

Registered number: 07505002

**HOLMES INVESTMENT PROPERTIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**



HOLMES INVESTMENT PROPERTIES PLC

COMPANY INFORMATION

Directors	A A Sardelic M Eberhardt M P J Helme (resigned 6 July 2018) N R B Holmes JRP Holmes (appointed 22 March 2018, resigned 13 August 2018)
Company secretary	B M Sumner
Registered number	07505002
Registered office	Elder House St Georges Business Park 207 Brooklands Road Weybridge Surrey KT13 0TS
Independent auditors	Ashings Limited Chartered Accountants & Statutory Auditors Northside House Mount Pleasant Cockfosters Herts. EN4 9EB

HOLMES INVESTMENT PROPERTIES PLC

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HOLMES INVESTMENT PROPERTIES PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The Company is an investment company, focusing on leisure with the following principal investments:

- 30% of Everyone Entertained, increased to 48.33% since the year end and which secured its first leasehold site in South Shields in the year;
- 15% of Adrenaline World, which since the year end has secured its first site in Blackpool
- 100% of Ashtour World of Golf

Business review

The Company's strategy remains to invest in leisure companies, providing strategic, management and financial support.

During the year, the Company issued 8,232,527 ordinary shares bringing the number of €0.01 ordinary shares in issue at 31 March 2019 to 526,535,597 in addition to the 240million €0.1 preference shares, unchanged from March 2018. The following changes to share capital has occurred since the year end:

- On 1 May 2019, 1,044,000 ordinary shares were issued at par.
- On 1 May 2019, 16,113,721 preference shares were issued in part satisfaction of the purchase price of UK Adventure Parks.
- On 13 May 2019, the Company approved a share split under which each €0.01 ordinary share was split into one €0.001 ordinary share and one €0.009 deferred share. The rights of the ordinary shares are unchanged while the deferred shares carry no voting or distribution rights.

Following notice from the loan note holders to convert their £390,000 loan notes, a further 188,857,162 ordinary shares are committed to be issued which will bring the issued ordinary share capital to 715,392,759 ordinary shares of €0.001.

HOLMES INVESTMENT PROPERTIES PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Principal risks and uncertainties

The company's principle risks and uncertainties and their management have been assessed as follows:

Dependency on key management and personnel

As mentioned above, the business is heavily reliant on a small number of key personnel. The executive team meet fortnightly and board members are invited to attend. Payments require approval of at least two and all new contracts have to be signed off by the board..

Corporate Strategy

The value of the Company is dependent upon the Company achieving their strategic aims. Whilst the Directors are optimistic about the Company's prospects, there is no certainty that they will be able to achieve the anticipated revenues or growth. The Company believes it has the team in place to mitigate the risk of the corporate strategy not being achieved

Future funding

The Company expects, directly or through its subsidiaries and holdings, to raise further funds in the future to develop the business model. While there can be no guarantee of raising future funds, in addition to the ongoing support of the Company's parent, the directors have spread this risk by accessing both equity and debt markets.

Property Development

There are certain risks inherent to the property development sector, which the Company minimises through appropriate research, effective contracts, contingency plans, and the experience and skills of its management teams.

Land Costs and Availability

The property market may fluctuate, prices rise or fall, and the availability of suitable sites may increase or decrease. The Company seeks to maintain a pipeline of opportunities sufficient to ensure its development plans can be executed together with the professional expertise to optimise its land costs.

The leisure sector

The leisure industry, particularly the activities, sports, and pastimes offered by the Company's leisure partners and its subsidiary, Ashtour Limited, are especially susceptible to trends and market influences, as is the provision of food and beverages. The Company, its partners, and its subsidiaries have mitigated this risk by ensuring they possess the experience and expertise to interpret consumer attitudes and preferences and plan accordingly.

Financial key performance indicators

The Company incurred a loss for the year of £166,685 (2018 - £1,093,542). Cash and cash equivalents were £4,619 at the year end (2018 - £187,914). Net assets were £49,184,736 (2018 - £49,317,387).

This report was approved by the board on 27 September 2019 and signed on its behalf.



M Eberhardt
Director

HOLMES INVESTMENT PROPERTIES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 £166,685 (2018 - loss £1,093,542).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

A A Sardelic
M Eberhardt
M P J Helme (resigned 6 July 2018)
N R B Holmes
JRP Holmes (appointed 22 March 2018, resigned 13 August 2018)

Future developments

The company intends to raise finance to carry out planned investment activities.

The company intends to acquire freehold land and build Leisure facilities on site, and to lease the premises to market leading Operators in the rapidly evolving Leisure industry, creating a centre of Leisure Adventures.

HOLMES INVESTMENT PROPERTIES PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company'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.

Post balance sheet events

There have been no significant events affecting the Company since the year end other than those detailed in note 19 to the financial statements.

Auditors

The auditors, Ashings Limited, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 27 September 2019 and signed on its behalf.



M Eberhardt
Director

HOLMES INVESTMENT PROPERTIES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOLMES INVESTMENT PROPERTIES PLC

Opinion

We have audited the financial statements of Holmes Investment Properties PLC (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, 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 31 March 2019 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the accounting policies concerning the company's ability to continue as a going concern. The company's current liabilities exceeded its current assets by £3,773,671, however, as detailed in note 2.3 the company has received an undertaking from its parent for continued support for 12 months from 27 September 2019. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion

HOLMES INVESTMENT PROPERTIES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOLMES INVESTMENT PROPERTIES PLC (CONTINUED)

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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.

HOLMES INVESTMENT PROPERTIES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOLMES INVESTMENT PROPERTIES PLC (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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



Nafisa Kachwalla FCA (Senior Statutory Auditor)

for and on behalf of
Ashings Limited

Chartered Accountants
Statutory Auditors

Northside House
Mount Pleasant
Cockfosters
Herts.
EN4 9EB

27 September 2019

HOLMES INVESTMENT PROPERTIES PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	40,000	-
Gross profit		<u>40,000</u>	<u>-</u>
Administrative expenses		(391,400)	(953,551)
Other operating income	5	63	9
Operating loss	6	<u>(351,337)</u>	<u>(953,542)</u>
Profit on disposal of investments		250,000	-
Interest payable and expenses	10	(65,348)	(140,000)
Loss before tax		<u>(166,685)</u>	<u>(1,093,542)</u>
Loss for the financial year		<u><u>(166,685)</u></u>	<u><u>(1,093,542)</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 13 to 25 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC
REGISTERED NUMBER: 07505002

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	12	53,122,407	53,122,407
		53,122,407	53,122,407
Current assets			
Debtors: amounts falling due within one year	13	2,468,518	2,468,242
Cash at bank and in hand	14	4,619	187,914
		2,473,137	2,656,156
Creditors: amounts falling due within one year		(6,246,808)	(6,041,176)
Net current liabilities		(3,773,671)	(3,385,020)
Total assets less current liabilities		49,348,736	49,737,387
Creditors: amounts falling due after more than one year		(164,000)	(420,000)
Provisions for liabilities			
Net assets		49,184,736	49,317,387
Capital and reserves			
Called up share capital	19	25,660,489	25,588,159
Share premium account	20	25,122,177	25,160,473
Profit and loss account	20	(1,597,930)	(1,431,245)
Equity attributable to owners of the parent Company		49,184,736	49,317,387

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2019.



M Eberhardt
 Director

The notes on pages 13 to 25 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	973,584	6,582,888	(337,703)	7,218,769
Comprehensive income for the year				
Loss for the year	-	-	(1,093,542)	(1,093,542)
Total comprehensive income for the year	-	-	(1,093,542)	(1,093,542)
Shares issued during the year	24,614,575	18,577,585	-	43,192,160
Total transactions with owners	24,614,575	18,577,585	-	43,192,160
At 1 April 2018	25,588,159	25,160,473	(1,431,245)	49,317,387
Comprehensive income for the year				
Loss for the year	-	-	(166,685)	(166,685)
Total comprehensive income for the year	-	-	(166,685)	(166,685)
Shares issued during the year	72,330	(38,296)	-	34,034
Total transactions with owners	72,330	(38,296)	-	34,034
At 31 March 2019	25,660,489	25,122,177	(1,597,930)	49,184,736

The notes on pages 13 to 25 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(166,685)	(1,093,542)
Adjustments for:		
Interest paid	65,348	140,000
(Increase) in debtors	(276)	(2,411,567)
(Decrease) in creditors	(411,868)	(38,750,041)
Increase in amounts owed to associates	17,500	-
Net cash generated from operating activities	<u>(495,981)</u>	<u>(42,115,150)</u>
Cash flows from investing activities		
Purchase of fixed asset investments	-	(1,130,157)
Purchase of share in associates	-	(39,700)
Net cash from investing activities	<u>-</u>	<u>(1,169,857)</u>
Cash flows from financing activities		
Issue of ordinary shares	34,034	43,192,160
Other new loans	344,000	420,000
Interest paid	(65,348)	(140,000)
Net cash used in financing activities	<u>312,686</u>	<u>43,472,160</u>
Net (decrease)/increase in cash and cash equivalents	<u>(183,295)</u>	<u>187,153</u>
Cash and cash equivalents at beginning of year	187,914	761
Cash and cash equivalents at the end of year	<u>4,619</u>	<u>187,914</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,619	187,914
	<u>4,619</u>	<u>187,914</u>

The notes on pages 13 to 25 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC

ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MARCH 2019

	At 1 April 2018 £	Cash flows £	At 31 March 2019 £
Cash at bank and in hand	187,914	(183,295)	4,619
Debt due after 1 year	(420,000)	256,000	(164,000)
Debt due within 1 year	-	(600,000)	(600,000)
	<u>(232,086)</u>	<u>(527,295)</u>	<u>(759,381)</u>

The notes on pages 13 to 25 form part of these financial statements.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The company is incorporated in England and Wales as a public limited company with its registered office sited at Elder House St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey KT13 0TS. The company acts as a holding company.

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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

The company's current liabilities exceed its current assets by £3,773,671. However, the company's business plan supported by contractual confirmation of support from its parent undertaking for 12 months from the date of signing of these financial statements will allow the company to meet its liabilities as they fall due. On this basis the Directors believe that the company is a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP. These financial statements have been rounded to the nearest £1.

Transactions and balances

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

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

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

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

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.10 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.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.12 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.

2.13 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, significantly impacting the company's earnings and financial position.

4. Turnover

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

	2019 £	2018 £
Management fees	40,000	-
	<u>40,000</u>	<u>-</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	40,000	-
	<u>40,000</u>	<u>-</u>

5. Other operating income

	2019 £	2018 £
Other operating income	63	9
	<u>63</u>	<u>9</u>

6. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Exchange differences	<u>(131,308)</u>	<u>292,857</u>

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8,400</u>	<u>6,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	-	2,434
	<u>-</u>	<u>2,434</u>

8. Employees

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

	2019 £	2018 £
Wages and salaries	94,475	160,229
Social security costs	-	20,999
	<u>94,475</u>	<u>181,228</u>

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

	2019 No.	2018 No.
Directors	2	1
Administration	1	-
	<u>3</u>	<u>1</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	92,487	160,229
	<u>92,487</u>	<u>160,229</u>

HOLMES INVESTMENT PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Interest payable and similar expenses

	2019 £	2018 £
Other loan interest payable	65,348	140,000
	<u>65,348</u>	<u>140,000</u>

11. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(166,685)</u>	<u>(1,093,542)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(31,670)	(207,773)
Effects of:		
Unrelieved tax losses carried forward	<u>31,670</u>	<u>207,773</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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NOTES TO THE FINANCIAL STATEMENTS
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12. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 April 2018	53,082,707	39,700	53,122,407
At 31 March 2019	53,082,707	39,700	53,122,407

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Ashtour Limited	Beverley Park Golf Range, Beverley Way, New Malden, Surrey KT3 4PH	Ordinary	100%
UK Adventure Parks Limited	85 Great Portland Street, London W1W 7LT	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Ashtour Limited	101,473	(51,450)
UK Adventure Parks Limited	7,700	-

Associate

The following was an associate of the Company:

Name	Registered office	Class of shares	Holding
Everyone Entertained Limited	Beverley Park Golf Range Wyvern Estate, Beverley Way, New Malden, England, KT3 4PH	Ordinary	30%

13. Debtors

2019 2018

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NOTES TO THE FINANCIAL STATEMENTS
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13. Debtors (continued)

	£	£
Other debtors	2,468,518	2,468,242
	<u>2,468,518</u>	<u>2,468,242</u>

14. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	4,619	187,914
	<u>4,619</u>	<u>187,914</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	175,000	-
Loan notes	425,000	-
Trade creditors	126,242	96,665
Amounts owed to associates	17,500	-
Other taxation and social security	98,550	98,550
Other creditors	5,193,885	5,797,511
Accruals and deferred income	210,631	48,451
	<u>6,246,808</u>	<u>6,041,177</u>

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

	2019 £	2018 £
Loan notes	164,000	420,000
	<u>164,000</u>	<u>420,000</u>

The following liabilities were secured:

	2019 £	2018 £
Loan notes	589,000	420,000
Other loans	175,000	-
	<u>764,000</u>	<u>420,000</u>

Details of security provided:

The loan notes are secured by debentures over the assets of the company and a general charge over the shares of the company.

The other loan is secured by a charge over 25% of the shares of Ashtour Limited.

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17. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Loan notes	425,000	-
Other loans	175,000	-
	<u>600,000</u>	<u>-</u>
Amounts falling due 1-2 years		
Loan notes	-	420,000
	<u>-</u>	<u>420,000</u>
Amounts falling due 2-5 years		
Loan notes	164,000	-
	<u>164,000</u>	<u>-</u>
	<u>764,000</u>	<u>420,000</u>

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	4,619	187,914
Financial assets that are debt instruments measured at amortised cost	2,468,518	2,468,242
	<u>2,473,137</u>	<u>2,656,156</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(6,312,258)</u>	<u>(6,362,626)</u>

Financial assets measured at fair value through profit or loss comprise cash and bank.

Financial assets that are debt instruments measured at amortised cost comprise other current debtors.

Financial liabilities measured at amortised cost comprise other current liabilities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

19. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
526,535,597 (2018 - 112,330,219) Ordinary shares of €0.01 each	4,567,151	4,494,821
240,000,000 (2018 - 240,000,000) Preference shares of €0.01 each	21,093,338	21,093,338
	<u>25,660,489</u>	<u>25,588,159</u>

On 27 April 2018 issued 8,232,527 shares at par.

20. Reserves

Share premium account

The share premium reserve represents the surplus on issuing shares over the nominal value of the shares less costs of issuance.

Profit and loss account

Representing cumulative profits and losses of the company.

21. Related party transactions

The following related party transactions took place in the year

With directors:

M Eberhardt, a director, was paid fees and expenses of £16,000 (2018 - £23,417) during the year and was owed £35,250 at the year end (2018 - £13,250).

A Sardelic, a director, was paid fees and expenses of £28,844 (2018 - £Nil) during the year.

With a parent company and controller

Throughout the year under review Grosvenor Square Investments Ltd ("Grosvenor") held 225,625,000 ordinary shares and 240,000,000 preference shares, making 465,625,000 out of 766,535,597 shares in issue.

Grosvenor also provided financial support to the Company during the year, loaning £56,798 (2018 - £Nil), of which £31,230 (2018 - £Nil) was repaid, leaving a balance of £25,568 due to Grosvenor at 31 March 2019 (2018 - £Nil). Grosvenor has agreed to continue to provide financial support for the year following the date of these accounts.

With key management

The Chief Executive was paid £65,159 (2018 - £Nil) and was owed £54,840 (2018 - £Nil) at the year end.

With corporate related parties

During the year, the Company outsourced its banking transactions to 3rd party companies controlled by related parties. Receipts of £103,767 and payments of £256,043 were made in the year.

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22. Post balance sheet events

The following changes to share capital has occurred since the year end:

On 1 May 2019, 1,044,000 ordinary shares were issued at par. On 1 May 2019, 16,113,721 preference shares were issued in part satisfaction of the purchase price of UK Adventure Parks.

On 13 May 2019, the Company approved a share split under which each €0.01 ordinary share was split into one €0.001 ordinary share and one €0.009 deferred shares. The rights of the ordinary shares are unchanged while the deferred shares carry no voting or distribution rights.

23. Controlling party

The directors regard Grosvenor Square Investments Limited as being the immediate parent undertaking and Auchroisk Holdings Limited as being the ultimate parent undertaking and James Holmes as being the ultimate controlling party.