earnings £
At 1 November 2022	62,704,410
Profit for the year	364,238
Dividends	(63,774,332)
At 31 October 2023	<u>(705,684)</u>

19. Ultimate parent company

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

The ultimate parent company changed from HHG No.11 Limited to Hastings Hotels Group Limited on 19th May 2023. Hastings Hotels Group Limited is incorporated in Northern Ireland. Its financial statements are available on the Companies House website. The smallest and largest group within which the results of the company are consolidated is that of Hastings Hotels Group Limited and these are available as noted above.

20. Contingent liabilities

The company has signed, together with other fellow subsidiaries of Hastings Hotels Group Limited, 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.

21. Related party disclosures

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.

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

	2023	2022
£	£	
Loans from related parties at beginning of year	-	21,923,264
Amounts borrowed	-	498,559
Amounts repaid	-	(2,440,041)
Amounts transferred to fellow subsidiary undertaking	-	(19,981,782)
Loans from related parties at end of year	<u>-</u>	<u>-</u>

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

	2023	2022
£	£	
Accrued interest payable on related party loans at beginning of year	-	22,321
Interest accrued	-	456,650
Interest paid	-	(478,971)
Accrued interest payable on related party loans at end of year	<u>-</u>	<u>-</u>

22. Ultimate controlling party

The ultimate controlling party is The Hastings Family.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.