

THE VINEYARD AT STOCKCROSS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 DECEMBER 2022

THE VINEYARD AT STOCKCROSS LIMITED

COMPANY INFORMATION

Directors	A G McKenzie M V Morris B Wilkinson
Registered number	02233431
Registered office	Buckingham House West Street Newbury Berkshire RG14 1BE
Independent auditor	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor 2 Communications Road Greenham Business Park Greenham Newbury Berkshire RG19 6AB

THE VINEYARD AT STOCKCROSS LIMITED

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THE VINEYARD AT STOCKCROSS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 DECEMBER 2022

BUSINESS REVIEW

The Company is a five star luxury boutique hotel providing a high end wine and food offering which is primarily focused on the weekend leisure guest and midweek business travellers.

The business also operates an exclusive wine agent, importing and selling wines from small bespoke wineries located in California.

Turnover for the year increased resulting in a reduced trading loss before taxation of £927,115 (2021: £359,698).

FINANCIAL KEY PERFORMANCE INDICATORS

The directors actively monitor a number of key performance indicators as follows:

Turnover - Increase of 24.8% on prior year

Gross profit margin - A increase of 0.67% on prior year at 75.1%

EBITDA - loss of £547,462 in 2022 and loss of £55,494 in 2021

The directors also monitor a number of hotel related KPIs in respect of, but not limited to, average room rate and occupancy.

PRINCIPAL RISKS AND UNCERTAINTIES

The company uses various financial instruments including cash, loans and items such as trade debtors and trade creditors that arise directly from its operations. The purpose of these financial instruments is to raise finance for the company's operations.

The risks arising from the company's financial instruments are currency risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and these policies have remained unchanged from previous years.

Currency risk

The principal trading currency of the company is sterling. Certain purchases are made in US dollars and to minimise foreign exchange risk, the company operates a US bank account and prices the sale based on the US cost of purchase.

Liquidity risk

The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

THE VINEYARD AT STOCKCROSS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2022

Credit risk

The company's principal financial assets are cash and trade debtors. To manage trade debtor credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Inflation

Whilst UK inflation poses a problem to all businesses the Company seeks to mitigate this somewhat by increasing sales prices in line with inflationary cost increases, however there is a risk that a point is reached where the market will no longer withstand price increases without a determinantal impact on other metrics such as occupancy rates. Management are satisfied that they have sufficient processes in place to mitigate this risk as far as possible.

Energy price risk

The war in Ukraine has seen energy prices rise to record high levels, however prices are now significantly lower than those seen in October 2022. The Company seeks to use fixed price energy deals where possible to mitigate the risk of short term energy price fluctuations and give some certainty over the energy costs in the medium term.

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

.....
M V Morris

Director

.....
A G McKenzie

Director

Date: 27 September 2023

THE VINEYARD AT STOCKCROSS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 30 December 2022.

Principal activity

The principal activity was running a hotel.

Directors

The Directors who served during the year were:

A G McKenzie
M V Morris
B Wilkinson

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £927,115 (2021 - loss £359,698).

Disclosure of information to auditor

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'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's auditors are aware of that information.

THE VINEYARD AT STOCKCROSS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 DECEMBER 2022**

Auditor

The auditor, James Cowper Kreston Audit, 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.

.....
M V Morris

Director

Date: 27 September 2023

.....
A G McKenzie

Director

Date: 27 September 2023

THE VINEYARD AT STOCKCROSS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VINEYARD AT STOCKCROSS LIMITED

Opinion

We have audited the financial statements of The Vineyard at Stockcross Limited (the 'Company') for the year ended 30 December 2022, which comprise the Statement of comprehensive income, the Balance sheet, the 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 Company's affairs as at 30 December 2022 and of its loss 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 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VINEYARD AT STOCKCROSS LIMITED (CONTINUED)

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VINEYARD AT STOCKCROSS LIMITED (CONTINUED)

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.

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 noncompliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance

with applicable laws and regulations;

- Performing audit work over the risk of management override of controls, including testing of journal entries

and other adjustments for appropriateness, evaluating the business rationale of significant transactions

outside the normal course of business and reviewing accounting estimates for bias.

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 Auditor's report.

THE VINEYARD AT STOCKCROSS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VINEYARD AT STOCKCROSS 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 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.

Jonathan Baillie BA (Hons) FCCA ACA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

29 September 2023

THE VINEYARD AT STOCKCROSS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	5,230,899	4,192,767
Cost of sales		(1,300,687)	(1,063,661)
Gross profit		3,930,212	3,129,106
Administrative expenses		(5,067,101)	(4,138,051)
Other operating income	5	320,097	766,133
Operating loss	6	(816,792)	(242,812)
Interest payable and similar expenses	10	(110,323)	(116,886)
Loss before tax		(927,115)	(359,698)
Loss for the financial year		(927,115)	(359,698)

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

THE VINEYARD AT STOCKCROSS LIMITED
REGISTERED NUMBER: 02233431

BALANCE SHEET
AS AT 30 DECEMBER 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Tangible assets	12	6,817,823	7,032,138
		<u>6,817,823</u>	<u>7,032,138</u>
Current assets			
Stocks	14	1,226,257	1,245,060
Debtors: amounts falling due within one year	15	510,779	1,335,749
Cash at bank and in hand	16	39,994	134,863
		<u>1,777,030</u>	<u>2,715,672</u>
Creditors: amounts falling due within one year	17	(29,490,023)	(27,565,865)
Net current liabilities		<u>(27,712,993)</u>	<u>(24,850,193)</u>
Total assets less current liabilities		<u>(20,895,170)</u>	<u>(17,818,055)</u>
Creditors: amounts falling due after more than one year	18	-	(2,150,000)
Net liabilities		<u><u>(20,895,170)</u></u>	<u><u>(19,968,055)</u></u>
Capital and reserves			
Called up share capital	21	2,867,895	2,867,895
Share premium account	22	20,587	20,587
Profit and loss account	22	(23,783,652)	(22,856,537)
		<u><u>(20,895,170)</u></u>	<u><u>(19,968,055)</u></u>

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

.....
M V Morris
Director

.....
A G McKenzie
Director

Date: 27 September 2023

Date: 27 September 2023

The notes on pages 12 to 24 form part of these financial statements.

THE VINEYARD AT STOCKCROSS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 DECEMBER 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 December 2020	2,867,895	20,587	(22,496,839)	(19,608,357)
Comprehensive income for the year				
Loss for the year	-	-	(359,698)	(359,698)
At 31 December 2021	2,867,895	20,587	(22,856,537)	(19,968,055)
Comprehensive income for the year				
Loss for the year	-	-	(927,115)	(927,115)
At 30 December 2022	2,867,895	20,587	(23,783,652)	(20,895,170)

The notes on pages 12 to 24 form part of these financial statements.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2022

1. General information

The Vineyard at Stockcross Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the Company's principal place of business is The Vineyard Hotel, Stockcross, Newbury, Berkshire, RG20 8JU.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The company has a year end of 30 December 2022, however the financial statements include all transactions up to and including 31 December 2022, a policy permitted under Companies Act 2006 section 390.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Stockford Limited as at 30 December 2022 and these financial statements may be obtained from Buckingham House, West Street, Newbury, Berkshire, England, RG14 1BE.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

The financial statements contain information about The Vineyard at Stockcross Limited as an individual entity and do not contain consolidated financial information as the parent of the Group. The Company and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Stockford Limited, a company registered in England and Wales.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2022

2. Accounting policies (continued)

2.4 Going concern

In July 2022 all of the Company's external bank debt was repaid in full.

The parent company Stockford Limited has agreed to provide support and has confirmed to the Company that it will make available sufficient financial resources as required to enable the Company to meet its short term liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

In conclusion the directors consider that the Company will have adequate cash and other liquid resources to meet its commitments, and therefore the financial statements are appropriately prepared on a going concern basis.

2.5 Revenue

The turnover shown in the Statement of Income and Retained Earnings represents the value of goods and services provided during the year, stated net of discounts and value added tax. Turnover can be split into two main areas:

Sale of accommodation:

Turnover in relation to the provision of accommodation is recognised over the period of stay in the hotel. Where a customer pays in advance of their stay that turnover is deferred accordingly.

Sale of food, beverages, leisure and other goods:

Turnover in relation to the provision of food, drink and other goods is recognised at the point the sale of the items is made to the customer.

2.6 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 Company 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.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

Freehold property	- 0% Straight line
Plant and machinery	- 10-50% Straight line
Motor vehicles	- 25% Straight line
Fixtures and fittings	- 20% Straight line
Assets under construction	- 0% Straight line

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

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

The condition and upkeep of the freehold property is carried out on a continuous basis by the company with any payments being charged to the profit and loss account as it arises. This depreciation policy reflects the expected benefits of such assets and provides consistency with the depreciation methods used by other entities within the same industry.

In accordance with GAAP (Generally Accepted Accounting Practice), the assets under construction do not begin to be depreciated until they come into use. Once assets under construction come into use they are transferred to the relevant categories and commence being depreciated if applicable.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

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

2.9 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.

2.10 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.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2022

2. Accounting policies (continued)

2.11 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.

2.12 Operating leases: the Company 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.

2.13 Financial instruments

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

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

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Borrowing costs

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

2.16 Government grants

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

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2022

2. Accounting policies (continued)

2.17 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.

2.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.19 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the assets (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cashflows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historic experience and other factors that are considered to be applicable. Due to the inherent subjectivity in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis.

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible fixed assets over their useful economic lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of the assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management determining the residual values for property, plant and equipment. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already in the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022**

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Provision of rooms	1,912,898	1,508,274
Sale of food and beverages	2,193,280	2,083,571
Provision of spa and leisure services	234,269	159,983
Other hotel income	256,740	92,325
Cellars	633,712	348,614
	<u>5,230,899</u>	<u>4,192,767</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Other operating income	314,097	424,754
Government grants receivable	6,000	341,379
	<u>320,097</u>	<u>766,133</u>

Other operating income relates to management fees charged to its subsidiary Knights Valley Hotels Limited and fellow subsidiary Donnington Valley Group Limited.

6. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	269,330	187,318
Other operating lease rentals	-	8,357
Defined contribution pension costs	<u>200,493</u>	<u>88,949</u>

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,340	8,490

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022**

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	2,406,530	2,061,598
Social security costs	217,518	169,700
Cost of defined contribution scheme	200,493	88,949
	<u>2,824,541</u>	<u>2,320,247</u>

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

	2022 No.	2021 No.
Management and administration staff	9	15
Sales and marketing staff	5	3
Operational staff	91	75
	<u>105</u>	<u>93</u>

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	277,347	281,480
Company contributions to defined contribution pension schemes	17,091	17,091
	<u>294,438</u>	<u>298,571</u>

During the year retirement benefits were accruing to 2 Directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £122,158 (2021 - £122,158).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £12,216 (2021 - £12,216).

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	<u>110,323</u>	<u>116,886</u>

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022

11. Taxation

	2022 £	2021 £
	<hr/>	<hr/>
Total current tax	<hr/> - <hr/>	<hr/> - <hr/>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £	2021 £
Loss on ordinary activities before tax	<hr/> (927,115) <hr/>	<hr/> (359,698) <hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(176,152)	(68,343)

Effects of:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	11,851
Capital allowances for year in excess of depreciation	363	(705)
Deferred tax not recognised	175,789	57,197
	<hr/>	<hr/>
Total tax charge for the year	<hr/> - <hr/>	<hr/> - <hr/>

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%.

The Company has carried forward trading losses of £7,507,861 (2021: £7,507,861), no deferred tax asset has been recognised in respect of these losses due to uncertainty over future trading profits against which to offset these losses.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation						
At 31 December 2021	12,139,121	1,763,212	60,842	1,748,373	9,136	15,720,684
Additions	5,398	2,182	21,950	25,485	-	55,015
Disposals	-	(1,454,490)	(47,300)	(1,415,367)	-	(2,917,157)
Transfers between classes	46,272	(94,136)	(22,992)	79,992	(9,136)	-
At 30 December 2022	12,190,791	216,768	12,500	438,483	-	12,858,542
Depreciation						
At 31 December 2021	5,669,327	1,547,303	48,342	1,423,574	-	8,688,546
Charge for the year	-	21,129	2,500	245,701	-	269,330
Disposals	-	(1,454,490)	(47,300)	(1,415,367)	-	(2,917,157)
At 30 December 2022	5,669,327	113,942	3,542	253,908	-	6,040,719
Net book value						
At 30 December 2022	6,521,464	102,826	8,958	184,575	-	6,817,823
At 30 December 2021	6,469,794	215,909	12,500	324,799	9,136	7,032,138

Freehold property includes freehold land of £103,500 which is not depreciated.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 31 December 2021	192,308
	<hr/>
At 30 December 2022	192,308
	<hr/>
Impairment	
At 31 December 2021	192,308
	<hr/>
At 30 December 2022	192,308
	<hr/>
Net book value	
At 30 December 2022	-
	<hr/> <hr/>
At 30 December 2021	-
	<hr/> <hr/>

14. Stocks

	2022 £	As restated 2021 £
Finished goods and goods for resale	<u>1,226,257</u>	<u>1,245,060</u>

15. Debtors

	2022 £	As restated 2021 £
Trade debtors	401,058	225,814
Amounts owed by group undertakings	37,024	1,074,543
Other debtors	900	-
Prepayments and accrued income	71,797	35,392
	<hr/>	<hr/>
	<u>510,779</u>	<u>1,335,749</u>

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022

16. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>39,994</u>	<u>134,863</u>

17. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	-	3,250,000
Trade creditors	313,045	241,347
Amounts owed to group undertakings	28,094,451	23,267,960
Other taxation and social security	532,229	265,202
Other creditors	29,574	20,023
Accruals and deferred income	520,724	521,333
	<u>29,490,023</u>	<u>27,565,865</u>

The bank loan was secured by a fixed and floating charge over all assets of the company.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	<u>-</u>	<u>2,150,000</u>

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022

19. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	-	3,250,000
Amounts falling due 1-2 years		
Bank loans	-	600,000
Amounts falling due 2-5 years		
Bank loans	-	1,550,000
	<u>-</u>	<u>5,400,000</u>

20. Financial instruments

	2022 £	As restated 2021 £
Financial assets		
Cash at bank and in hand	39,994	134,863
Financial assets that are debt instruments measured at amortised cost	510,779	1,335,749
	<u>550,773</u>	<u>1,470,612</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>28,957,794</u>	<u>29,450,663</u>
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Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed to group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, amounts owed to group undertakings and other creditors.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022

21. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2,867,895 (2021 - 2,867,895) Ordinary shares of £1.00 each	<u>2,867,895</u>	<u>2,867,895</u>

22. Reserves

Profit and loss account

Includes all current and prior year retained losses.

23. Prior year adjustment

A prior year adjustment has been posted in respect of stock which existed at the previous balance sheet date but which had not been reflected in the financial statements. This was to allocate stock between group companies. The impact of this adjustment is to increase investments and decrease intercompany by £270,422.

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted £200,493 (2021: £88,949).

25. Related party transactions

The Company is exempt from disclosing related party transactions with other 100% owned members of the Group headed by Stockford Limited by virtue of FRS 102 section 33.1A.

26. Controlling party

The Company considers Stockford Limited, a company incorporated in England and Wales, to be its ultimate parent company throughout the current and previous years. Stockford Limited is the parent of both the largest and smallest groups in which the results of the company are consolidated. The Company's results are included in the consolidated financial statements of Stockford Limited. Copies of the group financial statements for Stockford Limited are available from its registered office: Buckingham House, West Street, Newbury, Berkshire, England, RG14 1BE.

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.