

## Primeairo Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 02199203

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# **Primeairo Limited**

## **Report and financial statements for the year ended 31 December 2019**

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### **Directors**

M A Cairns  
K Cooper  
F Bakhos  
J Al Thani  
Z El Guiziri

### **Secretary and registered office**

K Cooper, 30 Portman Square, London, W1A 4ZX

### **Company number**

02199203

### **Auditor**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Primeairo Limited**

## **Strategic report for the year ended 31 December 2019**

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The directors present their strategic report together with the audited financial statements for Primeairo Limited ("the company") for the year ended 31 December 2019.

### **Principal activities**

The company continues to trade as an investment holding company. The company holds 100% share capital of International Hoteliers (UK) Limited, a holding company whose principal investment is in Churchill Group Limited, which operates the Hyatt Regency London - The Churchill Hotel, Portman Square, London. There have been no changes in the company's activities in the year under review.

### **Business review**

The strategy will be to continue to develop its existing investments and to look for further investments in the UK and Europe.

The statement of comprehensive income is set out on page 9 and shows a profit for the year of £7,227,273 (2018 - £4,454,545).

2019 was a very successful year for The Churchill which, despite the political and economic uncertainty created by the BREXIT, still managed to perform above expectation demonstrating our continued efforts and focus in managing the business.

The combined effect of a successful revenue management strategy aimed to drive ADR and efforts of all the Operational and Supporting teams in enhancing cost efficiencies led to 2019 being the best performing year for this property since the Hyatt as Operator took over in 2004 which featured an increase in ADR by 8% whilst improving annual occupancy by 240 bps.

The directors' strategy in 2020 was to continue to drive economic success through a focus on room rates, optimization of our Business Mix and further development our key existing and emerging feeder markets although this was disrupted by the pandemic.

The impact of Covid19 was significant, resulting in the closure of the hotel. We were able to reopen on 7 September but trading levels have been subdued and significantly below prior years.

Following the year end, the group was able to refinance its facilities and apply an alternative set of covenants which are aligned to the current challenging trading environment.

### **Principal risks and uncertainties**

The company's principal risks and uncertainties are same as that of its subsidiary.

The hospitality industry in London remains highly competitive and the hotel seeks to manage the risk of losing customers to key competitors by focusing on anticipating, meeting and exceeding the expectations of its customers, encouraging client loyalty and extending retention.

The ongoing refurbishment of all public areas and guest-room facilities demonstrates our commitment to re-establishing and re-positioning Hyatt Regency London - The Churchill as one of the leading hotels in London. We believe The Churchill is well placed to re-gain and sustain a definable advantage in its market place.

The hotel's credit risk is primarily attributable to its trade debtors. Credit risk is well managed by running credit checks on new and existing customers and by monitoring payments against contractual agreements.

# Primeairo Limited

## Strategic report for the year ended 31 December 2019

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### Going Concern

The impact of the recent Covid-19 pandemic has required an update to the Company's going concern analysis. Management has forecasted that the Company will be able to meet its obligations that arise in the future and at least for the 12 months from sign off. In order to monitor and mitigate the significant impacts of COVID-19, the Company has forecasted its minimum (unavoidable) expenditure and ensured that it can cover these with present rates of collection. These projections also incorporate mitigating actions the company has taken to reduce costs. The forecasts make various assumptions which include uncertainties. The key assumptions are around occupancy levels and achievable room rates.

The Company is subject to the group financing position and so it is the forecasts and obligations of the group which are key to the assessment of the going concern analysis. The Group was able to refinance during 2020 and as a result has been able to amend the covenants applicable to the business, with the key covenant surrounding loan to value levels of which there is significant anticipated headroom.

The Company is fortunate to benefit from the strong support of its ultimate parent company. The ultimate parent company has indicated that they would be willing to support the Company should cash funding be required, and have formalised this through a binding letter of support. As part of their assessment of going concern, the Directors of the Company have considered the funding and liquidity position of their ultimate parent company to determine the appropriateness of preparing the financial statements on a going concern basis. In doing so, they have made enquiries to the parent company's Board of Directors. Based on the above considerations, the expectation of the Directors is that they will be able to meet liabilities as they fall due over a period of at least 12 months and therefore it is appropriate to prepare the financial statements on a going concern basis.

### Statement by the directors in accordance with s172(1) Companies Act 2006

In accordance with Section 172 of the Companies Act 2006, the directors of the company have acted in a way they consider to be in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole.

Stakeholder engagement is an important area of focus for Havana Holdings (UK) Limited ("Company"). We ensure that we have open communication with our various stakeholder groups, creating a mutually beneficial relationship, and we use information gained through these relationships to make informed judgements when making key decisions.

The directors understand the importance of their section 172 duty to act in good faith to promote the success of the Company. When making decisions, the interests of any key relevant stakeholders will always be considered, including employees, suppliers, customers, shareholders, the community, lenders and the environment. The company is committed to developing business relationships with suppliers and customers as this will ensure that the hotel maintains its five star rating.

The Board also takes into consideration the long-term consequences for both the Company and its relevant stakeholders when making these decisions by forecasting and considering the impact of these decision. This ensures that the Company conducts its business in a fair way, protecting its reputation and external relationships.

### Workforce engagement

#### *Employee feedback*

The Company has implemented a culture where employees are encouraged to provide feedback to senior leaders in the Company through both formal and informal meetings. We chose this as our preferred approach as we believe that this enables the widest range of views to be heard from across the workforce and it ensures to keep them informed on matters affecting them as employees. The purpose of this is to enable the team members to be involved in shaping strategic plans and major decisions, and give them the opportunity to set their own discussion topics with senior leaders.

#### *Confidential feedback*

For team members who prefer to raise any concerns confidentially, and if they wish, anonymously, we have an independent, confidential and anonymous ethics line managed by a third-party operator, as well as a human resources department that provide a channel for confidential feedback which is available to everyone.

# **Primeairo Limited**

## **Strategic report for the year ended 31 December 2019**

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### **Shareholder engagement**

The Board is committed to ensuring there is continued sufficient and effective communication and engagement between the Company and the shareholder through various different means throughout the year. This includes the Annual Report which sets out details of the Company's strategy, business model and performance over the past financial year and plans for future growth.

### **Supplier engagement**

We undertake significant due diligence on our suppliers and we have regular monitoring to ensure all suppliers are working in line with our minimum standards. Key suppliers include food & beverage, agency staffing, cleaning, property maintenance & IT/security infrastructure. To ensure there is two way communication with suppliers, we regularly engage with them by phone and/or onsite – Contracts are reviewed annually and a fair competitive process is carried out when agreements expire or due for renewal.

### **Community engagement**

The company works with local recruiters, job boards and charities to communicate the job opportunities within the Company to local residents, and people currently out of work, education or training.

### **Customers**

As part of our staff training, we emphasise the importance of engaging with customers throughout their experience. We also enable our customers to get up to date pricing information and promotions through emails and our website, and we carry out a number of guest satisfaction surveys. As a five star establishment, the continued happiness and welfare of our guests is of the utmost importance and therefore all staff are encouraged to engage with the guests throughout their stay to provide a personalised service, as well as following up on feedback, whether directly or via booking sites. We ensure our offering remains up to date and attractive to customers, with a continuing process of refurbishment and renewal throughout the hotel.

### **Lender engagement**

There is regular communication with the Company's lenders to discuss business performance, the market and any current issues.

### **Environment**

As part of our daily operations we implement glass bottle, paper and card and light bulbs recycling, toner cartridges recycling, cardboard bailing, food waste management, descaling programs, energy management and combined heat and power, guest linen program etc. We try to source local produce and services where possible to minimise the environmental impact of our operations.

### **Approval**

This strategic report was approved by order of the Board on 18 December 2020



M A Cairns

**Director**

# **Primeairo Limited**

## **Directors' report for the year ended 31 December 2019**

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The directors present their report together with the audited financial statements for Primeairo Limited ("the company") for the year ended 31 December 2019.

### **Results and dividends**

The result of the company for the year is set out on page 9 and shows a profit after taxation for the year of £7,227,273 (2018 - £4,454,545).

Dividends amounting to £7,227,273 have been paid during the year (2018 - £4,454,545).

### **Principal activities and review of the business**

The company continued to trade as an investment holding company. The company's principal investment is in Churchill Group Limited, which operates the Hyatt Regency London - The Churchill Hotel, Portman Square, London.

### **Directors and their interests**

The directors of the company during the year were:

M A Cairns  
K Cooper  
F Bakhos  
J Al Thani  
Z El Guiziri

No director had any beneficial interest in the shares of the company at any time during the year.

### **Disclosure of items within the Strategic report**

The directors have included statements relating the principal activities of the company, review of the business and future developments, going concern, the principal risks and uncertainties facing the company, and risk management in the Strategic report.

### **Auditor**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **On behalf of the Board**



M A Cairns

### **Director**

Date 18 December 2020

# **Primeairo Limited**

## **Directors' responsibilities statement for the year ended 31 December 2019**

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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). 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.

# Primeairo Limited

## Independent auditor's report

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### Opinion

We have audited the financial statements of Primeairo Limited ("the Company") for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, 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 Financial Reporting Standard 101 *Reduced Disclosure Framework* (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 December 2019 and of its profit 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.

### Conclusions relating to going concern

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

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

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.



# **Primeairo Limited**

## **Independent auditor's report (*continued*)**

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### **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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 and Director's report.

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

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

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, 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 determines 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.

# Primeairo Limited

## Independent auditor's report (*continued*)

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### 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 at 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.



Mark RA Edwards (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date 22 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Primeairo Limited

### Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Income from shares in group undertakings		7,227	4,455
Administrative expenses		-	-
<b>Profit on ordinary activities and total comprehensive income before and after taxation</b>	<b>4</b>	<b>7,227</b>	<b>4,455</b>

All amounts relate to continuing activities.

The notes on pages 12 to 16 form part of these financial statements

# Primeairo Limited

## Statement of financial position at 31 December 2019

<i>Company number 02199203</i>	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	8	107,006	107,006
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	9	40,000	40,000
Profit and loss account		67,006	67,006
		<hr/>	<hr/>
<b>Shareholders' funds</b>		107,006	107,006
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 18 December 2020



M A Cairns  
Director

The notes on pages 12 to 16 form part of these financial statements

# Primeairo Limited

## Statement of changes in equity at 31 December 2019

	Share capital £'000	Profit and loss account £'000	Total equity £'000
<b>1 January 2019</b>	<b>40,000</b>	<b>67,006</b>	<b>107,006</b>
<b>Comprehensive income for the year:</b>			
Profit for the year	-	7,227	7,227
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>7,227</b>	<b>7,227</b>
<b>Contributions by and distributions to owners</b>			
Dividends	-	(7,227)	(7,227)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(7,227)</b>	<b>(7,227)</b>
<b>31 December 2019</b>	<b>40,000</b>	<b>67,006</b>	<b>107,006</b>
	Share capital £'000	Profit and loss account £'000	Total equity £'000
<b>1 January 2018</b>	<b>40,000</b>	<b>67,006</b>	<b>107,006</b>
<b>Comprehensive income for the year:</b>			
Profit for the year	-	4,455	4,455
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4,455</b>	<b>4,455</b>
<b>Contributions by and distributions to owners</b>			
Dividends	-	(4,455)	(4,455)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(4,455)</b>	<b>(4,455)</b>
<b>31 December 2018</b>	<b>40,000</b>	<b>67,006</b>	<b>107,006</b>

The notes on pages 12 to 16 form part of these financial statements

# Primeairo Limited

## Notes forming part of the financial statements for the year ended 31 December 2019

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### 1 General information

Primeairo Limited ("the company") is a private company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office can be found on the Contents page and the nature of the company's operations and its principal activities are set out in the Strategic report on page 1.

### 2 Accounting policies

The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial Reporting Standard 101 *Reduced Disclosure Framework*. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain properties and financial instruments. The presentation currency used is sterling and amounts have been presented in round thousands ("£000s").

#### *Disclosure exemptions adopted*

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Havana Holdings (UK) Limited.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Havana Holdings (UK) Limited.

The financial statements of Havana Holdings (UK) Limited can be obtained as described in note 10.

#### *Exemption from preparation of consolidated financial statements*

The company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to submit group accounts as the company is itself a wholly owned subsidiary of an EC parent company incorporated in Great Britain (see note 10). The financial statements present information about the company as an individual undertaking and not about its group.

#### *Going concern*

The impact of the recent Covid-19 pandemic has required an update to the Company's going concern analysis. Management has forecasted that the Company will be able to meet its obligations that arise in the future and at least for the 12 months from sign off. In order to monitor and mitigate the significant impacts of COVID-19, the Company has forecasted its minimum (unavoidable) expenditure and ensured that it can cover these with present rates of collection. These projections also incorporate mitigating actions the company has taken to reduce costs. The forecasts make various assumptions which include uncertainties. The key assumptions are around occupancy levels and achievable room rates.

The Company is subject to the group financing arrangements and so the forecasts of the group are relevant to the going concern analysis of the Company. The Group was able to refinance during 2020 and as a result has been able to amend the covenants applicable to the business, with the key covenant surrounding loan to value levels of which there is significant anticipated headroom.

# Primeairo Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

### 2 Accounting policies (*continued*)

#### *Going concern (continued)*

The Company is fortunate to benefit from the strong support of its ultimate parent company. The ultimate parent company has indicated that they would be willing to support the Company should cash funding be required, and have formalised this through a binding letter of support. As part of their assessment of going concern, the Directors of the Company have considered the funding and liquidity position of their ultimate parent company to determine the appropriateness of preparing the financial statements on a going concern basis. In doing so, they have made enquiries to the parent company's Board of Directors. Based on the above considerations, the expectation of the Directors is that they will be able to meet liabilities as they fall due over a period of at least 12 months and therefore it is appropriate to prepare the financial statements on a going concern basis.

#### *New and amended standards and interpretations effective from 1 January 2019*

The following standards with an effective date of 1 January 2019 have been adopted without any significant impact on the amounts reported in these financial statements:

##### (a) IFRS 16 Leases

IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The company does not have significant leasing activities acting as a lessor.

##### (b) IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018 and have had a material impact on the company.

#### *New standards, interpretations and amendments not yet effective*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting
- Estimates and Errors (Amendment - Definition of Material)
- Revised Conceptual Framework for Financial Reporting

#### *Investments*

Investments held as fixed assets are stated at cost less any provision for diminution in value. At each reporting date, an assessment is made as to whether there is any indication that the investment may be impaired. If such an indication exists, the company estimates the investment's recoverable amount. The investment is written down to the recoverable amount if this is lower than its carrying value. The impairment loss is recognised in profit or loss.

#### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

# Primeairo Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

### 3 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Impairment of investments

The company is required to consider whether the carrying value of the investments is reasonable or if an impairment has taken place. This is done by reference to the underlying trade and assets of the investments.

### 4 Operating loss

The fees for the company's annual statutory audit are borne by another group company.

### 5 Directors and employees

The company has no employees (2018 - Nil).

No directors received any remuneration during the year (2018 - £Nil).

### 6 Taxation on ordinary activities

	2019 £'000	2018 £'000
Taxation on profit on ordinary activities	-	-
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:		
	2019 £'000	2018 £'000
Profit on ordinary activities before tax	7,227	4,455
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,373	846
Effects of:		
Non taxable income - dividend	(1,373)	(846)
Current tax charge for year	-	-

#### Factors that may affect future tax charges

A deferred tax asset of approximately £638,454 (2018 - £751,122) has not been recognised on unrelieved tax losses available to carry forward against future taxable profits as there is currently insufficient evidence that any asset would be recoverable.



# Primeairo Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019 *(continued)*

## 7 Dividends

	2019 £'000	2018 £'000
Ordinary dividend paid of 18.1 (2018 – 11.1p) per share	7,227	4,455

## 8 Fixed asset investments

	Subsidiary undertaking £'000
<i>Cost</i>	
At 1 January 2019 and at 31 December 2019	107,006
<i>Amounts provided</i>	
At 1 January 2019 and at 31 December 2019	-
<i>Net book amount</i>	
At 31 December 2019	107,006
At 31 December 2018	107,006

The company's subsidiaries, owned directly or indirectly, are as follows:

Name	Principal activities	Description and proportion of shares held	Country of registration
International Hoteliers (UK) Limited	Holding company	100% ordinary shares	England
Churchill Group Ltd *	Hoteliers	100% ordinary shares 100% deferred shares	England

\* Shareholding indirectly held through International Hoteliers (UK) Limited

## 9 Share capital

	Authorised, allotted, called up and fully paid			
	2019 Number	2018 Number	2019 £'000	2018 £'000
Ordinary shares of £1 each	40,000,002	40,000,002	40,000	40,000

# Primeairo Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

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### 10 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere.

### 11 Ultimate parent company and ultimate controlling party

The parent company of the smallest group of which the company is a member and for which group accounts are prepared is Havana Holdings (UK) Limited, a company registered in England and Wales. Copies of the accounts may be obtained from 30 Portman Square, London, W1A 4ZX.

The beneficial owner remains Sheikh Hamad bin Jassim bin Jaber Al Thani.

### 12 Related party transactions

The company has taken advantage of the exemption conferred by FRS 101 not to disclose transactions with group companies, on the basis that it is 100% controlled within the group and its parent undertaking, Havana Holdings (UK) Limited prepares consolidated financial statements which are publicly available.

Barclays Bank plc has a charge on the assets of the company. This charge is in place in relation to the bank loan held by one of the company's parent undertakings, Havana Holdings (UK) Limited. At 31 December 2019, the balance due from Havana Holdings (UK) Limited to Barclays Bank plc was £75,648,094 (2018 - £80,181,818). This balance forms part of a joint loan facility with a related party for a total of £180,000,000 (2018 - £180,000,000) of which the company is a joint guarantor.

### 13 Post balance sheet events

After the balance sheet date, COVID19 significantly impacted the group's trade and ultimately led to the closure of the hotel. The hotel reopened on 7 September 2020. The group was able to refinance its facilities successfully during the closure period.