

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	P N Salussolia C Salussolia G J Ramsay, FCA A Salussolia L Salussolia F Boorman N Salussolia
Company secretary	G J Ramsay, FCA
Registered number	04324021
Registered office	364 High Street Harlington Heathrow Hayes UB3 5LF
Independent auditors	Xeinadin Audit Limited Statutory Auditor & Accountants 8th Floor, Becket House 36 Old Jewry London EC2R 8DD
Accountants	Elman Wall Limited 8th Floor, Becket House 36 Old Jewry London EC2R 8DD

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

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HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The principal activities of Hotel Management International (Holdings) Limited (the "company") and its subsidiaries (together the "group") continued to be the operation of hotels and the provision of consultancy and management services to the hotel and leisure industry.

Business review

The results of the group are shown on page 11 of the financial statements. The group has had an extremely strong performance despite further supply side disruptions which have been caused as a result of the war in Ukraine, and have resulted in significant increases in energy costs.

The Group's main objectives continues to be to maintain room rates, the quality of the hotel products, improve standards and to focus on efficiencies and innovation.

The net revenue of the Group increased by 94% to £53,203,000, which is ahead of the pre-pandemic trading year.

The Profit Before Taxation was £9,828,000, compared to a loss of £537,000 in the prior year.

The group has sought to reinvest back into its properties and ensure it has a sound financial footing for future eventualities.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

Credit, Interest rate, and Liquidity Risk

The group manages a variety of financial risks including interest rate, liquidity and credit risk. Fluctuation in interest rates affect the group's reported results. It is the group's goal to mitigate the effects of interest rate movements on profit, equity and cash flow. Whenever possible the group tries to establish this by creating natural hedges and by matching assets and liabilities. When natural hedges are not available the group seeks to use financial instruments. For this purpose, hedging ranges have been identified and strict policies and governance are in place covering the program, including authorisation procedures.

Approximately 50% of the total interest portfolio was fixed by long term hedging instruments. Assuming all other factors remain the same, a 1% change in interest rates would increase the interest costs by £98,000.

The group receives income in foreign currency.

Long term strategies and annual business plans are formulated to ensure that the financial covenants can be met and monitored on a regular basis. Working capital requirements are also regularly reviewed and closely managed to ensure there are sufficient cash flows available for the group.

The group maintains significant cash balances and operates with net current liabilities in order to mitigate any potential liquidity risk. It also has unutilised group borrowing facilities.

The group has a large number of customers and maintains tight credit control at each of its operations in order to mitigate its credit risk.

Trading and Economic Risk

The level of economic activity in Belgium, The Netherlands and the UK continue to have a significant influence on the profitability of the group. The outcome of Brexit increases the risk of economic uncertainty, whilst no clear plan has been set. The board continues to monitor negotiations surrounding Brexit and the potential impact it could have on the business. Controls in the form of budgets, forecasting and competitor analysis are regularly analysed to ensure that the group are taking a pro active stance in combatting any issues that should arise.

The group is also exposed to pressures arising from increasing costs from suppliers, increases in alcohol duty, and changes to government policies affecting the minimum wage, VAT and corporation tax.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Financial key performance indicators

The group's key performance indicators can be reviewed as follows;

	2023	2022	Movement	%
	£000	£000	£000	£000
Turnover	53,203	27,463	25,740	94
Operating profit/(loss)	10,521	77	10,444	13,563
Profit/(loss) before taxation	9,828	(537)	10,365	1,930
EBITDA	14,634	4,295	10,339	241
Net Debt: EBITDA	0.5	5.0	(4.5)	(90)

The group has separate financing for its UK and mainland European businesses and has a number of banking covenants. It has complied with all of its bank covenants. The group refinanced the UK business with a new loan and additional group facilities of £6,000,000 which is all fully repayable in 1 to 2 years after the balance sheet date. The group refinanced in May 2021 to terminate all of the loans in July 2023 and increased the CLBILS from £6,000,000 to £8,000,000.

The mainland European businesses are financed by a six year loan which runs until April 2024. During the year one of the covenants was breached for which it received a waiver from its bank.

s172 reporting

The board of directors provide the following statement on how they have performed of their statutory duties in accordance with s172(1) of the Companies Act 2006. The board of Directors of Hotel Management International (Holdings) Limited consider that both individually and together, they have acted in a way that would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to stakeholders and matters set out in s172(1) (a-f) of the Act) in the decisions taken during the year ended 31 March 2023.

The likely consequences of any decision in the long term

Consideration of the consequences of any decision in both the short, medium and long term is duly considered as part of the decision making process.

The interests of the Group's employees

The group is an operator of hospitality businesses. Our employees have a voice in the business. We continually liaise with employees, and conduct an annual employee survey, which are used to shape the future of the business and ensure that decisions are made in the interest of the company's employees.

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

Our customers are at the heart of everything we do and our mission is to provide them with memorable experiences. As a result, the relationships with our customers and also our suppliers who are in integral part of allowing us to provide our customer experience are very important. We collect feedback from all social media communities for our customers. This allows us to ensure that we can react to customer feedback and needs.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The impact of the Group's operations on the community and the environment

The impact of our operations on the community and the environment is very important to us and that is why we regularly review our processes and procedures to seek continual improvements in this respect. We have joined the Zero Carbon Forum to allow us to measure our emissions and develop a strategy towards a more sustainable future.

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

Our company core values set out the values that are a fundamental part in how we deliver our mission. Our core values include communicating honestly and openly in our interactions and set the standard for how we maintain high standards of business conduct.


The need to act fairly as between members of the Group

Consideration of the consequences of any decision on all members of the company is duly considered as part of the decision making process.

Directors' statement of compliance with duty to promote the success of the Group

The directors have sought to put the group on a financially stable position coming out of the pandemic and believes it is well positioned to take further opportunities in the future.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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G J Ramsay, FCA
Director
Date: 12/29/2023

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £8,012 (2022 - loss £439 thousand).

The directors did not declare a dividend for the year ended 31 March 2023 (2022: £nil).

Directors

The directors who served during the year were:

P N Salussolia
C Salussolia
G J Ramsay, FCA
A Salussolia
L Salussolia
F Boorman
N Salussolia

Principal risks and uncertainties

To reduce the risk to the group from interest rate fluctuation, interest rate swap arrangements are entered into, see Strategic report.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Disabled persons

The group's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Consideration is given to appropriate training and career development prospects for those who are or become disabled.

Employee involvement

Regular meetings are held between senior management and employees to discuss the performance of the group, and to encourage employees' further development. Information is also passed to employees via regular newsletters input.

Disclosure of information to auditors

Post balance sheet events


The directors have concluded that no other material events have occurred since the date of approval of these financial statements that would affect the financial statements of the Group.

Auditors

The auditors, Xeinadin Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:


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G J Ramsay, FCA
Director

Date: 12/29/2023

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Hotel Management International (Holdings) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOTEL MANAGEMENT INTERNATIONAL
(HOLDINGS) LIMITED (CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

DocuSigned by:


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Karanjit Gill (Senior Statutory Auditor)

for and on behalf of
Xeinadin Audit Limited

Statutory Auditor
Accountants

8th Floor, Becket House
36 Old Jewry
London
EC2R 8DD
Date: 12/29/2023

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
Turnover	4	53,203	27,463
Cost of sales		(5,560)	(3,511)
Gross profit		47,643	23,952
Administrative expenses		(37,434)	(27,002)
Other operating income	5	273	3,127
Operating profit	6	10,482	77
Interest receivable and similar income	10	75	-
Interest payable and similar expenses	11	(768)	(614)
Profit/(loss) before taxation		9,789	(537)
Tax on profit/(loss)	12	(1,777)	98
Profit/(loss) for the financial year		8,012	(439)
Effective portion of changes in fair value of cash flow hedges		(1,708)	(1,109)
Other comprehensive income for the year		(1,708)	(1,109)
Total comprehensive income for the year		6,304	(1,548)
Profit/(loss) for the year attributable to:			
Owners of the parent Company		8,012	(439)
		8,012	(439)
Total comprehensive income for the year attributable to:			
Owners of the parent Company		6,304	(1,548)
		6,304	(1,548)

The notes on pages 21 to 43 form part of these financial statements.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED
REGISTERED NUMBER:04324021

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	As restated 2022 £000
Fixed assets			
Tangible assets	13	94,671	95,944
		<u>94,671</u>	<u>95,944</u>
Current assets			
Stocks	15	385	293
Debtors: amounts falling due within one year	16	6,235	10,052
Cash at bank and in hand	17	22,859	7,946
		<u>29,479</u>	<u>18,291</u>
Creditors: amounts falling due within one year	18	(21,588)	(9,653)
		<u>7,891</u>	<u>8,638</u>
Net current assets		<u>7,891</u>	<u>8,638</u>
Total assets less current liabilities		<u>102,562</u>	<u>104,582</u>
Creditors: amounts falling due after more than one year		(20,388)	(28,611)
Provisions for liabilities			
Deferred taxation	21	(2,653)	(2,754)
		<u>(2,653)</u>	<u>(2,754)</u>
Net assets		<u><u>79,521</u></u>	<u><u>73,217</u></u>

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED
REGISTERED NUMBER:04324021

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £000	<i>As restated</i> 2022 £000
Capital and reserves			
Called up share capital	22	146	146
Revaluation reserve	23	342	381
Merger reserve	23	(232)	(232)
Profit and loss account	23	79,265	72,922
Equity attributable to owners of the parent Company		<u>79,521</u>	<u>73,217</u>
		<u>79,521</u>	<u>73,217</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

Graeme Ramsay

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G J Ramsay, FCA
 Director

Date: 12/29/2023

The notes on pages 21 to 43 form part of these financial statements.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED
REGISTERED NUMBER:04324021

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Investments	14	83,659	74,726
		<u>83,659</u>	<u>74,726</u>
Total assets less current liabilities		83,659	74,726
Net assets		<u>83,659</u>	<u>74,726</u>
Capital and reserves			
Called up share capital	22	146	146
Revaluation reserve	23	81,602	72,669
Profit and loss account	23	1,911	1,911
		<u>83,659</u>	<u>74,726</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

Graeme Ramsay

G J Ramsay, FCA
 Director

Date: 12/29/2023

The notes on pages 21 to 43 form part of these financial statements.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 April 2022	146	381	(232)	72,922	73,217
Comprehensive income for the year					
Profit for the year	-	-	-	8,012	8,012
Currency translation differences	-	-	-	(1,708)	(1,708)
Difference between historical cost depreciation charge and actual	-	(39)	-	39	-
Total comprehensive income for the year	-	(39)	-	(1,669)	(1,708)
Total comprehensive income for the year	-	(39)	-	6,343	6,304
Total transactions with owners	-	-	-	-	-
At 31 March 2023	146	342	(232)	79,265	79,521

The notes on pages 21 to 43 form part of these financial statements.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 April 2021	146	422	(232)	74,429	74,765
Comprehensive income for the year					
Loss for the year	-	-	-	(439)	(439)
Foreign exchange differences on translation of subsidiary undertakings	-	-	-	(1,109)	(1,109)
Difference between historical cost depreciation charge and actual	-	(41)	-	41	-
Other comprehensive income for the year	-	(41)	-	(1,068)	(1,109)
Total comprehensive income for the year	-	(41)	-	(1,507)	(1,548)
Total transactions with owners	-	-	-	-	-
At 31 March 2022	146	381	(232)	72,922	73,217

The notes on pages 21 to 43 form part of these financial statements.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2022	146	72,669	1,911	74,726
Profit for the year	-	-	-	-
Revaluation of investments	-	8,933	-	8,933
Total comprehensive income for the year	-	8,933	-	8,933
Total comprehensive income for the year	-	8,933	-	8,933
Total transactions with owners	-	-	-	-
At 31 March 2023	146	81,602	1,911	83,659

The notes on pages 21 to 43 form part of these financial statements.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2021	146	73,686	1,911	75,743
Revaluation of investments	-	(1,017)	-	(1,017)
Other comprehensive income for the year	-	(1,017)	-	(1,017)
Total comprehensive income for the year	-	(1,017)	-	(1,017)
Total transactions with owners	-	-	-	-
At 31 March 2022	146	72,669	1,911	74,726

The notes on pages 21 to 43 form part of these financial statements.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	<i>2022</i>
	£000	<i>£000</i>
Cash flows from operating activities		
Profit/(loss) for the financial year	8,012	<i>(439)</i>
Adjustments for:		
Depreciation of tangible assets	4,152	<i>4,218</i>
Government grants	(144)	<i>(3,097)</i>
Interest paid	768	<i>614</i>
Interest received	(75)	<i>-</i>
Taxation charge	1,073	<i>(98)</i>
(Increase) in stocks	(91)	<i>(57)</i>
Decrease/(increase) in debtors	456	<i>(1,639)</i>
Decrease in amounts owed by groups	2,780	<i>967</i>
Increase in creditors	1,454	<i>2,908</i>
Increase in amounts owed to groups	182	<i>-</i>
Increase in amounts owed to associates	288	<i>-</i>
Corporation tax received/(paid)	16	<i>(160)</i>
Foreign exchange movements	-	<i>528</i>
Net cash generated from operating activities	18,871	<i>3,745</i>
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,670)	<i>(1,378)</i>
Sale of tangible fixed assets	-	<i>11</i>
Government grants received	144	<i>3,097</i>
Interest received	75	<i>-</i>
Net cash from investing activities	(3,451)	<i>1,730</i>
Cash flows from financing activities		
New secured loans	261	<i>-</i>
Repayment of loans	-	<i>(1,285)</i>

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	<i>2022</i>
	£000	<i>£000</i>
Interest paid	(768)	<i>(614)</i>
Net cash used in financing activities	(507)	<i>(1,899)</i>
Net increase in cash and cash equivalents	14,913	<i>3,576</i>
Cash and cash equivalents at beginning of year	7,946	<i>4,370</i>
Cash and cash equivalents at the end of year	22,859	<i>7,946</i>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	22,859	<i>7,946</i>
	22,859	<i>7,946</i>

The notes on pages 21 to 43 form part of these financial statements.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Hotel Management International (Holdings) Limited (the "Company") is a company limited by shares and incorporated and domiciled in England & Wales in the UK. The presentation currency of these financial statements is sterling.

The principal activities of Hotel Management International (Holdings) Limited (the "company") and its subsidiaries (together the "group") continued to be the operation of hotels and the provision of consultancy and management services to the hotel and leisure industry.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time; and,
- The disclosures required by FRS I 02.11 Basic Financial Instruments and FRS I 02.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 3 6(4) of Schedule I.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons.

Funding for the group's UK entities is provided under on going facilities with Barclays, and funding for the group's Dutch entities (Carlton Hotels Nederland BV and its subsidiaries ("CHN Group")) is provided under on going facilities with Deutsche Bank. As of March 2023, the CHN Group has positive net current assets of €12,158,000 and the group has net current assets of £14,358,000. The UK Group successfully arranged new facilities and are disclosed in note 19. Furthermore, at the year end there are £2,000,000 of undrawn facilities for the group and its related parties in the United Kingdom and €4,000,000 undrawn facilities in the Netherlands.

The Directors have considered the information described herein and have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Thus, the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.5 Revenue**

Turnover comprises income from the ownership of hotels and is recognised, excluding VAT, as the service are provided.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 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 profit or loss 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 Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Tangible fixed assets

Tangible fixed 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.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 0.675% - 1.25%
Long-term leasehold property	- over the period of the lease or 50 years whichever is smaller
Motor vehicles	- 25% per annum
Furniture, fixtures and fittings	- 10%- 15% per annum

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.14 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The Group elected not to restate business combinations that took place prior to transition date. In respect of acquisitions prior to 1 April 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

Group reconstructions are accounted for by using the merger accounting method provided the use of the merger accounting method is not prohibited by company law or other relevant legislation. Under merger accounting method the carrying values of the assets and liabilities of the parties to the combination are not adjusted to fair value.

2.15 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.16 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.17 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

2.18 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.

2.19 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

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

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 profit or loss in the year that the Group 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.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated 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 Consolidated 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)
2.22 Financial instruments (continued)

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non- derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

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

4. Turnover

The group is principally engaged in the operation and management of hotels and the provision of management services ancillary thereto. All turnover relates to the sale of goods.

Analysis of turnover by country of destination:

	2023	2022
	£000	£000
United Kingdom	6,338	4,138
Rest of Europe	46,865	23,325
	53,203	27,463

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Other operating income

	2023	2022
	£000	£000
Other operating income	129	30
Government grants receivable	144	3,097
	<u>273</u>	<u>3,127</u>

6. Operating profit

The operating profit is stated after charging:

	2023	2022
	£000	£000
Depreciation	4,113	4,218
Exchange differences	(8)	13
Hire of other assets - operating leases	423	532
	<u>4,548</u>	<u>8,773</u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

	2023	2022
	£000	£000
Fees payable to the Company's auditors and their associates in respect of:		
Audit-related assurance services	70	70
Other services relating to taxation	38	38
	<u>108</u>	<u>108</u>

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Employees

	Group 2023 £000	<i>Group 2022 £000</i>
Wages and salaries	1,079	1,282
Social security costs	100	64
Cost of defined contribution scheme	19	13
	<u>1,198</u>	<u>1,359</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	<i>2022 No.</i>
Management	23	23
Administration	10	10
Sales	21	21
Operational staff	349	262
	<u>403</u>	<u>316</u>

9. Directors' remuneration

Directors' remuneration was borne by related parties and was recharged to the group by the management fee. These fees are estimated at £10,000 (2022: £10,000).

10. Interest receivable

	2023 £000	<i>2022 £000</i>
Other interest receivable	75	-
	<u>75</u>	<u>-</u>

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Interest payable and similar expenses

	2023	2022
	£000	£000
On bank loans, overdrafts and hedging instruments	768	614
	<u>768</u>	<u>614</u>
	<u><u>768</u></u>	<u><u>614</u></u>

12. Taxation

	2023	2022
	£000	£000
Corporation tax		
Current tax on profits for the year	505	(243)
Adjustments in respect of previous periods	(4)	-
	<u>501</u>	<u>(243)</u>
	<u><u>501</u></u>	<u><u>(243)</u></u>
Total current tax	501	(243)
Deferred tax		
Origination and reversal of timing differences	1,276	316
Losses and other deductions	-	(171)
	<u>1,276</u>	<u>145</u>
Total deferred tax	1,276	145
	<u><u>1,276</u></u>	<u><u>145</u></u>
Taxation on profit/(loss) on ordinary activities	1,777	(98)
	<u><u>1,777</u></u>	<u><u>(98)</u></u>

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation (continued)
Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023	<i>2022</i>
	£000	<i>£000</i>
Profit/(loss) on ordinary activities before tax	9,789	<i>(537)</i>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,860	<i>(102)</i>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1)	<i>260</i>
Capital allowances for year in excess of depreciation	-	<i>42</i>
Effect of difference in tax in different tax jurisdictions	397	<i>-</i>
Fixed asset differences	(156)	<i>-</i>
Elimination tax effect	190	<i>-</i>
Adjustments to tax charge in respect of prior periods	(4)	<i>-</i>
Other deferred tax differences	(351)	<i>-</i>
Movement in deferred tax not recognised	(158)	<i>(265)</i>
Remeasurement of deferred tax for changed in tax rates	-	<i>(33)</i>
Total tax charge for the year	1,777	<i>(98)</i>

Factors that may affect future tax charges

The rate of corporation tax has been increased from 19% to 25% with effect from 1 April 2023. Deferred tax assets and liabilities have therefore been remeasured at 25%.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Tangible fixed assets
Group

	Freehold property £000	Long-term leasehold property £000	Office equipment £000	Total £000
Cost or valuation				
At 1 April 2022	92,026	2,186	53,270	147,482
Additions	34	-	3,636	3,670
Disposals	-	-	(15,830)	(15,830)
Transfers between classes	(1,313)	1,313	-	-
Revaluations	-	-	(1,064)	(1,064)
Exchange adjustments	2,835	153	1,989	4,977
At 31 March 2023	<u>93,582</u>	<u>3,652</u>	<u>42,001</u>	<u>139,235</u>
Depreciation				
At 1 April 2022	13,095	432	38,011	51,538
Charge for the year on owned assets	697	108	3,308	4,113
Disposals	-	-	(15,830)	(15,830)
Transfers between classes	(2,166)	2,166	-	-
Exchange adjustments	3,573	115	1,055	4,743
At 31 March 2023	<u>15,199</u>	<u>2,821</u>	<u>26,544</u>	<u>44,564</u>
Net book value				
At 31 March 2023	<u>78,383</u>	<u>831</u>	<u>15,457</u>	<u>94,671</u>
At 31 March 2022	<u>78,930</u>	<u>1,754</u>	<u>15,259</u>	<u>95,943</u>

The net book value of land and buildings may be further analysed as follows:

	2023	2022
	£000	£000
Freehold	78,383	78,931
Long leasehold	831	1,754
	<u>79,214</u>	<u>80,685</u>

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Fixed asset investments**Company**

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2022	74,725
Revaluations	8,933
At 31 March 2023	<u>83,658</u>

	2023 £000	2022 £000
Comprising		
Cost	233	233
Valuation	83,426	74,493
	<u>83,659</u>	<u>74,726</u>

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Fixed asset investments (continued)
Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Hotel Management International Limited	364 Harlington, Hayes, Middlesex, UB3 5LF	Hotel Management and Hoteliers	Ordinary	100%
Carlton Hotels Nederland BV *	Floraweg 25, 3542 DX, Utrecht	Holding Company	Ordinary	100%
Oostduinhaghe Hotel BV +	Gevers Deijnootweg 201, 2586 HZ Scheveningen	Hoteliers	Ordinary	100%
Spijkenisse Hotel BV +	Curieweg 1, 3208 KJ, Spijkenisse	Hoteliers	Ordinary	100%
Haarlem Hotel BV +	Baan 7, 2012 DB, Haarlem	Hoteliers	Ordinary	100%
Hotel Exploitatie Mij Maarssenbroek BV +	Floraweg 25, 3542 DX, Utrecht	Hoteliers	Ordinary	100%
Carlton Ambassador Hotel BV +	Sophialaan 2, 2514 JP, Den Haag	Hoteliers	Ordinary	100%
De Brug BV +	Arkweg 3-17, 5732 PD, Mierlo	Hoteliers	Ordinary	100%
Hotel Exploitatie Mij Anfra BV +	Heerengracht 519 - 525, 1017 BV, Amsterdam	Hoteliers	Ordinary	100%
Carlton Hotels Brussel BV +	Floraweg 25, 3542 DX, Utrecht	Hoteliers	Ordinary	100%
Hotel Exploitatie Mij Maarssenbroek Holdings BV +	Floraweg 25, 3542 DX, Utrecht	Hoteliers	Ordinary	100%

* The interest in this company is held indirectly via the shareholding in Hotel Management International Limited.

+ The interest in these companies is held indirectly via the shareholding in Carlton Hotels Nederland BV.

15. Stocks

	Group 2023 £000	<i>Group 2022 £000</i>
Finished goods and goods for resale	385	293
	385	293

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Debtors

	Group 2023 £000	<i>Group 2022 £000</i>
Trade debtors	1,738	1,371
Amounts owed by group undertakings	-	2,780
Other debtors	2,578	3,329
Prepayments and accrued income	86	67
Deferred taxation (see note 22)	1,833	2,505
	<u>6,235</u>	<u>10,052</u>

Amounts owed by related parties are non-interest bearing and are repayable on demand.

17. Cash and cash equivalents

	Group 2023 £000	<i>Group 2022 £000</i>
Cash at bank and in hand	22,859	7,946
	<u>22,859</u>	<u>7,946</u>

18. Creditors: Amounts falling due within one year

	Group 2023 £000	<i>Group 2022 £000</i>
Bank loans	9,418	934
Trade creditors	2,661	2,408
Amounts owed to related parties	182	-
Amounts owed to associates	288	-
Corporation tax	-	232
Other taxation and social security	2,485	463
Other creditors	632	240
Accruals and deferred income	5,922	5,376
	<u>21,588</u>	<u>9,653</u>

Amounts owed to related parties are non-interest bearing and are repayable on demand.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: amounts due after more than one year

	2023	<i>2022</i>
	£000	<i>£000</i>
Group		
Bank loans	20,388	<i>28,611</i>
	<u>20,388</u>	<u><i>28,611</i></u>
	<u>20,388</u>	<u><i>28,611</i></u>

Analysis of bank loans:

	2023	<i>2022</i>
	£000	<i>£000</i>
Fixed interest loans	20,385	<i>19,758</i>
Variable interest loans	9,418	<i>9,788</i>
	<u>29,803</u>	<u><i>29,546</i></u>
	<u>29,803</u>	<u><i>29,546</i></u>

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Total secured borrowing, all repayable by installments:

	2023	<i>2022</i>
	£000	<i>£000</i>
Group		
In 1 year or less on demand - bank	9,418	<i>934</i>
Between 1 - 2 years - bank loans	20,385	<i>9,788</i>
Between 2 - 5 years - bank loans	-	<i>18,824</i>
	29,803	<i>29,546</i>

Each loan is secured by fixed and floating charge over the freehold and leasehold properties and other assets of the individual trading subsidiaries, which have a net book value of £94,671,000 (2022: £79,949,811). Various interest rate swaps have been put in place on these loans.

United Kingdom

The group refinanced the business with a new loan and additional group facilities of £6,000,000 which is all fully repayable in 1 to 2 years after the balance sheet date

European

The main conditions regarding the long-term loans were as follows:

Interest rates on the loan facility is fixed at 1.6%, throughout the entire term; the redemption of loan facility is 4% per annum, EUR 280,000 per quarter;

The European loans have a termination date in January 2024.

20. Financial instruments

	Group	<i>Group</i>
	2023	<i>2022</i>
	£000	<i>£000</i>
Financial assets		
Assets measured at cost less impairment	22,859	<i>7,946</i>

Derivative financial instruments

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Deferred taxation**Group**

	2023	<i>2022</i>
	£000	<i>£000</i>
At beginning of year	(249)	<i>(378)</i>
Charged to profit or loss	(571)	<i>129</i>
At end of year	(820)	<i>(249)</i>

	Group	<i>Group</i>	Company	<i>Company</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Accelerated capital allowances	(820)	<i>(1,156)</i>	-	-
Tax losses carried forward	-	<i>907</i>	-	-
	(820)	<i>(249)</i>	-	-
Comprising:				
Asset - due within one year	1,833	<i>2,505</i>	-	-
Liability	(2,653)	<i>(2,754)</i>	-	-
	(820)	<i>(249)</i>	-	-

22. Share capital

	2023	<i>2022</i>
	£	<i>£</i>
Authorised, allotted, called up and fully paid		
1,222,956 (2022 - 1,222,956) Class A ordinary shares of £0.10 each	122,296	<i>122,296</i>
232,940 (2022 - 232,940) Class B ordinary shares of £0.10 each	23,294	<i>23,294</i>
	145,590	<i>145,590</i>

Holders of Ordinary A shares have full voting rights. Holders of 8 shares have restricted voting rights. In all other regards, the shares rank pari passu.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Reserves**Revaluation reserve**

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

Merger Reserve

The merger reserve comprises the differences between consideration and book value which arose on the restructuring of the group.

24. Contingent liabilities

The company is a party to the bank overdraft and bank loans of other group and related party companies. At the balance sheet date these totalled £15,482,500 (2022: £16,427,500).

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £588,562 (2022: £504,791). Contributions totalling £3,844 (2022: £1,185) were payable to the fund at the balance sheet date.

26. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	<i>Group 2022 £000</i>
Not later than 1 year	615	560
Later than 1 year and not later than 5 years	2,459	2,240
Later than 5 years	39,966	36,408
	43,040	39,208

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Related party transactions

The group's trading transactions during the year with these related parties were as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
The Foundation Group of Companies	(1,380)	<i>(1,105)</i>
Glendola Leisure Holdings Limited	127	<i>(16)</i>
	<u>(1,253)</u>	<i><u>(1,121)</u></i>

28. Correction of errors

Restatement in prior year is in relation to specific tangible fixed assets, measured under the cost model, that were not reduced by depreciation and therefore incorrectly reported in the consolidated financial statements as these assets are no longer in use. This is not in conformity with the relevant standards where acquisition costs should be reduced by depreciation. The identified error, therefore, resulted in the correction in the comparative figures. This correction was made in the group's foreign subsidiary.

The group's aggregate balances with related parties were as follows:

	2023	2022
	£000	£000
Amounts due from/(owed to) related undertakings		
Glendola Leisure (Holdings) Limited	(288)	2,779
Hotel Management International Limited	-	1
	<u>(288)</u>	<u>2,780</u>

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to £400,000 (2022: £2,372,000).

29. Post balance sheet events

The directors have concluded that no other material events have occurred since the date of approval of these financial statements that would affect the financial statements of the Group.

On 19 June 2023 the Group acquired the shares in a 68 room hotel in Antwerp.

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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30. Controlling party

The immediate and ultimate controlling party is PN Salussolia, being the major shareholder.