

Company Registration No. 01461396 (England and Wales)

DUKES HOTEL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

DUKES HOTEL LIMITED

COMPANY INFORMATION

Directors Ahmad Sultan Ahmad Bin Selayem
Abdulla Sultan Ahmad Sultan Bin Sulayem
Sultan Ahmad Sultan Bin Sulayem

Company number 01461396

Registered office 35 36 37 & 38 St. James's Place
London
SW1A 1NY
England

Auditor HW Fisher LLP
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

DUKES HOTEL LIMITED

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DUKES HOTEL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Fair review of the business

The financial results for the year ended 31 March 2020 are contained in the statement of comprehensive income of these accounts.

The turnover for the year has shown a growth of 2.7% to £9,939,502 (2019: £9,678,075). Revenue from food and beverage continued to improve following the refit and rebranding of the restaurant in 2018, showing an increase in both covers and average spend.

The financial year ending March 2020 will be remembered as the start of the COVID-19 pandemic and a significant period of uncertainty and UK government lockdown restrictions. The hotel's financial results up until February 2020 were exceeding the budgeted targets, our full year forecast at this point was to achieve the budgeted financial goals. Regrettably the impact of COVID-19 in March 2020 derailed our performance at the end of the financial year, with larger impact seen going into 2021 with the temporary hotel closure as a result of COVID-19.

Principal risks and uncertainties

The directors consider the following to be the principal risks and uncertainties facing the hotel.

- The continuing effects which COVID-19 will have on the travel and hospitality industries and the regulations which the UK government have imposed, whilst a journey out of lockdown has been published there are no guarantees that these dates will be achieved in the late spring and early summer of 2021.
- Weak economic growth, the direct effects of COVID-19 and the UK subsequently leaving the EU, with subdued growth rate there is rising public and private debt.
- Potential economic recession, businesses will not trade at pre pandemic levels in the short to medium term, unemployment will rise, and spending will be more cautious.

Financial risk management

The hotel's cash flow is reviewed on a weekly basis by senior management and its parent company to ensure that all business commitments are achieved on a timely basis.

Environmental

The hotel has considered a number of initiatives in the past year to ensure we remain compliant with best practise environmental guidelines. Our waste management contract was renewed, and a new contract awarded to a company which recycles more waste products.

Personnel

The hotel's induction programme for all new starters was refreshed and renamed Duke's discovery. The company continues to invest in its people, ensuring growth and development opportunities are provided. In addition, colleague wellness programmes were introduced.

Disabled employees

The hotel gives full consideration to applications for employment from disabled persons where a handicapped or disabled person can handle the requirements of the job. Where existing employees become disabled, it is the hotel's policy wherever practicable to provide continuing employment under normal terms and conditions to provide training and career development and promotion to disabled employees where appropriate.

On behalf of the board

Abdulla Sultan Ahmad Sultan Bin Sulayem

Director

31 May 2021

DUKES HOTEL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of ownership and operation of Dukes Hotel in London.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Ahmad Sultan Ahmad Bin Selayem
Abdulla Sultan Ahmad Sultan Bin Sulayem
Sultan Ahmad Sultan Bin Sulayem

Auditor

HW Fisher LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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.

On behalf of the board

Abdulla Sultan Ahmad Sultan Bin Sulayem
Director

31 May 2021

DUKES HOTEL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the annual 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). 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;
- 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.

DUKES HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DUKES HOTEL LIMITED

Opinion

We have audited the financial statements of Dukes Hotel Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the ability of the company to continue as a going concern is dependent upon the re-financing of bank loans by the parent company, and upon the on-going financial support of the ultimate shareholders. These events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists and that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

DUKES HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DUKES HOTEL LIMITED

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 and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Russell Nathan (Senior Statutory Auditor)

For and on behalf of HW Fisher LLP

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

31 May 2021

DUKES HOTEL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	as restated £
Turnover	3	9,939,502	9,678,075
Cost of sales		(4,827,381)	(4,958,020)
Gross profit		5,112,121	4,720,055
Administrative expenses		(3,437,183)	(3,380,245)
Operating profit	4	1,674,938	1,339,810
Interest receivable and similar income	8	1,083	464
Interest payable and similar expenses	9	(1,422,212)	(1,418,326)
Profit/(loss) before taxation		253,809	(78,052)
Tax on profit/(loss)	10	(255,898)	(80,811)
Loss for the financial year		(2,089)	(158,863)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DUKES HOTEL LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		17,716,795		18,223,594
Current assets					
Stocks	13	124,154		170,296	
Debtors	14	5,684,384		5,364,073	
Cash at bank and in hand		521,108		53,328	
		<u>6,329,646</u>		<u>5,587,697</u>	
Creditors: amounts falling due within one year	15	<u>(4,330,873)</u>		<u>(3,974,189)</u>	
Net current assets			1,998,773		1,613,508
Total assets less current liabilities			<u>19,715,568</u>		<u>19,837,102</u>
Creditors: amounts falling due after more than one year	16		(17,729,073)		(17,729,073)
Provisions for liabilities					
Deferred tax liability	17	98,282		217,727	
		<u>98,282</u>	(98,282)	<u>217,727</u>	(217,727)
Net assets			<u>1,888,213</u>		<u>1,890,302</u>
Capital and reserves					
Called up share capital	19		2,100,100		2,100,100
Profit and loss reserves			(211,887)		(209,798)
Total equity			<u>1,888,213</u>		<u>1,890,302</u>

The financial statements were approved by the board of directors and authorised for issue on 31 May 2021 and are signed on its behalf by:

Abdulla Sultan Ahmad Sultan Bin Sulayem
Director

Company Registration No. 01461396

DUKES HOTEL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 March 2019:			
Balance at 1 April 2018	2,100,100	(50,935)	2,049,165
Year ended 31 March 2019:			
Loss and total comprehensive income for the year	-	(158,863)	(158,863)
Balance at 31 March 2019	2,100,100	(209,798)	1,890,302
Year ended 31 March 2020:			
Loss and total comprehensive income for the year	-	(2,089)	(2,089)
Balance at 31 March 2020	2,100,100	(211,887)	1,888,213

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Dukes Hotel Limited is a private company limited by shares incorporated in England and Wales. The registered office is 35 36 37 & 38 St. James's Place, London, England, SW1A 1NY.

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.

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 and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Seven Tides UK Holding Limited. These consolidated financial statements are available from its registered office, 35-38 St. James' Place, London, SW1A 1NY, England.

1.2 Going concern

The director's have considered the effect of the Covid-19 outbreak, that spread throughout the world during 2020, on the company's activities. This outbreak has caused a significant disruption to the company's business prior to the date of approval of these financial statements with the hotel having to close for several months post year end as a result of the lockdown in the UK. Due to the prolonged outbreak, the directors anticipate the disruption to continue, however, the extent and financial effect of any continuing disruption remains uncertain.

The company is reliant on its parent company and ultimate shareholders to provide on-going support and to ensure the hotel can meet its expenses that continue to occur with the closure of the hotel. Continuation of this support will be required until the hotel is able to be operational again and occupancy rates stabilise. However the parent company itself is currently seeking to re-finance bank loans which are repayable within one year of signing of these accounts.

Accordingly the directors consider that there are material uncertainties that may cast doubt on the ability of the company to continue as a going concern. However the receipt of business interruption claim of £2.5 million during April and May 2021 will provide sufficient short-term liquidity for the group to continue in operation. Having obtained satisfactory assurances from the ultimate shareholders, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

1.3 Turnover

Turnover is derived from hotel operations, and arose wholly in the United Kingdom. Turnover is recognised when services have been rendered. The turnover of the hotel is derived primarily from the rental of rooms and food and beverage sales. Turnover is all rendering of goods and services.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the life of the lease
Leasehold improvements	15 years
Plant and equipment	3 to 15 years
Fixtures and fittings	3 to 6 years
Arts and antiques	Nil

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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.7 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors 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.

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 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.

1.10 Retirement benefits

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

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 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.

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.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful economic lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Arts and antiques are owned by the hotel to provide ambience and improve the guest experience. An impairment was made during the period of £50,904 of these antiques to reflect on management's best estimate as to their value of £125,000 at 31 March 2020.

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Hotel revenue	7,042,879	6,948,271
Food and drink revenue	2,703,504	2,562,666
Other revenue	193,119	167,138
	<u>9,939,502</u>	<u>9,678,075</u>

	2020	2019
	£	£
Other significant revenue		
Interest income	1,083	464
	<u>1,083</u>	<u>464</u>

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	574,088	558,928
Impairment of owned tangible fixed assets	55,904	-
Operating lease charges	475,002	568,447
	<u>1,105,094</u>	<u>1,127,375</u>

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	19,000	14,500
	<u>19,000</u>	<u>14,500</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Directors	3	3
Administrative staff	6	6
Hotel staff	99	97
	<u>108</u>	<u>106</u>
Total	108	106

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6	Employees		(Continued)
	Their aggregate remuneration comprised:		
		2020	2019
		£	£
	Wages and salaries	2,846,459	2,871,209
	Social security costs	220,258	202,506
	Pension costs	54,460	40,048
		<u>3,121,177</u>	<u>3,113,763</u>
		<u><u>3,121,177</u></u>	<u><u>3,113,763</u></u>
7	Directors' remuneration		
		2020	2019
		£	£
	Remuneration for qualifying services	140,000	140,000
		<u>140,000</u>	<u>140,000</u>
		<u><u>140,000</u></u>	<u><u>140,000</u></u>
8	Interest receivable and similar income		
		2020	2019
		£	£
	Interest income		
	Interest on bank deposits	1,083	464
		<u>1,083</u>	<u>464</u>
		<u><u>1,083</u></u>	<u><u>464</u></u>
9	Interest payable and similar expenses		
		2020	2019
		£	£
	Interest payable to group undertakings	1,422,212	1,418,326
		<u>1,422,212</u>	<u>1,418,326</u>
		<u><u>1,422,212</u></u>	<u><u>1,418,326</u></u>
10	Taxation		
		2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	375,343	66,518
		<u>375,343</u>	<u>66,518</u>
		<u><u>375,343</u></u>	<u><u>66,518</u></u>
	Deferred tax		
	Origination and reversal of timing differences	(119,445)	14,293
		<u>(119,445)</u>	<u>14,293</u>
		<u><u>(119,445)</u></u>	<u><u>14,293</u></u>
	Total tax charge	255,898	80,811
		<u>255,898</u>	<u>80,811</u>
		<u><u>255,898</u></u>	<u><u>80,811</u></u>

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Taxation

(Continued)

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

	2020	2019
	£	£
Profit/(loss) before taxation	253,809	(78,052)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	48,224	(14,830)
Tax effect of expenses that are not deductible in determining taxable profit	80,783	5,362
Adjustments in respect of prior years	186,200	-
Permanent capital allowances in excess of depreciation	(35,167)	-
Depreciation on assets not qualifying for tax allowances	95,303	92,437
Under/(over) provided in prior years	-	(102)
Change in tax rate	-	(2,056)
Deferred taxation	(119,445)	-
Taxation charge for the year	255,898	80,811

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2020	2019
		£	£
In respect of:			
Property, plant and equipment	12	55,904	-
Recognised in:			
Administrative expenses		55,904	-

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Arts and antiques	Total
	£	£	£	£	£	£
Cost						
At 1 April 2019	15,569,847	619,064	4,569,645	5,795,180	180,904	26,734,640
Additions	-	74	95,790	27,329	-	123,193
At 31 March 2020	15,569,847	619,138	4,665,435	5,822,509	180,904	26,857,833
Depreciation and impairment						
At 1 April 2019	-	72,422	4,044,592	4,394,032	-	8,511,046
Depreciation charged in the year	-	40,902	116,478	416,708	-	574,088
Impairment losses	-	-	-	-	55,904	55,904
At 31 March 2020	-	113,324	4,161,070	4,810,740	55,904	9,141,038
Carrying amount						
At 31 March 2020	15,569,847	505,814	504,365	1,011,769	125,000	17,716,795
At 31 March 2019	15,569,847	546,642	525,053	1,401,148	180,904	18,223,594

More information on impairment movements in the year is given in note 11.

13 Stocks

	2020 £	2019 £
Glass and china	80,890	124,073
Food, beverages and other consumables	43,264	46,223
	124,154	170,296

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	179,280	314,578
Amounts owed by group undertakings	5,351,153	4,887,386
Prepayments and accrued income	153,951	162,109
	5,684,384	5,364,073

All amounts owed by group undertakings are interest free, unsecured and repayable on demand.

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	630,604	792,655
Amounts owed to group undertakings	1,170,000	1,170,000
Corporation tax	424,161	66,518
Other taxation and social security	248,357	378,684
Other creditors	1,410,775	1,283,040
Accruals and deferred income	446,976	283,292
	<u>4,330,873</u>	<u>3,974,189</u>

All amounts owed by group undertakings are interest free, unsecured and repayable on demand.

16 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Amounts owed to group undertakings	<u>17,729,073</u>	<u>17,729,073</u>

All amounts owed to group undertakings are unsecured, and bear interest at a fixed rate of 8%. The loan is not due to be repaid before 1 April 2021.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
	£	£
Balances:		
Accelerated capital allowances	313,978	217,727
Short term timing differences	(215,696)	-
	<u>98,282</u>	<u>217,727</u>
		2020
		£
Movements in the year:		
Liability at 1 April 2019		217,727
Credit to profit or loss		(119,445)
Liability at 31 March 2020		<u>98,282</u>

The deferred tax liability set out relates to accelerated capital allowances.

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	54,460	40,048

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.

19 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	2,100,100	2,100,100	2,100,100	2,100,100

20 Financial commitments, guarantees and contingent liabilities

A bank loan by Emirates NBD PJSC to the parent company, Seven Tides UK Holding Limited, was refinanced on 16 September 2016. The total loan of £23,026,378 as at 31 March 2020 (2019 - £25,992,042) is secured by a fixed and floating charge over the assets of the company.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	480,404	483,091
Between two and five years	1,913,320	1,916,839
In over five years	23,180,000	23,656,301
	25,573,724	26,056,231

22 Events after the reporting date

The company made an insurance claim post year end for business interruption due to the COVID-19 pandemic. The claim has been settled by the insurance company, with settlement of the claim being received in two instalments in April and May 2021 totalling £2,500,000.

DUKES HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

23 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

At the balance sheet date the company was owed £53,848 (2019 - £57,125) from Dukes Hotel, Dubai, a fellow group company. There were transactions in the year of £3,278 (2019 - £3,708) relating to invoices paid by the company on behalf of Dukes Hotel, Dubai

At the balance sheet date the company owed £1,170,000 (2019 - £1,170,000) to its ultimate parent entity, Seven tides International LLC. There were no transactions in the year.

At the balance sheet date, included within other creditors are amounts of £1,120,000 (2019 - £980,000) which were due to the directors. Transactions in the year relate to accruing remuneration not paid.

24 Controlling party

The immediate parent company is Seven Tides UK Holding Limited, a company incorporated in the United Kingdom. Seven Tides UK Holding Limited is both the largest and smallest set of consolidated financial statements that include the results of this company. These consolidated group financial statements can be obtained from 35-38 St James Place, London, SW1A 1NY.

The ultimate controlling entity is Seven Tides International LLC, a company incorporated in United Arab Emirates.

The ultimate controlling party is Sultan Ahmad Bin Sulayem.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.