

Company registration number 10479395 (England and Wales)

**ST MICHAEL'S FALMOUTH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# ST MICHAEL'S FALMOUTH LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	JSH Houlston Mr NJ Carpenter
<b>Company number</b>	10479395
<b>Registered office</b>	St Michael's Hotel & Spa Gyllyngvase Beach FALMOUTH Cornwall TR11 4NB
<b>Auditor</b>	RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP

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# ST MICHAEL'S FALMOUTH LIMITED

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# ST MICHAEL'S FALMOUTH LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present the strategic report for the year ended 31 March 2022.

#### **Fair review of the business**

This review covers the performance of the group for the period 1 April 2021 to 31 March 2022.

The Group recorded turnover in the year of £8.58 million (2021: £3.11m), which represented a 176% increase compared to the year ended 31 March 2021.

The group produced a profit before tax in the year to 31 March 2022 of £681k (2021: loss of £1.40 million). Although the Resort was forced to close in the prior year, it continued to incur significant expenses such as rent and loan interest.

#### **Going Concern**

St Michaels is currently in a strong position with significant sales growth across all departments, and continued investment in our product.

The focus, as always, remains on cost efficiencies and driving future growth which the Directors are confident in achieving.

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

The group currently faces various key risks.

- The effect of general economic climate both in the UK and overseas and the new world post COVID
- Effects of Brexit on recruitment
- Access to finance and compliance with loan covenants
- Inflation specifically with rising food, staff and utility costs

Management continually monitors and acts swiftly and appropriately to reduce the impact of any risks.

#### **Development and performance**

##### ***Domestic Holidays***

The core hotel business has remained strong this year with occupancy levels remaining high. Significant growth in the Spa and Health Club facilities have helped to establish St Michaels as a dominant competitor in the South West, plus this year saw the opening of the Liner Apartments which brings in an additional revenue stream.

##### ***Efficiency***

The gross profit margin increased from 52% to 56% in 2021-22 due to continued focus on procurement and staffing.

#### **Key performance indicators**

The company uses various key performance indicators (KPIs) to analyse performance on a monthly and annual basis including turnover, occupancy and revenue per room.

#### **Group Structure**

St Michael's Falmouth Limited has a wholly owned subsidiary, St Michael's Crew Limited.

On behalf of the board

Mr NJ Carpenter

**Director**

22 December 2022

# **ST MICHAEL'S FALMOUTH LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors present their annual report and financial statements for the year ended 31 March 2022.

### **Principal activities**

The principal activity of the company and group continued to be that of running a hotel.

### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

JSH Houlston  
Mr NJ Carpenter

### **Auditor**

In accordance with the company's articles, a resolution proposing that RRL LLP be reappointed as auditor of the group will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr NJ Carpenter  
**Director**

22 December 2022

## **ST MICHAEL'S FALMOUTH LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# ST MICHAEL'S FALMOUTH LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ST MICHAEL'S FALMOUTH LIMITED

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#### Opinion

We have audited the financial statements of St Michael's Falmouth Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

We draw attention to the fact that included in liabilities are loans totalling £5.21 million which were due for repayment in January 2022 and a loan of £2.55m which is due for repayment in December 2022. The directors are in negotiation with the existing principal lender to refinance the loan facilities and this is expected to be completed in January 2023. The principal lender has confirmed that credit committee approval has been obtained to proceed with the refinance on either a three or five year loan term. The principal lender has also confirmed in writing that the existing loans will continue until the new loan is in place although the formal loan agreement had not been signed at the date the financial statements were approved. The lender for the £2.55m loan has confirmed in writing that this loan will not be repayable for at least 12 months following the date of the financial statements being approved, although again the formal loan agreement had not been signed at the date the financial statements were approved.

Should the lenders not renew or refinance the group's debt then the group would not be able to continue as a going concern as it would be unable to meet the loan repayments as they fall due. These financial statements have been prepared on the going concern basis on the understanding that the group has a good ongoing relationship with both lenders, negotiations are in hand and there is no evidence to suggest that the lenders will not renew the facilities required for the group to continue in business.

Our opinion is not modified in this respect.

# **ST MICHAEL'S FALMOUTH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ST MICHAEL'S FALMOUTH LIMITED**

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#### **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 and 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.

In our evaluation of the directors' conclusion, we considered the risks associated with the group's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **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 their environment obtained in the course of the audit, we have not identified material misstatements in the 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.



# **ST MICHAEL'S FALMOUTH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ST MICHAEL'S FALMOUTH LIMITED**

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#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate. We determined that the laws and regulations most significant to the company, as well as the laws and regulations that have a direct impact on the preparation of the financial statements are: the Companies Act 2006, Food hygiene standards, employment laws and regulations, GDPR and Health and Safety Legislation.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Discussion with management as to how compliance with these laws and regulations is monitored;
- Obtain a understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate;
- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of directors meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

## **ST MICHAEL'S FALMOUTH LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ST MICHAEL'S FALMOUTH LIMITED**

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##### **Use of our report**

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

**Joshua Stevens (Senior Statutory Auditor)**  
**For and on behalf of RRL LLP**

22 December 2022

**Chartered Accountants**  
**Statutory Auditor**

Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

# ST MICHAEL'S FALMOUTH LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	8,582,873	3,105,505
Cost of sales		(4,066,232)	(2,402,778)
<b>Gross profit</b>		<u>4,516,641</u>	<u>702,727</u>
Administrative expenses		(3,454,314)	(2,570,267)
Other operating income		143,079	971,518
<b>Operating profit/(loss)</b>	<b>4</b>	<u>1,205,406</u>	<u>(896,022)</u>
Interest payable and similar expenses	<b>7</b>	(524,771)	(505,050)
<b>Profit/(loss) before taxation</b>		<u>680,635</u>	<u>(1,401,072)</u>
Tax on profit/(loss)	<b>8</b>	-	-
<b>Profit/(loss) for the financial year</b>		<u>680,635</u>	<u>(1,401,072)</u>
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets		11,633,271	-
Tax relating to other comprehensive income		(2,210,321)	-
<b>Total comprehensive income for the year</b>		<u><u>10,103,585</u></u>	<u><u>(1,401,072)</u></u>

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# ST MICHAEL'S FALMOUTH LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9		7		7
Tangible assets	10		15,200,000		3,902,870
			<u>15,200,007</u>		<u>3,902,877</u>
<b>Current assets</b>					
Stocks	13	74,205		57,461	
Debtors	14	840,375		829,390	
Cash at bank and in hand		2,861,205		1,293,517	
		<u>3,775,785</u>		<u>2,180,368</u>	
<b>Creditors: amounts falling due within one year</b>	15	(11,300,583)		(3,661,942)	
<b>Net current liabilities</b>			<u>(7,524,798)</u>		<u>(1,481,574)</u>
<b>Total assets less current liabilities</b>			7,675,209		2,421,303
<b>Creditors: amounts falling due after more than one year</b>	16		(40,000)		(7,100,000)
<b>Provisions for liabilities</b>					
Deferred tax liability	18	2,210,321		-	
		<u>(2,210,321)</u>		<u>-</u>	
<b>Net assets/(liabilities)</b>			<u>5,424,888</u>		<u>(4,678,697)</u>
<b>Capital and reserves</b>					
Called up share capital	20		200		200
Revaluation reserve			9,422,950		-
Profit and loss reserves			(3,998,262)		(4,678,897)
<b>Total equity</b>			<u>5,424,888</u>		<u>(4,678,697)</u>

The financial statements were approved by the board of directors and authorised for issue on 22 December 2022 and are signed on its behalf by:

Mr NJ Carpenter  
Director

# ST MICHAEL'S FALMOUTH LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	9		7		7
Tangible assets	10		15,200,000		3,902,870
Investments	11		100		100
			<u>15,200,107</u>		<u>3,902,977</u>
<b>Current assets</b>					
Stocks	13	74,205		57,461	
Debtors	14	836,644		862,454	
Cash at bank and in hand		2,784,480		1,236,258	
		<u>3,695,329</u>		<u>2,156,173</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(11,236,442)</u>		<u>(3,654,062)</u>	
<b>Net current liabilities</b>			<u>(7,541,113)</u>		<u>(1,497,889)</u>
<b>Total assets less current liabilities</b>			<u>7,658,994</u>		<u>2,405,088</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(40,000)		(7,100,000)
<b>Provisions for liabilities</b>					
Deferred tax liability	18	2,210,321		-	
		<u>(2,210,321)</u>		<u>-</u>	
<b>Net assets/(liabilities)</b>			<u>5,408,673</u>		<u>(4,694,912)</u>
<b>Capital and reserves</b>					
Called up share capital	20		200		200
Revaluation reserve			9,422,950		-
Profit and loss reserves			<u>(4,014,477)</u>		<u>(4,695,112)</u>
<b>Total equity</b>			<u>5,408,673</u>		<u>(4,694,912)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £680,635 (2021 - £1,401,073 loss).

The financial statements were approved by the board of directors and authorised for issue on 22 December 2022 and are signed on its behalf by:

Mr NJ Carpenter  
Director

Company Registration No. 10479395

# ST MICHAEL'S FALMOUTH LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2020</b>	200	-	(3,277,825)	(3,277,625)
<b>Year ended 31 March 2021:</b>				
Loss and total comprehensive income for the year	-	-	(1,401,072)	(1,401,072)
<b>Balance at 31 March 2021</b>	200	-	(4,678,897)	(4,678,697)
<b>Year ended 31 March 2022:</b>				
Profit for the year	-	-	680,635	680,635
Other comprehensive income:				
Revaluation of tangible fixed assets	-	11,633,271	-	11,633,271
Tax relating to other comprehensive income	-	(2,210,321)	-	(2,210,321)
Total comprehensive income for the year	-	9,422,950	680,635	10,103,585
<b>Balance at 31 March 2022</b>	200	9,422,950	(3,998,262)	5,424,888

# ST MICHAEL'S FALMOUTH LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2020</b>	200	-	(3,294,040)	(3,293,840)
<b>Year ended 31 March 2021:</b>				
Loss and total comprehensive income for the year	-	-	(1,401,072)	(1,401,072)
<b>Balance at 31 March 2021</b>	200	-	(4,695,112)	(4,694,912)
<b>Year ended 31 March 2022:</b>				
Profit for the year	-	-	680,635	680,635
Other comprehensive income:				
Revaluation of tangible fixed assets	-	11,633,271	-	11,633,271
Tax relating to other comprehensive income	-	(2,210,321)	-	(2,210,321)
Total comprehensive income for the year	-	9,422,950	680,635	10,103,585
<b>Balance at 31 March 2022</b>	200	9,422,950	(4,014,477)	5,408,673

# ST MICHAEL'S FALMOUTH LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	2,106,271		982,600	
Interest paid		(524,771)		(505,050)	
<b>Net cash inflow from operating activities</b>		1,581,500		477,550	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(171,312)		(69,080)	
<b>Net cash used in investing activities</b>		(171,312)		(69,080)	
<b>Financing activities</b>					
Proceeds from borrowings		157,500		50,000	
<b>Net cash generated from financing activities</b>		157,500		50,000	
<b>Net increase in cash and cash equivalents</b>		1,567,688		458,470	
Cash and cash equivalents at beginning of year		1,293,517		835,047	
<b>Cash and cash equivalents at end of year</b>		2,861,205		1,293,517	



# ST MICHAEL'S FALMOUTH LIMITED

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	2,086,805		939,217	
Interest paid		(524,771)		(505,050)	
<b>Net cash inflow from operating activities</b>		1,562,034		434,167	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(171,312)		(69,080)	
<b>Net cash used in investing activities</b>		(171,312)		(69,080)	
<b>Financing activities</b>					
Proceeds from borrowings		157,500		50,000	
<b>Net cash generated from financing activities</b>		157,500		50,000	
<b>Net increase in cash and cash equivalents</b>		1,548,222		415,087	
Cash and cash equivalents at beginning of year		1,236,258		821,171	
<b>Cash and cash equivalents at end of year</b>		2,784,480		1,236,258	

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Company information**

St Michael's Falmouth Limited ("the company") is a private company limited by shares and domiciled and incorporated in England and Wales. The registered office is St Michael's Hotel & Spa, Gyllyngvase Beach, FALMOUTH, Cornwall, TR11 4NB.

The group consists of St Michael's Falmouth Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

#### **1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### **1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company St Michael's Falmouth Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.4 Going concern

These financial statements are prepared on the going concern basis. The directors believe that the group will continue to trade as a going concern based on their personal support and that of the shareholders and lenders.

We draw attention to the fact that included in liabilities are loans totalling £5.21 million which were due for repayment in January 2022 and a loan of £2.55m which is due for repayment in December 2022. The directors are in negotiation with the existing principal lender to refinance the loan facilities and this is expected to be completed in January 2023. The principal lender has confirmed that credit committee approval has been obtained to proceed with the refinance on either a three or five year loan term. The principal lender has also confirmed in writing that the existing loans will continue until the new loan is in place although the formal loan agreement had not been signed at the date the financial statements were approved. The lender for the £2.55m loan has confirmed in writing that this loan will not be repayable for at least 12 months following the date of the financial statements being approved, although again the formal loan agreement had not been signed at the date the financial statements were approved.

Should the lenders not renew or refinance the group's debt then the group would not be able to continue as a going concern as it would be unable to meet the loan repayments as they fall due. These financial statements have been prepared on the going concern basis on the understanding that the group has a good ongoing relationship with both lenders, negotiations are in hand and there is no evidence to suggest that the lenders will not renew the facilities required for the group to continue in business.

On this basis the directors believe that the financial statements should continue to be prepared on the going concern bases.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Other intangible asset	10 years
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#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	No depreciation
Fixtures and fittings	10 and 20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Leasehold land and buildings were revalued at 31 March 2022 by the directors. The directors based this on a high level desktop valuation carried out by a leading firm of real estate valuers and believe that it is a fair valuation of the long leasehold property given the length of the 125 year lease which expires in 2143.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

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

#### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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 considered to be relevant. Actual results may differ from these estimates.

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



# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Hotel	8,582,873	3,105,505
	<u>8,582,873</u>	<u>3,105,505</u>
	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
UK	8,582,873	3,105,505
	<u>8,582,873</u>	<u>3,105,505</u>
	2022	2021
	£	£
<b>Other revenue</b>		
Grants received	100,079	936,893
	<u>100,079</u>	<u>936,893</u>

### 4 Operating profit/(loss)

	2022	2021
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(100,079)	(936,893)
Depreciation of owned tangible fixed assets	507,453	225,690
Operating lease charges	998,711	776,039
	<u>998,711</u>	<u>776,039</u>

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5,600	5,250
Audit of the financial statements of the company's subsidiaries	1,400	1,300
	<u>7,000</u>	<u>6,550</u>
<b>For other services</b>		
All other non-audit services	8,340	6,600
	<u>8,340</u>	<u>6,600</u>

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
174	155	2	2

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,860,428	2,141,215	-	-
Social security costs	209,178	169,869	-	-
Pension costs	44,315	33,598	-	-
	3,113,921	2,344,682	-	-

### 7 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	49,541	52,780
<b>Other finance costs:</b>		
Other interest	475,230	452,270
Total finance costs	524,771	505,050

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Taxation

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit/(loss) before taxation	680,635	(1,401,072)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	129,321	(266,204)
Tax effect of expenses that are not deductible in determining taxable profit	409	916
Unutilised tax losses carried forward	(116,319)	323,652
Permanent capital allowances in excess of depreciation	(13,411)	(58,364)
Taxation charge	-	-

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on:		
Revaluation of property	2,210,321	-

The group has losses of £4,513,816 (2021: £5,129,620) available to carry forward against future trading profits.

### 9 Intangible fixed assets

Group	Other intangible asset
	£
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	7
<b>Amortisation and impairment</b>	
At 1 April 2021 and 31 March 2022	-
<b>Carrying amount</b>	
At 31 March 2022	7
At 31 March 2021	7

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 9 Intangible fixed assets (Continued)

Company	Other intangible asset
	£
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	7
<b>Amortisation and impairment</b>	
At 1 April 2021 and 31 March 2022	-
<b>Carrying amount</b>	
At 31 March 2022	7
At 31 March 2021	7

### 10 Tangible fixed assets

Group	Leasehold land and buildings	Fixtures and fittings	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2021	792,026	3,207,346	3,999,372
Additions	11,945	159,367	171,312
Disposals	-	(419,999)	(419,999)
Revaluation	11,633,271	-	11,633,271
At 31 March 2022	12,437,242	2,946,714	15,383,956
<b>Depreciation and impairment</b>			
At 1 April 2021	-	96,502	96,502
Depreciation charged in the year	-	507,453	507,453
Eliminated in respect of disposals	-	(419,999)	(419,999)
At 31 March 2022	-	183,956	183,956
<b>Carrying amount</b>			
At 31 March 2022	12,437,242	2,762,758	15,200,000
At 31 March 2021	792,026	3,110,844	3,902,870

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 10 Tangible fixed assets

(Continued)

Company	Leasehold land and buildings	Fixtures and fittings	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2021	792,026	3,207,346	3,999,372
Additions	11,945	159,367	171,312
Disposals	-	(419,999)	(419,999)
Revaluation	11,633,271	-	11,633,271
At 31 March 2022	12,437,242	2,946,714	15,383,956
<b>Depreciation and impairment</b>			
At 1 April 2021	-	96,502	96,502
Depreciation charged in the year	-	507,453	507,453
Eliminated in respect of disposals	-	(419,999)	(419,999)
At 31 March 2022	-	183,956	183,956
<b>Carrying amount</b>			
At 31 March 2022	12,437,242	2,762,758	15,200,000
At 31 March 2021	792,026	3,110,844	3,902,870

Leasehold land and buildings were revalued at 31 March 2022 by the directors. The directors based this on a high level desktop valuation carried out by a leading firm of real estate valuers and believe that it is a fair valuation of the long leasehold property given the length of the 125 year lease which expires in 2143.

If leasehold land and buildings had been included on a historical cost basis rather than at fair value basis, the amounts would have been included as follows:

	2022 £	2021 £
<b>Group</b>		
Cost	3,750,685	-
Accumulated depreciation	(183,956)	-
Carrying value	3,566,729	-

### 11 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	12	-	-	100	100

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 11 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
subsidiaries  
£

#### Cost or valuation

At 1 April 2021 and 31 March 2022

100

#### Carrying amount

At 31 March 2022

100

At 31 March 2021

100

### 12 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
St Michael's Crew Limited	England and Wales	Employment placement agency	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
St Michael's Crew Limited	16,315	-

### 13 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	74,205	57,461	74,205	57,461

### 14 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	169,131	21,486	169,131	21,486
Amounts owed by group undertakings	-	-	-	125,662
Other debtors	296,392	705,357	292,661	612,759
Prepayments and accrued income	374,852	102,547	374,852	102,547
	840,375	829,390	836,644	862,454

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 15 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Debenture loans	17	2,550,000	-	2,550,000	-
Other borrowings	17	5,221,938	554,438	5,221,938	554,438
Trade creditors		1,818,620	198,811	1,818,620	198,811
Amounts owed to group undertakings		-	-	22,823	-
Other taxation and social security		64,555	405,334	-	372,904
Other creditors		1,326,185	1,455,033	1,321,618	1,450,804
Accruals and deferred income		319,285	1,048,326	301,443	1,077,105
		<u>11,300,583</u>	<u>3,661,942</u>	<u>11,236,442</u>	<u>3,654,062</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Debenture loans	17	-	2,550,000	-	2,550,000
Other borrowings	17	40,000	4,550,000	40,000	4,550,000
		<u>40,000</u>	<u>7,100,000</u>	<u>40,000</u>	<u>7,100,000</u>

### 17 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Debenture loans	2,550,000	2,550,000	2,550,000	2,550,000
Other loans	5,261,938	5,104,438	5,261,938	5,104,438
	<u>7,811,938</u>	<u>7,654,438</u>	<u>7,811,938</u>	<u>7,654,438</u>
Payable within one year	7,771,938	554,438	7,771,938	554,438
Payable after one year	40,000	7,100,000	40,000	7,100,000

The loans are secured by a fixed and floating charge over all of the property or undertakings of the company.

The aggregate amount of borrowings which are secured is £7,761,938 (2021: £7,654,438)

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Group</b>		
Revaluations	2,210,321	-
	<u>2,210,321</u>	<u>-</u>
	Liabilities 2022 £	Liabilities 2021 £
<b>Company</b>		
Revaluations	2,210,321	-
	<u>2,210,321</u>	<u>-</u>
	Group 2022 £	Company 2022 £
<b>Movements in the year:</b>		
Asset at 1 April 2021	-	-
Other	2,210,321	2,210,321
	<u>2,210,321</u>	<u>2,210,321</u>
Liability at 31 March 2022	<u>2,210,321</u>	<u>2,210,321</u>

### 19 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	44,315	33,598
	<u>44,315</u>	<u>33,598</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 20 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of 10p each	1,000	1,000	100	100
Ordinary B shares of 10p each	1,000	1,000	100	100
	<u>2,000</u>	<u>2,000</u>	<u>200</u>	<u>200</u>



# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 20 Share capital

(Continued)

The holders of 'A' and 'B' ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

### 21 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, being a 125 year lease which commenced in 2018 and a 145 year lease which commenced in 2018, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	754,049	723,000	754,049	723,000
Between two and five years	3,016,196	2,892,000	3,016,196	2,892,000
In over five years	88,670,059	86,076,000	88,670,059	86,076,000
	<u>92,440,304</u>	<u>89,691,000</u>	<u>92,440,304</u>	<u>89,691,000</u>

### 22 Related party transactions

#### Group

The group has taken advantage of the exemption from disclosing transactions with wholly owned group undertakings.

#### Company

The company has taken advantage of the exemption from disclosing transactions with wholly owned group undertakings.

### 23 Controlling party

There is no one individual who is the ultimate controlling party.

# ST MICHAEL'S FALMOUTH LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 24 Cash generated from group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	680,635	(1,401,072)
<b>Adjustments for:</b>		
Finance costs	524,771	505,050
Depreciation and impairment of tangible fixed assets	507,453	225,690
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(16,744)	14,052
(Increase)/decrease in debtors	(10,985)	493,371
Increase in creditors	421,141	1,145,509
<b>Cash generated from operations</b>	<b>2,106,271</b>	<b>982,600</b>

### 25 Cash generated from operations - company

	2022 £	2021 £
Profit/(loss) for the year after tax	680,635	(1,401,072)
<b>Adjustments for:</b>		
Finance costs	524,771	505,050
Depreciation and impairment of tangible fixed assets	507,453	225,690
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(16,744)	14,052
Decrease in debtors	25,810	438,162
Increase in creditors	364,880	1,157,335
<b>Cash generated from operations</b>	<b>2,086,805</b>	<b>939,217</b>

### 26 Analysis of changes in net debt - group

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	1,293,517	1,567,688	2,861,205
Borrowings excluding overdrafts	(7,654,438)	(157,500)	(7,811,938)
	<b>(6,360,921)</b>	<b>1,410,188</b>	<b>(4,950,733)</b>

## ST MICHAEL'S FALMOUTH LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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**27 Analysis of changes in net debt - company**

	<b>1 April 2021</b>	<b>Cash flows</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,236,258	1,548,222	2,784,480
Borrowings excluding overdrafts	(7,654,438)	(157,500)	(7,811,938)
	<u>(6,418,180)</u>	<u>1,390,722</u>	<u>(5,027,458)</u>

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