SUNBORN GIBRALTAR

QUARTERLY FINANCIAL REPORT
1 July – 30 September 2023
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sunborn

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PERIOD ENDED 30 SEPTEMBER 2023 REPORT

Key Figures Issuer Sunborn (Gibraltar) Limited

GBP thousand	1 Jul-30 Sep 2023	1 Jul - 30 Sep 2022	1 Jan-30 Sep 2023	1 Jan-30 Sep 2022	1 Jan-31 Dec 2022
Rental income	1,320	795	3,520	2,385	3,180
EBITDA	1,237	744	3,312	2,278	3,034
Investment property (yacht hotel)			77,628	78,257	78,707
Total Equity			5,635	1,881	5,742
Bond			50,304	51,033	51,170

Key Figures Operator Sunborn (Gibraltar) Resort Limited

GBP thousand	1 Jul-30 Sep 2023	1 Jul - 30 Sep 2022	1 Jan-30 Sep 2023	1 Jan-30 Sep 2022	1 Jan-31 Dec 2022
Turnover	3,046	3,084	7,806	8,073	10,672
EBITDAR	903	1,088	1,976	2,668	3,338

Chief Executive Director, Hans Niemi

Issuer lease income was increased to 1.32£M (0.80£M) to support higher financing costs. The operator Q3 revenue was level with last year and corresponds well to pre-pandemic years, £3.05M (£M 3.08). Operator profitability is under significant pressure from stagnant tourism and business travel combined with major increases in minimum wage, mooring fees and goods and services. Flight volumes into Gibraltar continue at 2022 levels and ~20% below the volumes seen in peak year 2016, flight volumes correlating directly to hotel occupancy. Management focus is on increased revenues and profitability to support higher financing costs but improvements in market conditions and flight volumes are sought. Refinancing process for bond is ongoing, impacted by macroeconomic environment, higher for longer rates policy and volatile global environment for hospitality. Gibraltar continues negotiations for concluding border and trade agreement with EU-UK-Spain, continues work on overturning inclusion in Grey List of the FATF.

General

Sunborn (Gibraltar) Limited owns a luxury yacht hotel "Sunborn Gibraltar" docked at Ocean Village in Gibraltar, which it has leased to its sister company Sunborn (Gibraltar) Resort Ltd. The upscale hotel operations of the yacht hotel Sunborn Gibraltar are run by management company Sunborn (Gibraltar) Resort Ltd in accordance with the lease contract. The yacht hotel is equipped with 189 cabins, including 22 suites, conference, and ball room facilities for up to 400 delegates, two restaurants, three bars, entertainment, and lounges inside the yacht hotel. Sunborn Gibraltar Ltd's sole operation consists of acting as a lessor of the yacht hotel.

Issuer Sunborn Gibraltar Ltd Financial summary 1 July - 30 September 2023

The Issuer Sunborn Gibraltar Ltd lease income in Q3 2023 from the Operator increased to £1,320M to support higher financing costs. Operational costs were in line with previous year, but interest expenses have increased significantly.

The fair value of the Yacht hotel is at €108.6 Million based on the latest valuation report dated May 2023.

Operator Financial summary 1 July – 30 September

Total Revenue came in at £M 3,05 (-1 % YoY 2022). Rooms revenue fell short of expectations therefore with a decrease in ADR (-6 %) while an increase in occupancy (+6 %) YoY. Costs of goods sold have increased YoY (+20 %) increasing as inflation stands at 7.9 % in Gibraltar, impacting operating profit.

The largest factors impacting EBITDA and profit were the continued policy driven increase in Minimum Wages (Aug 2022 +8 % and Aug 2023 +6 % over past rolling 12 months). As reference, previous yearly increases have been in the range of +3-5 %. In addition, the significant increases YoY in Mooring Fees (over +28 % and Bare Board Charter, (+18 % and +32 % respectively) over the same period in 2022.

EBITDA came in at £M ,091 (-16 % YoY 2022). Operational results maintained RevPar at just (-1 %) variance.

KPI's for Q3 2023 vs. Q3 2022

	Overall Q3 23	July	August	September
Total Revenue M£	£3.05	£0.99	£0.98	£1.08
+/- YOY %	-1%	6%	19%	-20%
EBITDAR M£	£0.91	£0.27	£0.26	£0.37
+/- YOY %	-16%	11%	39%	-42%
Revenue split				
Rooms Revenue	70%	67%	73%	71%
Food and Beverage	24%	26%	22%	23%
Other	6%	7%	5%	6%

Total Revenue was virtually flat the Q3 2023 however slightly down and below budget expectations. This was mainly due to corporate and MICE bookings being down significantly. EBITDAR suffering due to higher cost of goods sold (CoGS), Payroll (Gov't mandated Minimum Wage increase in August).

Revenue split of F&B maintained at a split of 70/30 from previous Q2, only slightly varied from Q3 2022.

YoY Change %	**Overall Q3 23**	July	August	September
ADR	-6%	-7%	-10%	-1%
Occupancy	7%	14%	37%	-18%
RevPar	-1%	5%	23%	-20%

Room ADR experienced a decrease again mainly due to corporates and MICE. However, occupancy increased due to aggressive campaigns for leisure packages and FIT. This July and August were the highest performing months comparing to years 2014-2019 & 2022

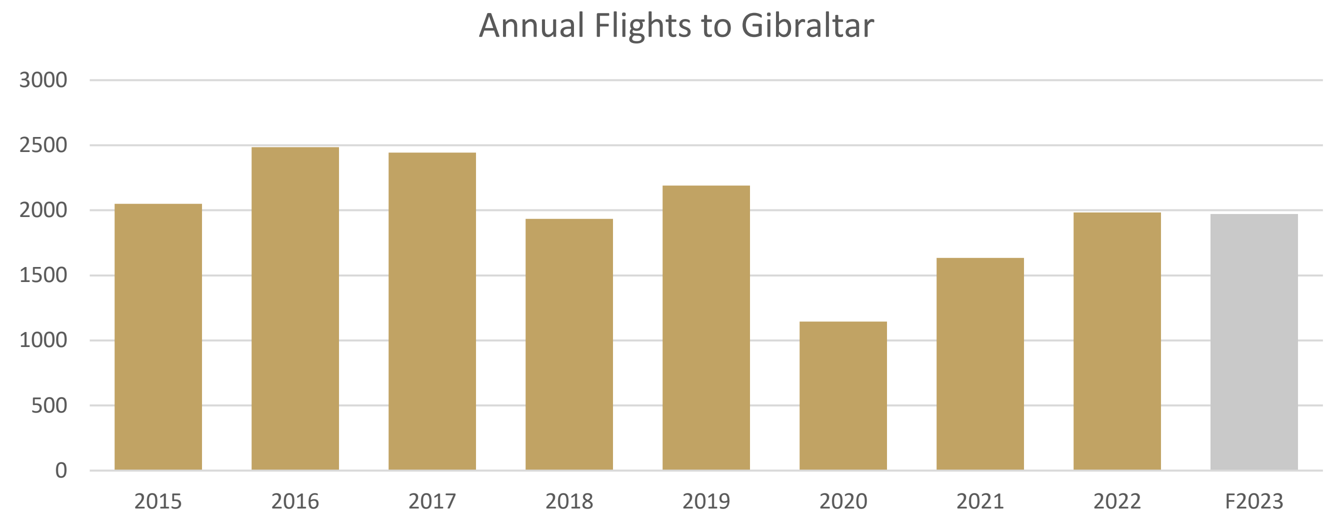
Business environment

YoY comparing with Q3 period, the corporate segment decreased by -20 % due to local fintech and gaming companies significantly reducing business travel. Sales campaigns during the period led to Leisure (FIT) increasing +66 % YoY, however, MICE was down -36 % with less events and incentives. The Government segment increased +85 % attributed to National Day (Sept 10) attendance from various gov't bodies.

The number of flights decreased to 25 flights per week winter schedule (from 40 flights during summer) as per expected schedule. However, the number of flights still remains well below the years of 2015-2019. The availability, consumer cost and volume of flights into Gibraltar correlates strongly with our hotel room bookings as most Sunborn hotel clients fly into Gibraltar.

During the period, the hotel maintained high levels of Guest satisfaction ratings reflected by Trip Advisor rating of #2, Booking.com rating of 8.5/10, Hotels.com rating of 9.2/10, Expedia.com 9.2/10 during the period.

The hotel market in Gibraltar, comprised of 5 hotels, with 593 hotel rooms, is increasingly impacted by the amount of unregulated short lets in the market, which benefit from no requirement for business license, no hospitality equivalent of fire or safety requirements and no tourism tax as opposed to hotel sector. The Short lets are impacting hotel sector demand and according to data from AirDNA, available units have increased exponentially within the year from 278 units recorded in May 2023 to 424 units in November 2023, suggesting an increase of +52 % within this year. More such property developments are under way and the volume of short let apartments will continue to increase, in addition to announced increases in hotel room capacity in the future. The sustainability of such market dynamics *vis-à-vis* growth in hotel capacity and growing short let market is a key challenge for the Gibraltar market going forward.



Source: GIB Airport statistics and management forecast for 2023

In May 2023, the hotel was inspected and received the continued AA-rating of Five Star for the hotel and 2 Rosettes for the main restaurant.

Notable events during and after the end of the reporting period and estimated future developments

The war in Ukraine continues to impact prices of various items, particularly in food and beverage such as grain related items as well as various supplies which are reliant upon fuel prices that have increased. Management is adapting to the price increases.

Gibraltar was placed on the Grey List of the FATF (Financial Action Task Force) in June 2022. Any country falling into the grey list - regardless of circumstances - faces worsening trade conditions, credit ratings and adversely impacts the credit opportunities and banking processes for local companies doing business internationally. The FATF President Mr T Raja Kumar has confirmed that Gibraltar has satisfied its action plan (as of October 2023) and is now programmed, subject to an onsite inspection, to be removed from the FATF Grey list at its next Plenary session scheduled to take place in February 2024. In the meantime, this may negatively impact refinancing and cost of funding.

Short-term risks and uncertainties

According to the approved amendment proposal, the final maturity date of the bonds was extended by 18 months to 5 March 2024. The Company has engaged advisors and is in progress of pursuing refinancing in advance of maturity. The current high yield market conditions coupled with jurisdictional environment are clearly challenging and negotiations with potential lenders for refinancing solutions continue.

Sunborn Gibraltar's financial risks related to business are market risk (including interest rate risk), credit risk, liquidity risk, refinancing risk and business interruption due to incidents relating to environmental and or public health risks. Floating interest rate risk has not been hedged. High interest rates impact negatively and materially on Sunborn Gibraltar's liquidity.

Continued UK inflationary pressure may cause significant increases in cost of materials and labour, consequently requiring faster than expected price development for our sales and short-term fluctuations in profit margins as the business adapts to volatile market conditions.

The war in Ukraine and Israel-Gaza is not estimated to directly impact on the company's operations but indirectly may have *inter alia* macroeconomic, policy and financial cost consequences.

The Company is exposed to foreign currency risk through rental receivables and future cash flows arising from the lease contract of the Yacht hotel that is denominated in GBP. The management of the company closely monitors the development of the GBP/EUR exchange rate and aims to protect the Company against unfavourable developments at the group level.

Financial risk management carried out by the management of the Company aims to protect the Company against unfavourable developments in the financial markets and ensure the performance. The management review financial risks on regular basis to manage financial risk position and decide on necessary actions.

Risks related to the border and land access to Gibraltar from Spain if the EU-UK-Gibraltar treaty is not ratified. A border disruption or temporary closure could impact pricing and availability of goods and services from Spain and ease of accessing Gibraltar for our clients and staff.

STATEMENT OF COMPREHENSIVE INCOME

GBP (in thousands)	Note	**1 Jul -30 Sep 2023**	1 Jul -30 Sep 2022	**1 Jan-30 Sep 2023**	1 Jan-30 Sep 2022	Audited **1 Jan- 31 Dec 2022**
Rental income from group companies	3	**1,320**	795	**3,520**	2,385	**3,180**
Depreciation	4	**(359)**	(623)	**(1,076)**	(1,870)	**(1,436)**
Other operating expenses		**(83)**	(51)	**(208)**	(107)	**(146)**
Operating profit		**878**	121	**2,235**	408	**1,598**
Waiver of intercompany loan		**-**	-	-	-	**4,000**
Foreign exchange (loss)/gain		**(433)**	(1,137)	**1,166**	(2,312)	**(2,715)**
Finance cost - amortisation of borrowing cost		**(116)**	(110)	**(298)**	(297)	**(407)**
Finance cost - group borrowings		**(82)**	(97)	**(247)**	(292)	**(390)**
Finance costs - other borrowings		**(1,072)**	(621)	**(2,963)**	(1,881)	**(2,601)**
Finance costs, net		**(1,703)**	(1,965)	**(2,342)**	(4,782)	**(2,112)**
Profit/(loss) before taxes		**(825)**	(1,844)	**(107)**	(4,374)	**(514)**
Income tax expense		**-**	-	-	-	**-**
Profit/(loss) for the period		**(825)**	(1,844)	**(107)**	(4,374)	**(514)**
Total comprehensive income/(loss) for the period		**(825)**	(1,844)	**(107)**	(4,374)	**(514)**

BALANCE SHEET

GBP (in thousands)	Note	**Unaudited 30 September 2023**	Unaudited 30 September 2022	Audited 31 December 2022
ASSETS				
Non-current assets				
Investment property	4	**77,630**	78,272	78,707
Property, plant and equipment		**-**	1	-
Total non-current assets		**77,630**	78,273	78,707
Current assets				
Receivables from group companies	7	**2,754**	2,118	1,584
Other receivables		**307**	366	326
Cash and cash equivalents		**1,141**	1,069	1,013
Total current assets		**4,202**	3,553	2,923
Total assets		**81,832**	81,826	81,629
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	5	**3**	3	3
Share premium	5	**15,604**	15,604	15,604
Capital reserves		**19,000**	15,000	19,000
Accumulated Deficit		**(28,972)**	(28,726)	(28,865)
Total equity		**5,635**	1,881	5,742
LIABILITIES				
Non-current liabilities				
Payables to group companies	7	**21,997**	25,997	21,997
Borrowings	6	**50,304**	51,033	51,170
Total non-current liabilities		**72,301**	77,030	73,167
Current liabilities				
Payables to group companies	7	**3,526**	2,297	2,394
Other payables		**370**	618	327
Total current liabilities		**3,896**	2,915	2,721
Total liabilities		**76,197**	79,945	75,888
Total equity and liabilities		**81,832**	81,826	81,629

STATEMENT OF CHANGES IN EQUITY

GBP (in thousands)	Share capital	Share premium	Capital reserve	Retained earnings	**Total equity**
Equity at 1 Jan 2022	3	15,604	15,000	(24,352)	**6,255**
Income for the period	-	-	-	(4,374)	**(4,374)**
Equity at 30 September 2022	3	15,604	15,000	(28,726)	**1,881**
Capital contribution by parent company			4,000	(4,000)	-
Income for the period				3,861	**3,861**
Equity at 31 Dec 2022	**3**	**15,604**	**19,000**	**(28,865)**	**5,742**
Equity at 1 Jan 2023	3	15,604	19,000	(28,865)	5,742
Income for the period	-	-	-	(107)	**(107)**
Equity at 30 September 2023	3	15,604	19,000	(28,972)	5,635

STATEMENT OF CASH FLOWS

GBP thousand	Unaudited **1 Jan - 30 Sep** **2023**	Unaudited 1 Jan - 30 Sep 2022	Audited 1 Jan - 31 Dec 2022
Cash flows from operating activities			
Operating profit	**2,235**	408	1,598
Adjustment for:			
Depreciation	**1,076**	1,870	1,436
Change in working capital:			
Change in receivables from group companies	**(1,170)**	(321)	212
Change in other receivables	**19**	(92)	(48)
Change in payables to group companies	**887**	273	(20)
Change in other payables	**43**	276	(13)
Net cash flows from operations before interest payments	**3,090**	2,414	3,167
Interest paid	**(2,963)**	(1,881)	(2,600)
Net cash flows from operations	**127**	533	567
Cash used in investing activities			
Additions in investment property	**-**	-	-
Net cash flows used in investing activities	**-**	-	-
Cash flows used in financing activities			
Finance costs incurred for borrowings from Group company	**-**	(311)	-
Proceeds from borrowings	**-**	-	-
Repayment of borrowings	**-**	-	-
Transaction costs paid	**-**	(251)	(651)
Net cash flows used in financing activities	**-**	(562)	(651)
Net decrease in cash and cash equivalents	**127**	(29)	(84)
Cash and cash equivalents at 1 January	**1,013**	1,098	1,098
Cash and cash equivalents at the end of period	**1,141**	1,069	1,013

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Sunborn (Gibraltar) Limited (the 'Company') is a private company limited by shares incorporated and registered in Gibraltar. The registered address of Sunborn (Gibraltar) Limited is 57/63 Line Wall Road, Gibraltar, and its business address: 35 Ocean Village Promenade, Gibraltar, GX111AA. Sunborn Gibraltar Limited owns a luxury yacht hotel docked at Ocean Village in Gibraltar, which it has leased to its sister company Sunborn (Gibraltar) Resort Limited, who runs the operations in accordance with a lease contract. The Yacht hotel is equipped with 189 cabins, including 22 suites. There are also conference facilities for up to 400 delegates, restaurants, bars fitness centre, spa and lounges inside the Yacht hotel. The Company had no employees during 2023 or during 2022. The Company is wholly owned by Sunborn (Gibraltar) Holdings Limited, and its ultimate parent is Sunborn Oy, a company registered in Finland and owned by the Niemi family who are also based in Finland. Sunborn Oy focuses on the development of luxury spa and yacht hotels, restaurants, and other high-quality property, and has more than 50 years of experience in the hospitality sector.

2. Summary of significant accounting policies

Basis of preparation

This condensed interim financial report for nine months ended 30 September 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 interim Financial Reporting, as adopted by the European Union.

The condensed interim year financial report does not include all the information and notes that are presented in the annual financial statements and should be read in conjunction with the audited financial statements for year ended 31 December 2022.

The accounting policies and measurement principles remain unchanged in comparison with as has been presented in Note 2 in the Annual Report 2022.

The financial statements are presented in thousands of sterling pounds unless otherwise stated. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Going concern

Net losses

The Company has incurred net losses consisting mainly of depreciation and unrealized foreign exchange rate differences arising from the borrowings. The Company's sole purpose is to own the vessel "Sunborn Gibraltar Yacht" and lease the vessel out to Sunborn (Gibraltar) Resort Limited through an internal bareboat agreement. The Company has primarily relied upon financing raised through the borrowings from the group companies and bonds from external parties as well as from shares issued to the parent company Sunborn (Gibraltar) Holdings Limited. In April 2016, Sunborn International Oy transferred the company's borrowing amounting to £ 15.6 M to Sunborn (Gibraltar) Holdings Limited and thereafter was converted to company's equity to provide additional capital. The borrowings were converted to Sterling Pounds to avoid unrealised losses. Further conversions have been carried out in September 2018 (£ 10 M) and in December 2020 (£ 5 M) and in December 2022 (£ 4 M) converting debt liabilities to Sunborn International Oy into company's equity.

The financial information in these financial statements has been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. Moreover, the company's ultimate parent has confirmed its willingness to provide financial support to allow the company to operate and meet its liabilities as and when required.

3. Rental income from related parties

Rental income comprises income generated from lease of its vessel to its sister company Sunborn Gibraltar Resort Limited. The lease term is 10 years with fixed monthly lease GPB 350,000. Bareboat charter agreement in force until terminated by the company subject to three months' prior notice. Rental income relates to investment property, see note 4 for details.

Future minimum lease payment:

GBP thousand	30 Sep 2023	31 Dec 2022
Within 1 year	1,050	795
Between 1 and 2 years	-	-
Between 2 and 3 years	-	-
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
Total	1,050	795

4. Investment property

GBP thousand	Vessel incl improvements	Furniture & Fittings	Total
Cost			
At 30 September 2022	101,993	496	102,489
Additions	-	-	-
At 31 December 2022	101,993	496	102,489
Additions	-	-	-
At 30 September 2023	101,993	496	102,489
Depreciation			
At 30 September 2022	23,736	481	24,217
Charge for the period	-430	-4	-434
At 31 December 2022	23,306	477	23,783
Charge for the period	1,058	18	1,076
At 30 September 2023	24,365	495	24,859
Net book value			
At 30 September 2023	77,628	1	77,630
At 31 December 2022	78,686	19	78,706
At 30 September 2022	78,257	15	78,272

The vessel is registered in Finland but located in Gibraltar, where it is leased under a lease agreement to Sunborn (Gibraltar) Resort Limited, which runs the hotel operations of the Yacht hotel. Sunborn Gibraltar is responsible for the maintenance, the mooring fee, certain insurances, marketing of the vessel and any other such operational costs for operating the Yacht hotel. The Company has thus no risk on operating the Yacht hotel, being only responsible for certain insurances and maintaining the hull.

The investment property is carried at deemed cost as at 1 January 2016, which was its fair value, less any accumulated depreciation and any accumulated impairment losses.

The fair value of the Yacht hotel is at €108.6 million according to the latest valuation report June 2023.

Management have reviewed the estimation of the useful life of the vessel as well as consideration for the residual value at the end of the useful life. Based on several considerations including:

- Comparison to similar yacht hotel vessels located in London which have had lifespans of over 60 years.
- Previous comparisons to sea going vessels were not accurate. The vessel remains stationary and is expected to do so for the short to medium term.

Depreciation is calculated using the straight-line method to allocate the cost to the residual value over their estimated useful lives. The estimated useful life of the vessel divided to its significant components is presented in the table below:

Vessel:	50 years (previously used 40 years)
Vessel improvements:	Shorter of remaining vessel life or useful life of improvements (3 to 25 years)
Furniture and fittings:	10 years

All repairs and maintenance costs are charged to the statement of the comprehensive income during the financial year in which they are incurred.

5. Equity & Capital Reserve

	As at 30 Sep 2023 and 31 Dec 2022	
	No.	**£**
Share Capital		
Authorised, allotted, called up and fully paid shares of £1 each	**3,000**	3,000

The number of ordinary shares outstanding since the company's inception was 2000 shares. In 2016, borrowings from the group company were converted into equity thereby increasing the authorized ordinary share capital by 1,000 at a premium of £15,604 per share resulting to a share premium of £15,604,000.

The Company has not distributed any dividend and the bond agreement set some restrictions for distribution of dividend.

6. Borrowings

Borrowings are analysed as follows:

GBP thousands	**30-Sep 2023**	30-Sep 2022	31-Dec 2022
	50,304	51,033	51,170
Details of loans wholly repayable within 5 years are as follows			
Senior secured bond SE00102296632 due 5/3/2024	**50,538**	51,284	51,699
Less transaction cost	**(233)**	(251)	(529)
	50,304	51,033	51,170

On 5 September 2017, the Company issued a € Senior Secured Bonds with nominal value of EUR 58 million repayable in September 2022. The Company completed the listing of the Senior Secured Floating Rate Bond to Nasdaq Stockholm on 30 August 2018. The contractual interest is 5 % plus Euribor and the effective interest is 5.67 %.

In a written procedure initiated on 26 June 2022 and closed on 25 July 2022, a requisite majority of the holders of the Bonds gave their consent to certain requested amendments to the Terms and Conditions and extension of maturity for repayment until 5th March 2024. The Company has the right to early repayment also. As a result of written procedure amendment and waivers, amendment fee of 50 bp was agreed to be paid at maturity date.

The bonds are denominated in euros. The bonds shall be fully redeemed on maturity at nominal amount +4 %.

The management estimated that the fair value of the borrowings approximates the carrying amounts of the bonds.

Collaterals and guarantee given

The bonds are secured by a 1st lien mortgage in the vessel and the cash held at bank. The bonds are also secured by a floating charge agreement over the assets, rights, intellectual property and revenues including relevant insurances. The bank accounts have been pledged to secure the bond repayments; however, they can be used by the Company in the ordinary course of business.

Moreover, Sunborn International Oy has pledged its shares in the Company and Sunborn Gibraltar Holdings Limited and Sunborn (Gibraltar) Resort Limited to secure the repayment of the bonds.

As a result of the new Amended and Restated Terms and Conditions Sunborn International Holding Oy has entered into an Additional Guarantee Agreement, as principal obligor, guarantee to the Agent and Bondholders the punctual performance of the Company’s obligations under the Bond’s Finance Documents.

The bond terms include an asset cover ratio covenant, which requires the Company to maintain the asset cover ratio of minimum 140.0 %. The covenant is calculated based on the market value of the Yacht hotel calculated by approved valuator appointed by the Company and approved by the bond trustee, divided by financial indebtedness of the Company.

The bond terms also include a cash requirement covenant, which requires the Company to maintain the cash minimum of upcoming 3 months interest payment and an interest cover ratio covenant, which requires the

Company to generate EBITDA minimum of 1.1 times the net finance charges. Covenants are tested on a quarterly basis and the company has not breached the covenants.

7. Related parties

The Company's related parties are its ultimate parent company Sunborn Oy, other Sunborn Group entities, the board of directors and key management of the Company and the Board of Directors and management of the parent company, together with their close family members, and companies controlled by these individuals.

The following table summarises the Company's transactions and outstanding balances with related parties during or at the end of the years presented:

GBP thousand	**1 Jul-30 Sep 2023**	**1 Jul-30 Sep 2022**	**1 Jan-30 Sep 2023**	**1 Jan-30 Sep 2022**	**1 Jan-31 Dec 2022**
Sunborn (Gibraltar) Resort rent	**1,320**	795	**3,520**	2385	**3,180**
Sunborn International Oy interest	**(82)**	(97)	**(247)**	(292)	**(390)**

	30-Sep-23		**31-Dec-22**	
GBP thousand	Receivables	Liabilities	Receivables	Liabilities
Sunborn (Gibraltar) Resort	**2,752**	**86**	1,581	86
Sunborn (Gibraltar) Holdings	**3**	**885**	3	-
Sunborn International Oy	**-**	**24,399**	-	24,152
Sunborn Finance Oyj	**-**	**58**	-	58
Sunborn International Holding Oy	**-**	**95**	-	95
Total	**2,754**	**25,523**	1,584	24,391

8. Events after the balance sheet date

Continued inflationary pressure may continue to negatively impact energy, wages and cost of goods sold expenditure.

Appendix 1

Sunborn (Gibraltar) Resort Limited

Unaudited Income Statement

GBP thousand

	Unaudited 3 months ended 30 Sep 23	Unaudited 3 months ended 30 Sep 22	Unaudited 9 months ended 30 Sep 23	Unaudited 9 months ended 30 Sep 22	Audited 12 months ended 31 Dec 22
REVENUE	3,046	3,084	7,806	8,073	10,672
Cost of sales					
Food	158	131	410	341	487
Beverage	76	59	191	161	214
Agent commission	91	75	177	179	264
Other	45	39	138	112	165
	371	304	916	793	1,130
GROSS PROFIT	2,675	2,780	6,890	7,280	9,541
Administrative and other expenses	(1,772)	(1,691)	(4,914)	(4,612)	(6,203)
EBITDAR	903	1,088	1,976	2,668	3,338
Rent cost due to related entity	(1,320)	(795)	(3,520)	(2,385)	(3,180)
Depreciation	(48)	(37)	(140)	(104)	(145)
Interest expense	(19)	(19)	(56)	(56)	(75)
Result before tax	(485)	237	(1,740)	124	(63)
Taxation	-	-	-	-	-
Result for the year	(485)	237	(1,740)	124	(63)

Unaudited Balance Sheet
GBP thousand

	Unaudited 30 Sep 23 £	Unaudited 30 Sep 22	Audited 31 Dec 22 £
Fixed assets			
Tangible fixed assets	266	307	294
Current Assets			
Inventories	125	112	113
Trade and other receivables	1,080	1,488	1,384
Cash at bank	56	608	104
	1,261	2,208	1,601
Current Liabilities			
Trade and other payables	5,878	2,913	3,013
Permitted loan facility	-		-
	5,878	2,913	3,013
Current Assets less Current Liabilities	(4,617)	(705)	(1,412)
Non-current liabilities			
Other payables		2,028	1,494
Permitted loan facility	1,500	1,500	1,500
Total Assets less Liabilities	(5,851)	(3,926)	(4,112)
Capital and Reserves			
Called up share capital	2	2	2
Profit & loss account	(5,853)	(3,927)	(4,114)
	(5,851)	(3,925)	(4,112)

Unaudited **Statement** of Cash Flows

GBP thousand

	Unaudited 9 months ended 30-Sep-23 £	Unaudited 9 months ended 30-Sep-22 £	Audited 31 Dec 22 £
Reconciliation of operating loss to net cash flows from operating activities			
Operating profit	(1,740)	124	(63)
Interest expense	56	0	75
Operating profit	(1,684)	124	13
Depreciation	140	104	145
Movement in inventories	(12)	(10)	(12)
Movement in debtors	304	(190)	(86)
Movement in creditors	1,315	625	121
Net cash flows from operating activities	63	652	182
Cash flow from investing activities			
Purchase of tangible fixed assets	(111)	(136)	(165)
	(111)	(136)	(165)
Cash flow from financing			
Repayment of obligations under finance lease	-	-	(5)
	-	-	(5)
Taxation		-	-
Increase in cash	(48)	516	11
Reconciliation of net cash flows to movement in net funds			
Cash at bank at the end of period	56	608	104
Cash at bank at 1 January	104	93	93
Increase in cash in year	(48)	516	11