HYDRO HOTEL, EASTBOURNE, PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2024

Company Registration No. 00044514 (England and Wales)

Hydro Hotel

HYDRO HOTEL, EASTBOURNE, PLC

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HYDRO HOTEL, EASTBOURNE, PLC

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2024

Results for year ended 31 October 2024
I am pleased to report on the company's results for the year ended 31 October 2024.

Sales for the year totalled £4,850,970, an increase of 9% on the £4,432,917 sales for the previous year (2023 0.7% increase). Operating profit for the year was £393,319 (2023 £259,602). After interest receivable and the corporation tax charge, the post-tax profits for the year were £350,246 (2023 £235,945). An interim dividend of 13p per share (2023 12p per share) absorbing £78,000 (2023 £72,000) was paid to shareholders in October 2024. Taking into account the level of post-tax profits for the year and with the company having strong reserves and assets, the Board has decided to declare a further interim dividend of 13p per share (2023 12p per share), absorbing £78,000 (2023 £72,000), which will be paid on Wednesday 2 April 2025 to shareholders on the register on Friday 14 March 2025. The ex-dividend date will be Thursday 13 March 2025.

The trading environment for the company continues to be challenging with continuing cost of living increases impacting on operating costs and consumer demand. With careful monitoring of food and drink costs the gross profit percentage increased by 9% compared to the previous year (2023 No change compared to 2022). Overall profitability increased in the year, despite increases in operating costs and staffing costs.

Repair costs decreased by 5% compared to the previous year and included general maintenance to the fabric of the building, including replacement of fire doors and remedial work to the hotel's wiring.

Capital improvements at the hotel during the year included the installation of new air conditioning in the Conservatory, replacement of the outside furniture for the Garden Suite and Main Terrace, replacement of the boiler in the new wing, and general refurbishment of some bedroom interiors.

Developments since 31 October 2024
New marketing techniques will continue to be developed during the year to further encourage direct bookings at the hotel, which show an increase, year on year.

Updating of the Wedgwood room air conditioning will be undertaken in the coming year together with replacement of the remaining outside furniture and installation of a new flue and boiler in the old wing. General refurbishment of bedrooms and public areas will continue.

We continue to improve the physical and cyber security of the hotel's assets, and are working towards Cyber Essentials accreditation.

I am also pleased to report that the quality of the hotel’s offering was recognised locally by its winning of the Outstanding Tourism and Accommodation Award at the recent Eastbourne Business Awards ceremony held on 29 November 2024 at the Winter Gardens, Eastbourne.

Our Staff
I would like to congratulate our General Manager, Jonathan Owen, on the results achieved for the hotel this year, despite ongoing challenges for the hotel and tourism industry.

I wish also to record our thanks to our management team and all our staff for their dedication to the hotel. We continue to invest in our team, working to train and retain valued members of staff who continue to deliver the Hydro's renowned quality of service which our customers value so much.

Christopher J Bean LL.B (Hons)
Chairman of the Board 25 February 2025

The directors present the Strategic Report for the year ended 31 October 2024.

Promoting the success of the company

Introduction to s172 Statement

The directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members. In doing so they have had regard to the following matters:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the company

The directors are ultimately involved in the decision making process but in order to achieve the company's corporate strategy they must pay due regard to the company's stakeholders. These stakeholders include the staff, suppliers, customers, the local community and the shareholders.

Feedback is received from stakeholder groups to ensure that their views are taken into account in the decision making process. This includes direct engagement with Board members, the use of reports and updates from management and coverage in Board papers of relevant stakeholder interests with regard to proposed courses of action. Customer feedback and complaints, as well as staff reports and suggestions are also taken into account.

We continue to consider the wellbeing of our staff by utilising open channels of communication, with key management, staff suggestions and regular staff meetings.

Where possible we aim to source food and drink stock, and services, from local suppliers as this is in keeping with the company's ethos to provide benefit to the local community and to lessen the impact on the environment.

The hotel is fortunate to have a loyal local clientele who use the restaurant and hotel facilities. This relationship has been fostered through the local press and information on social media channels.

We feel that the hotel has a social responsibility to help maintain Eastbourne as a desirable place to live and work and this will encourage the public to visit and return to the town for their short stays and holidays.

Overall the company has seen a good performance over the past year and has been able to balance the needs and expectations of investors whilst protecting the skill base and staff so that the hotel can continue delivering its high class service. Decisions are always made taking into account the interests of all stakeholders and to ensure that the hotel can continue to trade for the foreseeable future.

Strategy

The company has been operating the 82 bedroom Hydro Hotel, Mount Road, Eastbourne, which it owns freehold, since 1895. The company has operated additional premises in the past and the directors continue to review whether to expand the business to operate additional locations, but for the time being have decided to focus on maximising the business at Hydro Hotel.

Hydro Hotel aims to be the pre-eminent 4* traditional hotel in the Eastbourne area, offering a high quality product with excellent service, giving perceived value for money to our customers. The Board continues to invest in our core facilities of bedrooms, public rooms, function rooms, and kitchens, and we have agreed that additional investment in new facilities should be designed to appeal to the next generation of customers with the income to enjoy what the Hydro has to offer, to enable the company to refresh its customer base and position it to be able to achieve higher margins.

Principal risks and uncertainties
Risks regularly reviewed by the directors which could materially affect the company's business are:

Reputational risk - The company must consistently ensure that its offering to customers and the delivery of service meets their requirements, and adjusts to changes in market trends over time.

Staffing risk - The company must recruit, train and retain sufficient high quality staff to enable it to deliver its services to customers.

Hotel facility deterioration - The company must continually invest to refresh its facilities, and if necessary change its offering, to meet the requirements of the market.

Demographics - The company's marketing needs to refresh its customer base as the circumstances of existing regular users change over time.

Fire, Health and Safety, and Environmental Health - The company must ensure that its premises and practices provide a safe environment for guests and staff, and comply with regulations.

Financial Risk - Treasury activities take place under procedures and policies approved and monitored by the Board. They are designed to minimise the financial risks faced by the company, i.e. liquidity risk, credit risk and interest rate risk. The Board considers that the company is not exposed to price risk or foreign exchange risk.

- Liquidity risk - The company manages its liquidity to ensure that sufficient funds are available for ongoing operations and future developments whilst seeking to maximise interest income and minimise interest expense. At 31 October 2024 the company had immediately available cash balances of £2,462,830 and no borrowing (2023 £1,626,588 and no borrowing). Accordingly the liquidity risk is considered to be low.

- Credit risk - The company's principal financial assets are cash balances and trade debtors. Credit risk on cash balances is mitigated as the Board only deposits funds with regulated institutions which have high credit ratings. Trade debtor balances are monitored on an ongoing basis and provision is made for doubtful debts as necessary. As most customers pay by cash, credit or debit card, trade debtors were just 2% of net current assets at 31 October 2024 (2023 4%) and accordingly the credit risk is considered relatively low.

- Interest rate risk - The company is exposed to interest rate risk on its cash balances. The Board monitors interest rates available for the company's funds taking into account the company's liquidity and credit risk requirements.

General economic situation in the UK - The company is liable to be affected by changes in customer and business sector confidence and spending power, especially during the cost of living crisis, and may need to adjust its operations accordingly. In addition the business will need to adapt to increased staffing costs in the future with the expected rises in employer’s national insurance and the national minimum wage following the change in government and government policies.

Performance measurement and key performance indicators
In order to measure the success of the company in meeting its objectives and to evaluate the performance of management, the directors review the following key performance indicators at their regular Board meetings:

- Turnover
- Revpar (Revenue Achieved Per Available Room)
- Food and beverage sales and gross profit achieved
- Staff costs and overheads, compared to sales
- Cash balances

The directors also review marketing activities undertaken and planned, future bookings, feedback from customers on service provided, employee changes, capital and refurbishment plans, and budgets and expenditure.

Performance in the year ended 31 October 2024

The trading environment for the company continues to be challenging with general economic conditions and the cost of living crisis.

Despite this, during the year ended 31 October 2024 the company's turnover increased by 9% (2023 increased by 0.7%), and Revpar increased by 11% (2023 decreased by 3%). The company showed an increase in the level of gross profit on food and beverage sales of 9% compared to the prior year (2023 No change compared to 2022). Staff costs and overheads, as a proportion of sales, decreased by 2% (2023 2% increase). Cash balances at 31 October 2024 were £2,462,830 (2023 £1,626,588).

Repair costs decreased by 5% compared to the previous year and included general maintenance to the fabric of the building, including replacement of fire doors and remedial work to the hotel's wiring. Capital improvements at the hotel during the year included the installation of new air conditioning in the Conservatory, replacement of the outside furniture for the Garden Suite and Main Terrace, replacement of the boiler in the new wing, and general refurbishment of some bedroom interiors. Updating of the Wedgwood room air conditioning will be undertaken in the coming year together with replacement of the remaining outside furniture and installation of a new flue and boiler in the old wing. General refurbishment of bedrooms and public areas will continue.

The hotel values its staff and ongoing training is important for their welfare and retention. During the year staff underwent fire marshalling training in connection with general Health and Safety requirements. Further staff training is planned for the coming year.

The security of customers and hotel staff is also considered paramount to the company and for this reason a new CCTV system was recently installed to improve the existing security at the hotel.

Security arrangements equally apply to the company's data and digital information and the company has recently taken and implemented advice on its cyber security from its IT and computer consultants. With their assistance the company is seeking to gain accreditation under the Cyber Essentials scheme which is a Government-backed certification scheme which acknowledges an organisation's achievements in keeping both its data, as well as that of its customers, safe from cyber attack.

We are also pleased to report that the quality of the hotel's offering was recognised locally by its winning of the Outstanding Tourism and Accommodation Award at the recent Eastbourne Business Awards ceremony held on 29 November 2024 at the Winter Gardens, Eastbourne.

The company's operating profit before interest receivable and tax was £393,319 compared to the 2023 operating profit of £259,602.

The company's post tax profit was £350,246 (2023 £235,945).

The company generated cash from operating activities of £610,313 (2023 £485,680) and invested £166,247 (2023 £273,488) in new fixed assets.

During the year the company paid ordinary dividends of £150,000, £72,000 in respect of the year ended 31 October 2023 and £78,000 in respect of the year ended 31 October 2024. At the year end the company had a satisfactory net current asset position of £1,670,097 (2023 £1,442,129) and declared a post year end dividend payable in April 2025 of £78,000.

This report was approved by the Board of Directors on 25 February 2025 and signed by order of the Board by

Mrs S A Gausden, BA, FCA
Secretary

HYDRO HOTEL, EASTBOURNE, PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024

The directors submit their report and the audited financial statements for the year ended 31 October 2024.

Principal activities
The company carries on the business of hoteliers. It has no subsidiary companies.

Share capital
The company's shares are traded on the Aquis Stock Exchange.

Directors
G C King retires by rotation and being eligible, offers himself for re-appointment.

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

C J Bean, LL.B(Hons)
C P Freeman, FCA
Mrs S A Gausden, BA, FCA
G C King, MA, CA
J D Tuhey, BA(Hons) Dip BM

Results and dividends
The results for the year are set out on page 14.

Ordinary dividends amounting to £150,000 were paid during the year.

Directors' interests
The directors' interests in the shares of the company were as stated below:

	2024	2023
C J Bean, LL.B(Hons)	1,402	1,402
C P Freeman, FCA	10,000	9,000
Mrs S A Gausden, BA, FCA	2,000	2,000
G C King, MA, CA	10,000	10,000
J D Tuhey, BA(Hons) Dip BM	575	575

Directors' insurance
To preclude the possibility of the company incurring expenses which might arise from the need to indemnify a director from claims made against him or her or the cost associated with their defence, the company has effected directors' liability insurance as permitted by the Companies Act 2006.

Energy and carbon reporting
The directors are pleased to make a voluntary disclosure regarding the company's energy consumption. The hotel's energy consumption in the year was 2,021,070 kilowatts per annum (2023 2,034,366), comprising 1,547,544 kilowatts per annum of gas (2023 1,513,585) and 473,527 kilowatts per annum of electricity (2023 492,410), based upon suppliers' invoices, and in addition, 51,766 kilowatts per annum of electricity generated by the hotel's solar panels (2023 28,371). This is equivalent to 381 tonnes of CO_2 equivalent of greenhouse gases emitted into the atmosphere (2023 372 tonnes), which is equivalent to 11.37 kg per guest for the year (2023 11.58 kg per guest). The hotel continues to follow a policy of reducing energy consumption as much as possible. Light fittings have been replaced from incandescent to more energy efficient LED lighting and when repairs are required the energy efficiency of the replacement is always considered.

Future developments
The marketing strategies used to promote the hotel's services will continue to be developed during 2025.

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Matters covered in the Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of financial risk.

Statement of disclosure to auditor

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

This report was approved by the Board of Directors on 25 February 2025 and signed by order of the Board by

Mrs S A Gausden, BA, FCA
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYDRO HOTEL, EASTBOURNE, PLC

Opinion

We have audited the financial statements of Hydro Hotel, Eastbourne, plc (the 'company') for the year ended 31 October 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and in accordance with the requirements of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2024 and of its profits and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Evaluation of management assessment	Key observations
Management have prepared cash flow forecasts covering the period to 31 May 2026 ('the forecast period'). These are based on their expectation of future revenue, expected operating costs and capital expenditure.	The company made a profit before tax of £469,515 for the 2023/24 year and had net assets of £4.0m at the year end. As discussed in the strategic report, revenue for the current year slightly increased compared to last year with gross profit increasing with careful monitoring of food and drink costs despite increases in operating costs and staff costs.
Management have considered key assumptions to the forecasts, they have assumed that revenue will increase steadily and staff costs and overheads will also increase due to current levels of inflation. They have also stress tested the forecasts to understand the effect on cash flows should revenue decrease substantially.	The base case cash flow forecast demonstrates that the company will have a cash flow surplus throughout the forecast period. There are no external borrowings.

Our review included: • Assessing the transparency, completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's cash flow projections for the forecast period and challenging the underlying assumptions. • Reviewing the cash flow forecasts, the methodology behind these and ensuring they are arithmetically correct. • Reviewing management's stress testing on the cash flow forecasts provided to assess the number of factors that it would take to occur before the company was pushed into a cash negative position along with considering the mitigating actions available to management in such circumstances. • Discussing with management plans for the company going forward, ensuring these have been incorporated into the budgeting and would not have a material impact on the going concern status of the company.	The activity levels included in the forecasts are largely consistent with the prior period. The stress test prepared by management has shown that revenue would need to decrease by 40% in order to make the cash reserves depleted by the end of the forecast period to 31 May 2026. This is without any adjustment to related costs or planned capital expenditure. The cash flow forecasts to 31 May 2026 show that the company can operate within its bank facilities and the directors and ourselves have not identified any material uncertainties in respect of the company's going concern status and consider that the company has adequate resources to operate for the foreseeable future and it is appropriate to prepare the financial statements on a going concern basis.

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.

Our approach to the audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the company, the activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

The audit team met and communicated regularly throughout the audit with the finance team in order to ensure we had a good knowledge of the business. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identified during the audit.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition The company recognises revenue for services and goods provided by the hotel (excluding value added tax and discounts). Revenue is recognised at the point of sale or the date that those facilities are used. Deposits received are not recognised as revenue until the date of the stay or event held in the case of conference bookings. Revenue is a key driver of the business and is made up of a high number of individual low value transactions therefore in respect of services provided there is a risk that revenue is recorded inappropriately relative to the provision of underlying services. We therefore identified the risk over the completeness and cut off assertions relating to revenue recognition as a significant risk, which was one of the most significant risks of material misstatement.	Our audit work included, but was not restricted to: • Performing transaction testing from the EPOS system on a sample of food and drinks sales recorded to test the completeness of revenue recorded and at the same time test the accuracy of the recording of income and deferred income. • Performing transaction testing from the hotels booking system for overnight stays through to the revenue recorded in the accounting system to ensure that the revenue was recorded in the correct period and completeness of revenue. • Assessment of revenue recorded around the financial year end to determine if recorded in the correct accounting period to gain assurance on the cut off assertion. • Detailed analytical review of revenue recognised in the year by comparing to last year. • Documenting our understanding of the systems and controls around the

	recording of revenue and testing the design effectiveness of such controls. The company's accounting policy on revenue recognition is shown in the accounting policies for the company's financial statements (note 1.3) and related disclosures are included in note 4. **Key observations** We have not found any issues or errors involving revenue recognised and are therefore satisfied we have assurance over revenue recognition and treatment.

Our application of materiality
The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, "performance materiality," to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Overall materiality	We determined materiality for the financial statements as a whole to be £72,700 (2023: £66,500).
How we determine it	Based on a benchmark of 1.5% (2023: 1.5%) of total revenue for the year.
Rationale for benchmarks applied	Due to the volatility in profits/losses over the past 5 years the use of profit before tax or normalised profit before tax as the benchmark for materiality was considered inappropriate. Revenue is a key performance measure and is the key driver of the business and is therefore considered to be a more appropriate benchmark to use when calculating materiality.
Performance materiality	We do not consider there to be an overall high risk of material misstatement, the transaction streams are relatively simple and there are no highly judgemental or complex transactions. The business is relatively stable, revenues have increased in the

	year and are being generated as well as a profit in the current year. We have determined 75% (2023: 75%) of financial statement materiality to be an appropriate level and so performance materiality was set at £54,500 (2023: £49,875).
Specific materiality	A lower materiality has been used for the cash element of directors' remuneration, being £2,000.

Reporting threshold
We agreed with the board of directors that we would report to them all misstatements over £3,635 (5% of financial statement materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the board of directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or

- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the statement of directors' responsibilities, 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The Companies Act (2006), Corporate and VAT legislation. Employment Taxes, Health and Safety, and Aquis Stock Exchange regulations which have a direct impact on the company's business activities, are considered significant to the company. In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- at planning stage, we gained an understanding of the legal and regulatory framework applicable to the company, the industry in which it operates and considered the risk of acts by the company which were contrary to the applicable laws and regulations;
- we discussed with the directors the policies and procedures in place regarding compliance with laws and regulations. In particular we discussed, employment laws, health and safety regulations, and fire safety;
- we discussed amongst the engagement team the identified laws and regulations, and remained alert to any indications of non-compliance; and
- during the audit, we focused on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors (as required by auditing standards), from inspection of the company's regulatory and legal correspondence and review of minutes of directors' meetings in the year.

Our procedures in relation to fraud included but were not limited to:

- inquiries of management whether they have knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions; and
- addressing the risk of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any “Key audit matters” relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under “Key audit matters” within this report.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion with other parties.

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.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with part 3 of Chapter 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.

Colin Wright (Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

UHY Hacker Young
4 Thomas More Square
London E1W 1YW

25 February 2025

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2024

	Notes	2024 £	2023 £
Turnover	**4**	4,850,970	4,432,917
Cost of sales		(4,185,435)	(3,916,653)
Gross profit		665,535	516,264
Administrative expenses		(272,216)	(256,662)
Operating profit	**5**	393,319	259,602
Interest receivable and similar income	**9**	76,196	50,805
Profit before taxation		469,515	310,407
Taxation	**10**	(119,269)	(74,462)
Profit for the financial year		350,246	235,945
Earnings per share (basic and diluted)	**26**	58.37p	39.32p

	2024 £	2023 £
Profit for the financial year	350,246	235,945
Other comprehensive income	-	-
Total comprehensive income for the year	350,246	235,945

All profit and total comprehensive income for the year is attributable to the owners of the company.

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 18 to 29 are an integral part of these financial statements.

HYDRO HOTEL, EASTBOURNE, PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2024

		2024		2023	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**12**		2,497,935		2,525,316
Current assets					
Stocks	**14**	47,810		40,028	
Debtors	**15**	154,155		189,158	
Investments	**16**	-		465,980	
Cash at bank and in hand		2,462,830		1,626,588	
		2,664,795		2,321,754	
Creditors: amounts falling due within one year	**17**	(994,698)		(879,625)	
Net current assets			1,670,097		1,442,129
Total assets less current liabilities			4,168,032		3,967,445
Provisions for liabilities	**18**		(148,905)		(148,564)
Net assets			4,019,127		3,818,881
Capital and reserves					
Called up share capital	**20**		600,000		600,000
Revaluation reserve			389,814		394,093
Profit and loss reserves			3,029,313		2,824,788
Total equity			4,019,127		3,818,881

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2025 and are signed on its behalf by:

C J Bean LL.B (Hons)
Director

Mrs S A Gausden BA, FCA
Director

Company Registration No. 00044514

The notes on pages 18 to 29 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2024

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 November 2022		600,000	398,372	2,794,564	3,792,936
Year ended 31 October 2023:					
Profit and total comprehensive income for the year		-	-	235,945	235,945
Dividends	**11**	-	-	(210,000)	(210,000)
Transfers		-	(4,279)	4,279	-
Balance at 31 October 2023		600,000	394,093	2,824,788	3,818,881
Year ended 31 October 2024:					
Profit and total comprehensive income for the year		-	-	350,246	350,246
Dividends	**11**	-	-	(150,000)	(150,000)
Transfers		-	(4,279)	4,279	-
Balance at 31 October 2024		600,000	389,814	3,029,313	4,019,127

The notes on pages 18 to 29 are an integral part of these financial statements.

HYDRO HOTEL, EASTBOURNE, PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2024

		2024		2023	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated from operations	**27**		659,206		565,741
Income taxes paid			(48,893)		(80,061)
Net cash inflow from operating activities			610,313		485,680
Investing activities					
Purchase of tangible fixed assets		(166,247)		(273,488)	
Repayment/(Purchase) of other investments and loans		465,980		(12,056)	
Interest received		76,196		50,805	
Net cash generated from/(used in) investing activities			375,929		(234,739)
Financing activities					
Dividends paid		(150,000)		(210,000)	
Net cash used in financing activities			(150,000)		(210,000)
Net increase in cash and cash equivalents			836,242		40,941
Cash and cash equivalents at beginning of year			1,626,588		1,585,647
Cash and cash equivalents at end of year			2,462,830		1,626,588
Relating to:					
Cash at bank and in hand	**28**		2,462,830		1,626,588

The notes on pages 18 to 29 are an integral part of these financial statements.

1 Accounting policies

Company information

Hydro Hotel, Eastbourne, plc is a public company limited by shares incorporated in England and Wales. The registered office is Hydro Hotel, Mount Road, Eastbourne, East Sussex, BN20 7HZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, under the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) regulations 2008 (SI2008/410).

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

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

1.2 Going concern

The company's business activities, development and performance for the financial year, together with the factors likely to affect its future development, are set out in the Chairman's Statement and Strategic Report on pages 1 to 4. These include the cost of living increases which may also impact on the company's future ability to continue trading. The Strategic Report also details its approach to managing financial risks. The company has substantial cash balances and financial resources and it annually prepares a cash forecast for the 19 months ahead. In preparing the cash forecast, the directors have used the following key assumptions:

- Income and expenses will be similar to the prior year
- Capital expenditure is as budgeted for the period to 31 May 2026.

Based on the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover is the value of goods and services sold to customers and guests after deducting discounts and VAT.

The hotel operates restaurant and bar facilities. Sales of goods are recognised when the restaurant or bar sells a product to a customer.

The hotel supplies conference and event facilities as well as hotel rooms to business and private customers. Sales of rooms and conference and event facilities are recognised on the dates those facilities are used. Deposits received in advance are not recognised as turnover until the day of the stay or event.

In the opinion of the directors the operations of the company comprise one class of business, being hoteliers. The company's main operations are all located within one location, Hydro Hotel.

1.4 Tangible fixed assets

The directors adopted FRS 102 for the company's financial statements for the year ended 31 October 2016. The directors took advantage of the transitional arrangements available to use a previous revaluation of freehold properties, plus later additions, as deemed cost, and to continue to depreciate them over their remaining estimated useful lives. The freehold properties were revalued on 31 October 1990 by a firm of Chartered Surveyors on the open market value basis.

1 Accounting policies **(Continued)**

Other tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Freehold land	not depreciated
Buildings	100 years
Furniture and equipment	5, 10 or 15 years

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

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value and comprise consumable provisions and stores.

1.7 Cash at bank and in hand

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

1.8 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 in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors, current asset investments and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

Basic financial liabilities

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

1.9 Taxation

The tax expense for the year comprises current and deferred tax. Tax currently payable, relating to corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction, or other event, that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

2 Segmental reporting

The company has only one operating segment being the operation of a hotel, and one geographical segment being the United Kingdom. The chief operating decision maker is the Board of Directors.

None of the company's customers individually contribute over 10% of the total revenues.

All of the company's assets and liabilities are located in one geographical market being the United Kingdom.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements
There are no judgements made by the directors (apart from those involving estimates) that have a significant effect on amounts recognised in the financial statements.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Depreciation and residual values
The directors have reviewed the asset lives of the freehold property and have concluded that asset lives and residual values are appropriate.

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2024	2023
	£	£
Turnover		
Sales of rooms, conferences and events	2,056,124	1,859,025
Sales from restaurant and bar	2,794,846	2,573,892
	4,850,970	4,432,917

Turnover analysed by geographical market

	2024	2023
	£	£
United Kingdom	4,850,970	4,432,917

5 Operating profit

	2024	2023
Operating profit for the year is stated after charging:	£	£
Depreciation of owned tangible fixed assets	193,496	200,534
Loss on disposal of tangible fixed assets	132	4,338
Cost of stocks recognised as an expense	882,911	821,865

6 Auditor's remuneration

	2024	2023
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the company's financial statements	25,121	22,637

7 Employees

The average monthly number of persons employed by the company during the year was:

	2024 Number	2023 Number
Management and administrative	15	15
Operational	77	78
	92	93

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	1,888,013	1,762,023
Social security costs	142,482	132,473
Pension costs	57,924	50,861
	2,088,419	1,945,357

8 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	50,953	50,542

8 Directors' remuneration **(Continued)**

The amount of employer's pension contributions paid by the company on behalf of the directors during the year was £Nil (2023 £Nil)

The number of directors accruing benefits under the company's defined contribution pension scheme was none (2023 None).

9 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on cash at bank and in hand	63,723	34,196
Interest on bank deposits	12,473	16,609
Total income	76,196	50,805

10 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	119,042	49,007
Adjustments in respect of prior periods	(114)	-
Total current tax	118,928	49,007
Deferred tax		
Origination and reversal of timing differences	341	25,455
Total tax charge	119,269	74,462

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

	2024	2023
	£	£
Profit before taxation	469,515	310,407
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023 22.52%)	117,379	69,904
Tax effect of expenses that are not deductible in determining taxable profit	(1,250)	2,250
Adjustments in respect of prior years	(114)	-
Depreciation on assets not qualifying for tax allowances	3,254	-
Tax at marginal rate	-	(268)
Effect of change in deferred tax rate	-	2,576
Taxation charge for the year	119,269	74,462

10 Taxation **(Continued)**

The average corporation tax rate for the year ended 31 October 2024 was 25% (2023 22.52%). At 31 October 2024, a deferred tax liability of £148,905 (2023 £148,564) has been recognised due to the reversal of timing differences and the additional tax liability expected to arise.

During the year beginning 1 November 2024, the net reversal of deferred tax liabilities is expected to reduce the corporation tax charge in the accounts for the year by approximately £38,348. This is due to the effect of capital allowances being claimed earlier than depreciation charged.

11 Dividends

	2024 Total £	**2023 Total £**
Paid during the year:		
2023 Second interim dividend 12p (2023 23p)	72,000	138,000
2024 First interim dividend 13p (2023 12p)	78,000	72,000
	150,000	210,000

12 Tangible fixed assets

	Freehold land and buildings £	**Furniture and equipment £**	**Total £**
Cost			
At 1 November 2023	2,113,280	3,629,269	5,742,549
Additions	-	166,247	166,247
Disposals	-	(7,243)	(7,243)
At 31 October 2024	2,113,280	3,788,273	5,901,553
Depreciation and impairment			
At 1 November 2023	280,636	2,936,597	3,217,233
Depreciation charged in the year	13,956	179,540	193,496
Eliminated in respect of disposals	-	(7,111)	(7,111)
At 31 October 2024	294,592	3,109,026	3,403,618
Carrying amount			
At 31 October 2024	1,818,688	679,247	2,497,935
At 31 October 2023	1,832,644	692,672	2,525,316

Land and buildings with a carrying amount of £1,818,688 were revalued at 31 October 1990 by a firm of Chartered Surveyors not connected with the company on the basis of market value.

12 Tangible fixed assets (Continued)

If revalued assets were stated on an historical cost basis rather than at deemed cost, the total amounts included would have been as follows:

	2024	2023
	£	£
Cost	1,191,130	1,191,130
Accumulated depreciation	(187,623)	(177,946)
Carrying value	1,003,507	1,013,184

13 Financial instruments

	2024	2023
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	37,619	73,379
Instruments measured at fair value through profit or loss	-	465,980
Carrying amount of financial liabilities		
Measured at amortised cost	597,895	555,719

14 Stocks

	2024	2023
	£	£
Consumable provisions and stores	47,810	40,028

15 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	34,845	64,105
Other debtors	2,774	9,274
Prepayments and accrued income	116,536	115,779
	154,155	189,158

16 Current asset investments

	2024	2023
	£	£
Unlisted investments	-	465,980

Unlisted investments last year consisted of a short-term deposit in a 95 day business notice account with a managed rate of interest of 4.5%. This account was closed in the year.

17 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	316,276	251,486
Corporation tax	119,042	49,007
Other taxation and social security	277,761	274,899
Accruals and deferred income	281,619	304,233
	994,698	879,625

18 Provisions for liabilities

		2024	2023
		£	£
Deferred tax liabilities	**19**	148,905	148,564

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2024	Liabilities 2023
Balances:	£	£
Accelerated capital allowances	148,905	148,564

	2024
Movements in the year:	£
Liability at 1 November 2023	148,564
Charge to profit or loss	341
Liability at 31 October 2024	148,905

20 Share capital

	2024	2023
	£	£
Ordinary share capital		
Authorised		
600,000 of £1 each	600,000	600,000
Issued and fully paid		
600,000 of £1 each	600,000	600,000

The ordinary shares provide unrestricted rights to vote, participate in income distributions, participate in capital distributions including on winding up, and are irredeemable.

21 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	57,924	50,861

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the balance sheet date, contributions amounting to £9,775 (2023 £14,302) had not been paid over to the fund and are included within creditors: amounts falling due within one year.

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of tangible fixed assets	21,099	14,272

At the end of the year there was a commitment to replace the boiler in the old wing of the hotel totalling £28,800. A deposit of £7,701 has been paid and is shown within prepayments at the year end. The boiler was installed in December 2024.

23 Directors' transactions

Dividends totalling £5,874 (2023 £7,812) were paid in the year in respect of shares held by the company's directors.

24 Related party transactions

Remuneration of key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £251,715 (2023 £238,148).

24 Related party transactions (Continued)

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Plummer Parsons, of which Mrs S A Gausden, director and company secretary, is Private Client Director, provided accountancy, taxation, secretarial and registration services to the company costing £70,220 in total during the year ended 31 October 2024 (2023 £66,100). The amount outstanding and due to Plummer Parsons at 31 October 2024 was £30,452 (2023 £29,132) and is included in creditors: amounts falling due within one year.

No other director was materially interested, either at the year end or during the year, in any contract of significance in relation to the business of the company.

No guarantees have been given or received.

25 Controlling party

The directors consider that there is no ultimate controlling party.

26 Earnings per share

	2024 £	2023 £
Earnings are based on the profit for the year	350,246	235,945
Earnings per share (basic and diluted)	58.37p	39.32p

Earnings per share have been calculated using 600,000 shares, being the weighted average number of shares for both years. The company has no potential ordinary shares, therefore basic and diluted earnings per share is the same figure.

27 Cash generated from operations

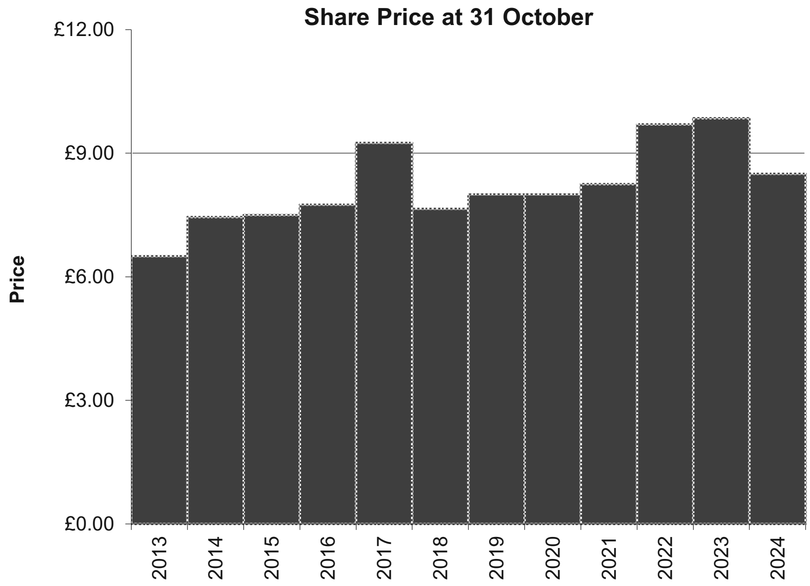
	2024 £	2023 £
Profit for the year after tax	350,246	235,945
Adjustments for:		
Taxation charged	119,269	74,462
Interest receivable and similar income	(76,196)	(50,805)
Loss on disposal of tangible fixed assets	132	4,338
Depreciation and impairment of tangible fixed assets	193,496	200,534
Movements in working capital:		
(Increase) in stocks	(7,782)	(3,383)
Decrease in debtors	35,003	24,973
Increase in creditors	45,038	79,677
Cash generated from operations	659,206	565,741

28 Analysis of changes in net funds

	1 November 2023	Cash flows	31 October 2024
	£	£	£
Cash at bank and in hand	1,626,588	836,242	2,462,830

HYDRO HOTEL, EASTBOURNE, PLC

GENERAL INFORMATION



*Dividends p	18.0	18.0	18.0	21.0	21.0	21.0	^23.0	0.0	20.0	23.0	24.0	#26.0

* Normal dividends declared for the year, excluding special distributions

^ includes the second dividend which was cancelled owing to Covid 19 and reinstated and paid in October 2022

includes the dividend declared and payable in April 2025

Registered Office:	Hydro Hotel Mount Road Eastbourne East Sussex BN20 7HZ	Auditor:	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW
Company Registration No:	00044514		
Company Secretary's Office:	Mrs S A Gausden Plummer Parsons 18 Hyde Gardens Eastbourne East Sussex BN21 4PT	Bankers:	Metro Bank Plc One Southampton Row London WC1B 5HA
Share Transfer and Registration Department:	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD		

HYDRO HOTEL, EASTBOURNE, PLC

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND THIRTIETH ANNUAL GENERAL MEETING of the Company will be held at the HYDRO HOTEL, Mount Road EASTBOURNE, on the 15TH DAY OF APRIL 2025, at 11.30 am for the following purposes:

Resolutions
To consider and, if thought fit, to pass the following resolutions.

1. To receive the company's financial statements for the year ended 31 October 2024 and the reports of the directors and auditor thereon.

2. To re-appoint G C King as director.

3. To vote directors' fees for the year ending 31 October 2025.

4. To re-appoint UHY Hacker Young LLP as auditor to hold office until the conclusion of the next Annual General Meeting and to authorise the directors to fix their remuneration.

Registered Office
Mount Road
Eastbourne
East Sussex
BN20 7HZ

By Order of the Board,

MRS S A GAUSDEN, BA, FCA

25 February 2025

Secretary

NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING

(1) Holders of ordinary shares are entitled to attend, speak, and vote, either in person or by proxy, at General Meetings of the Company. On a vote by a show of hands, every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote, unless the proxy has been appointed by more than one member and has been instructed by more than one member to vote for the resolution and by one or more members to vote against the resolution, in which case the proxy has one vote for and one against. On a poll vote, every member who is present in person or by proxy has one vote for every ordinary share of which he/she is the holder.

(2) A corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf. The representative must produce on request a duly certified copy of the board resolution confirming the authorisation, plus an original passport or photo driving licence as proof of identity.

(3) A member of the Company may appoint one or more proxies to attend, speak and vote instead of the member. A proxy of a member need not also be a member. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share. Before an individual may be admitted to the meeting as proxy, he or she will be required to produce an original passport or photo driving licence as proof of identity.

(4) The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be deposited with the Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD not less than 48 hours (excluding non-working days) before the time for holding the meeting. A Form of Proxy accompanies this document for use by members.

(5) Completion of the Form of Proxy will not preclude a member from attending and voting in person.

(6) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 as amended the Company specifies that only those shareholders registered in the Register of Members (the Register) of the Company as at 11.30am on 11 April 2025 (the Specified Time) shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the Register for certificated or uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting. Should the Annual General Meeting be adjourned, to be so entitled shareholders must have been entered on the Register at the time which is 48 hours (excluding non-working days) before the time fixed for the adjourned Annual General Meeting or, if the Company gives notice of the adjourned Annual General Meeting, at the time specified in the Notice.

(7) CREST members who wish to appoint a Proxy or Proxies through the CREST electronic Proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by using the procedures described in the CREST manual. CREST personal members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCO's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a Proxy or an instruction to a previously appointed Proxy must be transmitted so as to be received by Neville Registrars Limited (ID: 7RA11) no later than the Specified Time. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable their CREST sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 as amended.

(8) As at 25 February 2025, being the last practicable date before the date of this Notice, there were 600,000 ordinary shares in issue, each with equal voting rights. The total number of voting rights in the Company as at 25 February 2025, being the last practicable date before the date of this Notice, is 600,000.