Registered number: 04324021

# HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2024

## HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

## COMPANY INFORMATION

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

HOTEL MANAGEMENT INTERNATIONAL (HOLDINGS) LIMITED

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# GROUP STRATEGIC REPORT
# FOR THE YEAR ENDED 31 MARCH 2024

## 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 13 of the financial statements. The group has had an extremely strong performance with an increase in turnover of 12.7% and an increase in profit before tax of 17.7%. The group acquired The Banks Hotel in Antwerp in June 2023 and has been updating and integrating its operations into the group.

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 group has sought to reinvest back into its properties and ensure it has a sound financial footing for future eventualities. The group net debt to EBITDA ratio remains below one.

## 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. 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.

**Financial key performance indicators**

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

| | 2024 £000 | 2023 £000 | Movement £000 | % |
|---|---|---|---|---|
| Turnover | **59,949** | **53,203** | **6,746** | **12.7** |
| Operating profit | **11,963** | **10,482** | **1,481** | **14.1** |
| Profit before taxation | **11,524** | **9,789** | **1,735** | **17.7** |
| EBITDA | **18,337** | **14,595** | **3,742** | **25.6** |
| Net Debt: EBITDA | **.71** | **0.5** | **.22** | **44.0** |

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 in January 2024 for a 3 year period with a 2 year optional extension.

The mainland European businesses are financed by a six year loan which runs until April 2030.

**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 2024.

**Health and safety**

Health and Safety is at the core of our business. The Health and Safety Strategy (H&S Strategy) supports the strategic and operational management of the group and looks to go beyond the traditional role of preventing harm. The H&S Strategy commits the group to continually improve the health and safety environment for its staff and customers. The H&S Strategy is not just about achieving compliance, but will assist in realising:

- Efficient, proactive and pragmatic ways of keeping all our staff, customers, sub-contractors and visitors safe.
- A robust health and safety culture across the group.

The H&S Strategy describes in broad terms what our approach to health and safety is and what we intend to do which is closely monitored and tested unit by unit and updated on a regular basis.

**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.

**GDPR**

The Board believes that the group has robust data protection procedures in place. However, this is an ever more complex area and the group continually reviews and upgrades its defences against attack. In addition to its in house team the Directors engage external consultants to ensure that the group is compliant with relevant legislation.

The group continues to evaluate its data security policies and procedures in accordance with GDPR regulations.The Board believes that the group has robust data protection procedures in place. However, this is an ever more complex area and the group continually reviews and upgrades its defences against attack. In addition to its in house team the Directors engage external consultants to ensure that the group is compliant with relevant legislation.

The group continues to evaluate its data security policies and procedures in accordance with GDPR regulations.

**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.

**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.

**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 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.

**GROUP STRATEGIC REPORT (CONTINUED)**
**FOR THE YEAR ENDED 31 MARCH 2024**

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

G Ramsay

**G J Ramsay, FCA**
Director
Date: 11/12/24

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

**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 £8,476,000 *(2023 - £8,012,000 )*.

The Group paid dividends for the year ended 31 March 2024 amounting to £300,000 (2023: £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.

**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.

**Engagement with suppliers, customers and others**

The directors recognize the importance of fostering strong and mutually beneficial relationships with the company's suppliers, customers, and other key stakeholders. During the financial year, the board has actively considered these relationships in its decision-making to ensure the long-term success of the company.

In managing relationships with suppliers, the company has prioritized fair and transparent practices, timely payments, and collaboration to maintain a resilient supply chain. Regular engagement and monitoring of supplier performance have ensured compliance with ethical and sustainability standards, contributing to operational efficiency and risk mitigation.

Regarding customers, the company has focused on delivering value and maintaining high levels of satisfaction. Investments have been made in improving product/service quality, customer support systems, and adapting offerings to meet changing market demands. Feedback mechanisms have been strengthened to better understand customer needs and enhance loyalty.

The directors have also acknowledged the role of other stakeholders, such as regulators, local communities, and employees, in fostering a supportive environment for the business. Active engagement with these groups has informed decisions around regulatory compliance, corporate responsibility initiatives, and workforce development.

Effect of this Regard on Principal Decisions

The board's focus on these relationships has directly influenced several principal decisions during the year, including:

- Supply chain adjustments to improve resilience and sustainability, ensuring long-term value creation.
- Product/service enhancements informed by customer insights, resulting in increased competitiveness in the market.
- Stakeholder-led strategic investments in employee development and community programs, reinforcing the company's social license to operate.

These actions reflect the directors' commitment to the company's purpose, values, and long-term growth, aligning with their duty to promote the success of the company for the benefit of all stakeholders.

**Future developments**

Glendola Leisure (Holdings) Limited and Hotel Management International (Holdings) Limited are collaborating on a major hotel and bar development project in Belfast. The project is at the pre-planning stage and it is anticipated that it will take a number of years to come to fruition.

### Greenhouse gas emissions, energy consumption and energy efficiency action

During the year the Group commissioned The Zero Carbon Forum a non-profit organisation, who empowers its members to reach sustainability targets with more speed and efficiency through a united effort.

The initial gathering of relevant information required to compile a report on Scope 1, 2 and 3 emissions was completed. The initial report was produced for the year ended March 2023 from which various steps have been taken in assisting the Group reduce emissions.

The Group is currently working with and awaiting its report for the year ended March 2024.

### Dual reporting methodology

| Emission type | CO2e tonnes (Dual Reporting Methodology) | | |
|---|---|---|---|
| | Location-based | Market-based (supplier specific) | Var. % |
| **Scope 1: Operation of Facilities** | N/A | N/A | N/A |
| **Scope 1: Combustion** | 1,134 | 1,134 | 0.0% |
| **TOTAL Scope 1** | **1,134** | **1,134** | **0.0%** |
| **Scope 2: Purchased Energy** | 906 | 979 | 8.1% |
| **TOTAL Scope 2** | **906** | **979** | **8.1%** |
| **Scope 3: Indirect Energy use** | 8,650 | 8,650 | 0.0% |
| **TOTAL Scope 3** | **8,650** | **8,650** | **0.0%** |
| **Total** | **10,690** | **10,763** | **0.6%** |

### Energy efficiency actions

As a result of the report the Group formed an internal working group to assist with the various tasks in achieving reduced emissions. It has also sought the services of an external organisation to assist it in compiling a sustainable energy reduction strategy plan which it hopes to have completed by March 2025.

In October 2024 the Group commenced purchasing its electricity supply from renewable sources for its UK operations.

### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

### 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.

**DIRECTORS' REPORT (CONTINUED)**
**FOR THE YEAR ENDED 31 MARCH 2024**

**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.

G.Ramsay

**G J Ramsay, FCA**
Director

Date: 11/12/24

## 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 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the 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 2024 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.

**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.

**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.

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

### 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 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.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequence of non compliance could have a material effect on amounts or disclosures in the financial statements, for instance the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety including data protection laws, employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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.

## 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.

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: 11/12/24

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 MARCH 2024

| | Note | 2024 £000 | 2023 £000 |
|---|---|---|---|
| Turnover | 4 | 59,949 | 53,203 |
| Cost of sales | | (6,267) | (5,560) |
| **Gross profit** | | 53,682 | 47,643 |
| Administrative expenses | | (41,959) | (37,434) |
| Other operating income | 5 | 240 | 273 |
| **Operating profit** | 6 | 11,963 | 10,482 |
| Interest receivable and similar income | 10 | 418 | 75 |
| Interest payable and similar expenses | 11 | (857) | (768) |
| **Profit before taxation** | | 11,524 | 9,789 |
| Tax on profit | 12 | (3,048) | (1,777) |
| **Profit for the financial year** | | 8,476 | 8,012 |
| Unrealised (deficit) on revaluation of tangible fixed assets | | (40) | - |
| Effective portion of changes in fair value of cash flow hedges | | 1,318 | (1,708) |
| **Other comprehensive income for the year** | | 1,278 | (1,708) |
| **Total comprehensive income for the year** | | 9,754 | 6,304 |
| **Profit for the year attributable to:** | | | |
| Owners of the parent Company | | 8,476 | 8,012 |
| | | 8,476 | 8,012 |
| **Total comprehensive income for the year attributable to:** | | | |
| Owners of the parent Company | | 9,754 | 6,304 |
| | | 9,754 | 6,304 |

The notes on pages 24 to 47 form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 31 MARCH 2024

| | Note | | 2024 £000 | | 2023 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 13 | | **1,359** | | - |
| Tangible assets | 14 | | **103,754** | | 94,671 |
| | | | **105,113** | | 94,671 |
| **Current assets** | | | | | |
| Stocks | 16 | **432** | | 385 | |
| Debtors: amounts falling due within one year | 17 | **5,340** | | 6,235 | |
| Cash at bank and in hand | 18 | **17,283** | | 22,859 | |
| | | **23,055** | | 29,479 | |
| Creditors: amounts falling due within one year | 19 | **(10,922)** | | (21,588) | |
| **Net current assets** | | | **12,133** | | 7,891 |
| **Total assets less current liabilities** | | | **117,246** | | 102,562 |
| Creditors: amounts falling due after more than one year | 20 | | **(25,606)** | | (20,388) |
| **Provisions for liabilities** | | | | | |
| Deferred taxation | 21 | **(2,665)** | | (2,653) | |
| | | | **(2,665)** | | (2,653) |
| **Net assets** | | | **88,975** | | 79,521 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
## AS AT 31 MARCH 2024

| | Note | 2024 £000 | 2023 £000 |
|---|---|---|---|
| **Capital and reserves** | | | |
| Called up share capital | 22 | **146** | *146* |
| Revaluation reserve | 23 | **302** | *342* |
| Merger reserve | 23 | **(232)** | *(232)* |
| Profit and loss account | 23 | **88,759** | *79,265* |
| **Equity attributable to owners of the parent Company** | | **88,975** | *79,521* |
| | | **88,975** | *79,521* |

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

G J Ramsay

**G J Ramsay, FCA**
Director

Date: 11/12/24

The notes on pages 24 to 47 form part of these financial statements.

## COMPANY STATEMENT OF FINANCIAL POSITION
## AS AT 31 MARCH 2024

| | Note | | 2024 £000 | | 2023 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Investments | 15 | | **90,921** | | *83,659* |
| | | | **90,921** | | *83,659* |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 17 | **700** | | - | |
| | | **700** | | - | |
| **Total assets less current liabilities** | | | **91,621** | | *83,659* |
| **Net assets excluding pension asset** | | | **91,621** | | *83,659* |
| **Net assets** | | | **91,621** | | *83,659* |
| **Capital and reserves** | | | | | |
| Called up share capital | 22 | | **146** | | *146* |
| Revaluation reserve | 23 | | **88,864** | | *81,602* |
| Profit and loss account brought forward | 23 | **1,911** | | *1,911* | |
| Profit for the year | | **1,000** | | - | |
| Other changes in the profit and loss account | | **(300)** | | - | |
| Profit and loss account carried forward | | | **2,611** | | *1,911* |
| | | | **91,621** | | *83,659* |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
11/12/24

**G J Ramsay, FCA**
Director

The notes on pages 24 to 47 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2024

| | Called up share capital | Revaluation reserve | Merger reserve | Profit and loss account | Total equity |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| At 1 April 2023 | 146 | 342 | (232) | 79,265 | 79,521 |
| **Comprehensive income for the year** | | | | | |
| Profit for the year | - | - | - | 8,476 | 8,476 |
| Currency translation differences | - | - | - | 1,318 | 1,318 |
| Difference between historical cost depreciation charge and actual | - | (40) | - | - | (40) |
| **Total comprehensive income for the year** | - | (40) | - | 9,794 | 9,754 |
| **Contributions by and distributions to owners** | | | | | |
| Dividends: Equity capital | - | - | - | (300) | (300) |
| **At 31 March 2024** | 146 | 302 | (232) | 88,759 | 88,975 |

The notes on pages 24 to 47 form part of these financial statements.

## 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** | | | | | |
| Loss for the year | - | - | - | 8,012 | 8,012 |
| Foreign exchange differences on translation of subsidiary undertakings | - | - | - | (1,708) | (1,708) |
| Difference between historical cost depreciation charge and actual | - | (39) | - | 39 | - |
| **Total comprehensive income for the year** | - | (39) | - | 6,343 | 6,304 |
| **At 31 March 2023** | 146 | 342 | (232) | 79,265 | 79,521 |

The notes on pages 24 to 47 form part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2024

| | Called up share capital | Revaluation reserve | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| At 1 April 2023 | 146 | 81,602 | 1,911 | 83,659 |
| **Comprehensive income for the year** | | | | |
| Profit for the year | - | - | 1,000 | 1,000 |
| Surplus on revaluation of other fixed assets | - | 7,262 | - | 7,262 |
| **Total comprehensive income for the year** | - | 7,262 | 1,000 | 8,262 |
| **Contributions by and distributions to owners** | | | | |
| Dividends: Equity capital | - | - | (300) | (300) |
| **At 31 March 2024** | 146 | 88,864 | 2,611 | 91,621 |

The notes on pages 24 to 47 form part of these financial statements.

## 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 |
| Surplus on revaluation of other fixed assets | - | 8,933 | - | 8,933 |
| **At 31 March 2023** | 146 | 81,602 | 1,911 | 83,659 |

The notes on pages 24 to 47 form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2024

| | 2024<br>£000 | 2023<br>£000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit for the financial year | 8,476 | 8,012 |
| **Adjustments for:** | | |
| Amortisation of intangible assets | 113 | - |
| Depreciation of tangible assets | 6,261 | 4,152 |
| Government grants | - | (144) |
| Interest paid | 857 | 768 |
| Interest received | (418) | (75) |
| Taxation charge | 3,048 | 1,073 |
| (Increase) in stocks | (47) | (91) |
| Decrease in debtors | 750 | 456 |
| (Increase)/decrease in amounts owed by groups | (1,622) | 2,780 |
| (Decrease)/increase in creditors | (2,276) | 1,454 |
| (Decrease)/increase in amounts owed to groups | (182) | 182 |
| (Decrease)/increase in amounts owed to associates | (288) | 288 |
| Corporation tax (paid)/received | (2,819) | 16 |
| **Net cash generated from operating activities** | 11,853 | 18,871 |
| **Cash flows from investing activities** | | |
| Purchase of tangible fixed assets | (5,516) | (3,670) |
| Government grants received | - | 144 |
| Purchase of fixed asset investments | (7,565) | - |
| Interest received | 418 | 75 |
| **Net cash from investing activities** | (12,663) | (3,451) |
| **Cash flows from financing activities** | | |
| New secured loans | (23,374) | 261 |
| Repayment of loans | 19,765 | - |
| Dividends paid | (300) | - |
| Interest paid | (857) | (768) |
| **Net cash used in financing activities** | (4,766) | (507) |
| **Net (decrease)/increase in cash and cash equivalents** | (5,576) | 14,913 |
| Cash and cash equivalents at beginning of year | 22,859 | 7,946 |
| **Cash and cash equivalents at the end of year** | 17,283 | 22,859 |

**Cash and cash equivalents at the end of year comprise:**

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
## FOR THE YEAR ENDED 31 MARCH 2024

| | 2024<br>£000 | *2023*<br>*£000* |
|---|---|---|
| Cash at bank and in hand | **17,283** | *22,859* |
| | **17,283** | *22,859* |

The notes on pages 24 to 47 form part of these financial statements.

## 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 02.1 I 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

## 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 ING Bank. As of March 2024, the CHN Group has positive net current assets of €8,330,000 and the group has net current assets of £12,132,000. The UK Group successfully arranged new facilities and are disclosed in note 19. Furthermore, at the year end there are £5,000,000 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 infonnation 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.

**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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

## 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 reporting 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 reporting 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 reporting date.

### 2.13 Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Negative goodwill

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non- monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Amortisation

Negative goodwill is amortised on a straight line basis over the useful life of the asset it relates to. Goodwill has no residual value.

## 2. Accounting policies (continued)

### 2.14 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.

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 |
| 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.

## 2. Accounting policies (continued)

### 2.15 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.

### 2.16 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 reporting 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.

## 2. Accounting policies (continued)

### 2.17 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 reporting 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.

### 2.18 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.

### 2.19 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.

### 2.20 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.

### 2.21 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.

### 2.22 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

### 2.23 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

## 2. Accounting policies (continued)

### 2.23 Financial instruments (continued)

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**Financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

**2. Accounting policies (continued)**

**2.23 Financial instruments (continued)**

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Other financial instruments**

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

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:

(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

## 2. Accounting policies (continued)

### 2.23 Financial instruments (continued)

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:

| | **2024** | *2023* |
|---|---|---|
| | **£000** | *£000* |
| United Kingdom | **7,804** | *6,338* |
| Rest of Europe | **52,145** | *46,865* |
| | **59,949** | *53,203* |

## 5. Other operating income

| | 2024 £000 | 2023 £000 |
|---|---|---|
| Other operating income | 240 | 129 |
| Government grants receivable | - | 144 |
| | 240 | 273 |

## 6. Operating profit

The operating profit is stated after charging:

| | 2024 £000 | 2023 £000 |
|---|---|---|
| Depreciation | 6,261 | 4,113 |
| Amortisation | 113 | - |
| Exchange differences | 48 | - |
| Hire of other assets - operating leases | 643 | 423 |

## 7. Auditors' remuneration

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

| | 2024 £000 | 2023 £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 |

## 8. Employees

| | Group 2024 £000 | As restated Group *2023* *£000* |
|---|---|---|
| Wages and salaries | **14,518** | *12,730* |
| Social security costs | **2,609** | *2,207* |
| Cost of defined contribution scheme | **663** | *589* |
| | **17,790** | *15,526* |

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

| | 2024 No. | *2023* *No.* |
|---|---|---|
| Management | **24** | *23* |
| Administration | **15** | *10* |
| Sales | **37** | *21* |
| Operational staff | **385** | *349* |
| | **461** | *403* |

## 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 £770,000 (2023: £400,000).

## 10. Interest receivable

| | 2024 £000 | *2023* *£000* |
|---|---|---|
| Other interest receivable | **418** | *75* |
| | **418** | *75* |

## 11. Interest payable and similar expenses

| | 2024 £000 | 2023 £000 |
|---|---|---|
| On bank loans, overdrafts and hedging instruments | 857 | 768 |
| | 857 | 768 |

## 12. Taxation

| | 2024 £000 | 2023 £000 |
|---|---|---|
| **Corporation tax** | | |
| Current tax on profits for the year | 2,520 | 505 |
| Adjustments in respect of previous periods | - | (4) |
| | 2,520 | 501 |
| **Total current tax** | 2,520 | 501 |
| **Deferred tax** | | |
| Origination and reversal of timing differences | 528 | 1,276 |
| **Total deferred tax** | 528 | 1,276 |
| **Taxation on profit on ordinary activities** | 3,048 | 1,777 |

## 12. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 25% *(2023 - 19%)*. The differences are explained below:

| | 2024 £000 | *2023 £000* |
|---|---|---|
| Profit on ordinary activities before tax | **11,524** | *9,789* |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%) | **2,881** | *1,860* |
| **Effects of:** | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | **2** | *(1)* |
| Effect of difference in tax in different tax jurisdictions | **386** | *397* |
| Fixed asset differences | **27** | *(156)* |
| Elimination tax effect | **79** | *190* |
| Adjustments to tax charge in respect of prior periods | **-** | *(4)* |
| Exempt ABGH distributions | **(328)** | *-* |
| Other deffered tax differences | **-** | *(351)* |
| Movement in deferred tax not recognised | **1** | *(158)* |
| **Total tax charge for the year** | **3,048** | *1,777* |

### Factors that may affect future tax charges

There were no factors that may affect future tax charges. (2023: 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%.)

## 13. Intangible assets

**Group**

| | Goodwill £000 |
|---|---|
| **Cost** | |
| On acquisition of subsidiaries | 1,483 |
| Foreign exchange movement | (14) |
| At 31 March 2024 | 1,469 |
| **Amortisation** | |
| Charge for the year on owned assets | 111 |
| Foreign exchange movement | (1) |
| At 31 March 2024 | 110 |
| **Net book value** | |
| At 31 March 2024 | 1,359 |
| *At 31 March 2023* | - |

## 14. Tangible fixed assets

### Group

| | Freehold property £000 | Long-term leasehold property £000 | Office equipment £000 | Total £000 |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 April 2023 | 93,582 | 3,652 | 42,001 | 139,235 |
| Additions | 303 | - | 5,213 | 5,516 |
| Acquisition of subsidiary | 7,035 | - | 15 | 7,050 |
| Exchange adjustments | (1,801) | (94) | (1,046) | (2,941) |
| At 31 March 2024 | 99,119 | 3,558 | 46,183 | 148,860 |
| **Depreciation** | | | | |
| At 1 April 2023 | 15,199 | 2,821 | 26,544 | 44,564 |
| Charge for the year on owned assets | 2,580 | 108 | 3,575 | 6,263 |
| Exchange adjustments | (4,945) | (74) | (702) | (5,721) |
| At 31 March 2024 | 12,834 | 2,855 | 29,417 | 45,106 |
| **Net book value** | | | | |
| At 31 March 2024 | 86,285 | 703 | 16,766 | 103,754 |
| *At 31 March 2023* | *78,383* | *831* | *15,457* | *94,671* |

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

| | 2024 £000 | *2023 £000* |
|---|---|---|
| Freehold | 86,285 | *78,383* |
| Long leasehold | 703 | *831* |
| | 86,988 | *79,214* |

## 15. Fixed asset investments

**Company**

| | Investments in subsidiary companies £000 |
|---|---|
| **Cost or valuation** | |
| At 1 April 2023 | **83,658** |
| Revaluations | **7,263** |
| At 31 March 2024 | **90,921** |

| | 2024 £000 | *2023 £000* |
|---|---|---|
| **Comprising** | | |
| Cost | **233** | *233* |
| Valuation | **90,688** | *83,426* |
| | **90,921** | *83,659* |

## 15. 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 + Superacco Beheer BV + HUP 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% |
| Busszi NV + | Steenhouwersvest 55, 2000 Antwerp | Hoteliers | Ordinary | 100% |
| Hotel Banks NV | Steenhouwersvest 55, 2000 Antwerp | Hoteliers | Ordinary | 99.99% |

* 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.

## 16. Stocks

| | **Group 2024 £000** | *Group 2023 £000* |
|---|---|---|
| Finished goods and goods for resale | **432** | *385* |
| | **432** | *385* |

## 17. Debtors

| | Group 2024 £000 | *Group 2023 £000* | Company 2024 £000 | *Company 2023 £000* |
|---|---|---|---|---|
| Trade debtors | 2,084 | *1,738* | - | - |
| Amounts owed by related parties | 1,622 | - | 700 | - |
| Other debtors | 1,470 | *2,578* | - | - |
| Prepayments and accrued income | 99 | *86* | - | - |
| Other taxes and social security | 65 | - | - | - |
| Deferred taxation (see note 22) | - | *1,833* | - | - |
| | **5,340** | *6,235* | **700** | - |

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

## 18. Cash and cash equivalents

| | Group 2024 £000 | *Group 2023 £000* |
|---|---|---|
| Cash at bank and in hand | 17,283 | *22,859* |
| | **17,283** | *22,859* |

## 19. Creditors: Amounts falling due within one year

| | Group 2024 £000 | *Group 2023 £000* |
|---|---|---|
| Bank loans | **102** | *9,418* |
| Trade creditors | **2,775** | *2,661* |
| Amounts owed to related parties | - | *182* |
| Amounts owed to associates | - | *288* |
| Corporation tax | **837** | - |
| Other taxation and social security | **981** | *2,485* |
| Other creditors | **621** | *978* |
| Accruals and deferred income | **5,606** | *5,576* |
| | **10,922** | *21,588* |

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

There is no interest charged on the balance owed to group undertakings and it is repayable on demand.

Barclays Bank Plc hold a fixed and floating charge over the property and undertakings of the company.

## 20. Creditors: Amounts falling due after more than one year

| | 2024 £000 | *2023 £000* |
|---|---|---|
| **Group** | | |
| Bank loans | **25,606** | *20,388* |
| | **25,606** | *20,388* |

Analysis of bank loans:

| | 2024 £000 | *2023 £000* |
|---|---|---|
| Fixed interest loans | - | *20,388* |
| Variable interest loans | **25,606** | *9,418* |
| | **25,606** | *29,806* |

Total secured borrowing, all repayable by installments:

| | 2024 £000 | *2023 £000* |
|---|---|---|
| **Group** | | |
| In 1 year or less on demand - bank | - | *9,418* |
| Between 1 - 2 years - bank loans | **6,003** | *20,388* |
| Between 2 - 5 years - bank loans | **19,603** | - |
| | **25,606** | *29,806* |

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 £68,609,000 (2023: £67,120,000). 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 £5,000,000 which expire in 2027, with the option to extend for two years.

European

The main conditions regarding the long-term loans were as follows:
Interest rates on the loan facility is variable (three-month EURIBOR increased with a margin), throughout the entire term; no repayment of the loan during the loan term; the interest rate for the overdraft facility is the average one-month EURIBOR rate, increased with a margin; overdraft facility is EUR 2 million.

The European loans have a termination date in April 2030.

## 21. Deferred taxation

**Group**

| | 2024 £000 | *2023 £000* |
|---|---|---|
| At beginning of year | **(820)** | *(249)* |
| Charged to profit or loss | **(528)** | *(571)* |
| Effect of translation in reporting currency | **12** | - |
| Arising on business combinations | **(1,329)** | - |
| **At end of year** | **(2,665)** | *(820)* |

## 21. Deferred taxation (continued)

| | Group 2024 £000 | Group 2023 £000 | Company 2024 £000 | Company 2023 £000 |
|---|---|---|---|---|
| Accelerated capital allowances | **(2,665)** | *(820)* | **-** | - |
| | **(2,665)** | *(820)* | **-** | - |
| **Comprising:** | | | | |
| Asset - due within one year | **-** | *1,833* | **-** | - |
| Liability | **(2,665)** | *(2,653)* | **-** | - |
| | **(2,665)** | *(820)* | **-** | - |

## 22. Share capital

| | 2024 £ | 2023 £ |
|---|---|---|
| **Authorised, allotted, called up and fully paid** | | |
| 1,222,960 *(2023 - 1,222,960)* Class A ordinary shares of £0.10 each | **122,296** | *122,296* |
| 232,940 *(2023 - 232,940)* Class B ordinary shares of £0.10 each | **23,294** | *23,294* |
| | **145,590** | *145,590* |

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.

## 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. Prior year adjustment

Further to a review of the reported staff costs, it was identified that staff costs were misclassified within administrative costs in the prior reporting period. (See note 8) The overall impact on opening reserves was £Nil.

## 25. Contingent liabilities

As at 30 March 2024, the company and its related parties (together 'the group') had facilities of £23,500,000 (2023: £26,400,000).

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 £12,395,000 (2023: £15,482,500).

## 26. 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 £663,137 (2023: £588,562). Contributions totalling £3,933 (2023: £3,844) were payable to the fund at the balance sheet date.

## 27. 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 2024 £000** | *Group 2023 £000* |
|---|---|---|
| Not later than 1 year | **630** | *615* |
| Later than 1 year and not later than 5 years | **2,518** | *2,459* |
| Later than 5 years | **39,661** | *39,966* |
| | **42,809** | *43,040* |

## 28. Related party transactions

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

| | **2024 £000** | *2023 £000* |
|---|---|---|
| The Foundation Group of Companies | **(1,300)** | *(1,380)* |
| Glendola Leisure Holdings Limited | **103** | *127* |
| | **(1,197)** | *(1,253)* |

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

| | 2024 £000 | 2023 £000 |
|---|---|---|
| **Amounts due from/(owed to) related undertakings** | | |
| Glendola Leisure (Holdings) Limited | **1,501** | **(288)** |
| Other related parties | **121** | **(182)** |
| | **1,622** | **(470)** |

Total compensation of key management personnel (including the directors) in the year amounted to £560,000 (2023: £400,000).

## 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.

## 30. Controlling party

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