

Company Registration No. 06645708 (England and Wales)

THE GATEWAY TO WALES (HOLDINGS) LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018**

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THE GATEWAY TO WALES (HOLDINGS) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	3		-	546,252	
Current assets					
Debtors	4	1,390,176		1,390,176	
Cash at bank and in hand		-		1,050	
		<u>1,390,176</u>		<u>1,391,226</u>	
Creditors: amounts falling due within one year	5	<u>(9,020)</u>		<u>(1,761,581)</u>	
Net current assets/(liabilities)			<u>1,381,156</u>		<u>(370,355)</u>
Total assets less current liabilities			<u>1,381,156</u>		<u>175,897</u>
Creditors: amounts falling due after more than one year	6		-	(2,250,000)	
Net assets/(liabilities)			<u><u>1,381,156</u></u>		<u><u>(2,074,103)</u></u>
Capital and reserves					
Called up share capital	7	30,700		700	
Share premium account		4,541,884		249,300	
Profit and loss reserves		<u>(3,191,428)</u>		<u>(2,324,103)</u>	
Total equity			<u><u>1,381,156</u></u>		<u><u>(2,074,103)</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

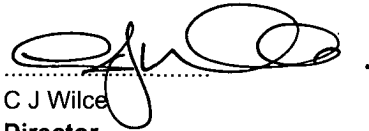
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

THE GATEWAY TO WALES (HOLDINGS) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2018

The financial statements were approved by the board of directors and authorised for issue on 07/12/18 and are signed on its behalf by:



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C J Wilce
Director

THE GATEWAY TO WALES (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2016		700	249,300	(2,024,574)	(1,774,574)
Year ended 31 March 2017:					
Loss and total comprehensive income for the year		-	-	(299,529)	(299,529)
Balance at 31 March 2017		700	249,300	(2,324,103)	(2,074,103)
Year ended 31 March 2018:					
Loss and total comprehensive income for the year		-	-	(867,325)	(867,325)
Conversion of loan to shares	7	30,000	4,292,584	-	4,322,584
Balance at 31 March 2018		30,700	4,541,884	(3,191,428)	1,381,156

THE GATEWAY TO WALES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

The Gateway to Wales (Holdings) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 6th Floor St Magnus House, 3 Lower Thames Street, London, EC3R 6HD.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

On 18 December 2017, the hotel from which the company's wholly-owned trading subsidiary operates burned down. Based on the information currently available, the Directors are confident that their insurance cover is sufficient to allow the company to continue as a going concern.

In addition, the company made a loss for the year of £867,325 (2017 - £299,529) and ended the year with net current assets of £1,381,156 (2017 - net current liabilities of £370,355). The directors have therefore considered the basis of preparation of the financial statements. As a direct result of the fire, management have fully impaired their investment in the trading subsidiary, resulting in a charge of £546,252 included in the loss for the year. The directors are satisfied that the company's insurance providers will continue to provide sufficient cash flow for the company's subsidiary to continue in operational existence until such time as a final settlement in respect of the fire is agreed, but at present this income has not met the recognition requirements. Following discussions with their insurers, the directors are confident that the full insurance proceeds, once received, will enable the company's subsidiary to fulfil all of its outstanding obligations, including the repayment of the outstanding balance of £1,649,465 (2017 - £1,649,465) owed to The Gateway to Wales (Holdings) Limited.

Until those insurance proceeds are received, the company is reliant upon the financial support of its shareholders. Assurances have been given that there will be continued support to the company for the foreseeable future. Management accounts and forecasts have been prepared and these support the assertion that the accounts should be prepared on a going concern basis.

The financial statements do not include any adjustments that would result from the company not being able to meet its liabilities as they fall due.

THE GATEWAY TO WALES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Fixed asset investments

Interests in subsidiaries are measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company 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 when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances and amounts due from group undertakings, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, 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.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

THE GATEWAY TO WALES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

2 Employees

The directors were the only employees of the company during the current and prior financial year.

3 Fixed asset investments

	2018 £	2017 £
Investments	-	546,252

On 18 December 2017, the hotel from which the company's trading subsidiary operated burned down. Based on the information currently available, the Directors are confident that their insurance cover is sufficient to allow the company to continue as a going concern.

As at 31 March 2018, the directors had not confirmed with their insurers whether insurance proceeds in respect of the loss of the building would be receivable, and have fully impaired the investment as a result. The impairment of £546,252 (2017 - £nil) is included within administrative expenses on the Statement of Comprehensive Income.

After the reporting date, following discussions with their insurers, the directors are confident that the full insurance proceeds will be receivable, and once received, will enable the subsidiary to fulfil all of its outstanding obligations.

THE GATEWAY TO WALES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed by group undertakings	1,390,001	1,390,001
Other debtors	175	175
	<u>1,390,176</u>	<u>1,390,176</u>

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	5,700	4,750
Other creditors	3,320	1,756,831
	<u>9,020</u>	<u>1,761,581</u>

Other creditors includes cumulative unpaid dividends of £nil (2017 - £1,754,831) relating to the 'A' Ordinary shares. On 29 March 2018, the 'A' Ordinary shares were converted to Ordinary shares.

6 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	-	2,250,000
	<u>-</u>	<u>2,250,000</u>

Other creditors includes £nil (2017: £2,250,000) in respect of 30,000 'A' Ordinary shares of £1 each. The shares are irredeemable and bear interest at a rate of 8% per annum. On 29 March 2018 these shares were converted to Ordinary shares and the balance was reclassified to equity. Further details are given in note 7.

Creditors which fall due after five years are as follows:

	2018 £	2017 £
Payable other than by instalments	-	2,250,000
	<u>-</u>	<u>2,250,000</u>

THE GATEWAY TO WALES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
30,700 Ordinary shares of £1 each (2017: 70,000 Ordinary shares of 1p each)	30,700	700
	<u>30,700</u>	<u>700</u>

Ordinary shares

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

On 29 March 2018 the company consolidated its 70,000 Ordinary shares of 1p each into 700 Ordinary shares of £1 each.

'A' Ordinary shares

30,000 'A' Ordinary shares of £1 each are classified as a liability and included in other creditors in accordance with paragraph 22.5(c) of FRS 102 (see note 6). These shares carry fixed cumulative dividends of 8% per annum which are in arrears for the year. On the winding up of the company, these shares carry the right to preferential repayment to the capital value of the shares and any unpaid dividends. 'A' Ordinary shares each carry the right to one vote at general meetings of the company.

On the 29 March 2018 the 30,000 'A' Ordinary shares of £1 each were converted to 30,000 Ordinary shares of £1 each.

8 Related party transactions

The following amounts were outstanding at the reporting end date:

	Balance £	2018 Provision £	Net £
Amounts due from related parties			
Entities over which the entity has control, joint control or significant influence	1,649,465	259,464	1,390,001
	<u>1,649,465</u>	<u>259,464</u>	<u>1,390,001</u>
	Balance £	2017 Provision £	Net £
Amounts due in previous period			
Entities over which the entity has control, joint control or significant influence	1,649,465	259,464	1,390,001
	<u>1,649,465</u>	<u>259,464</u>	<u>1,390,001</u>