

Company Registration No. 02954321 (England and Wales)

**ST GILES HOTEL LIMITED**  
**CONSOLIDATED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**

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# ST GILES HOTEL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Seng Yong Chua Stephen Noar Chin Beng Oh Abigail Tan-Giroud Robert Tan
<b>Secretary</b>	Boodle Hatfield Secretarial Limited
<b>Company number</b>	02954321
<b>Registered office</b>	Bedford Avenue London WC1B 3AS
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London United Kingdom EC4A 4AB

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# ST GILES HOTEL LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present the strategic report for the year ended 31 December 2017.

#### **Fair review of the business**

The principal activity of the group during the year was hotel operation and management. The company's subsidiary, St Giles Hotel LLC, operates two hotels in New York for which this is the 7th year of trading.

At year-end, the group had shareholders' funds of £9.4m compared to £15.6m in 2016.

St Giles London continues to perform well year on year, achieving an occupancy of 94.2% leading to an increase in room revenue. These results, combined with tight management of direct costs and overheads, resulted in an improved operating profit for the year.

The turnover for London was £20.0m, an increase from the 2016 results of £19.6m. Occupancy achieved was 94.2% with an Average Daily Rate (ADR) of £80.03 whereas 2016 achieved an ADR of £78.73. This generated a profit before tax of £2.1m versus £2.3m in 2016, representing a decrease of 8.7%. This decrease in profit before tax is due to an increase in interest payable attributable to loans made between the London and New York operations

The turnover of the New York hotels for the year was \$18.8m with an occupancy of 83.3% and ADR of \$188. In 2016, results were \$21.3m with 82.8% and an ADR of \$204.

Therefore the group has delivered an after tax loss of £5.5m (2016: profit of £3.2m). This loss does not represent a liquid cash loss, but rather the impact of the significant currency movements over the 2 years.

The directors consider the performance of both hotels as being satisfactory in a very challenging hospitality business.

#### **Principal risks and uncertainties**


**Economic** - The hospitality market in the US and the UK remains to be a challenging environment due to the current economic and political uncertainties. Therefore management have concentrated on controlling costs and improving efficiencies in operations, as well as aggressively driving sales and revenue through various marketing and promotional activities and taking advantage of opportunities where possible.

**Competition** - The New York City hotel offerings continue to be harshly competitive, as the over-supply of hotel rooms has led to a stark reduction in ADR and RevPar, with another 13,000 rooms planned to open in the next 3 years. London also continues to see a fast-paced growth in new hotel openings, adding more layers to the crowded scene. Changes in individual disposable income, as well as a more discerning pattern of guest-spending is also a challenge, however our strategy remains to provide a value-added and superior level of guest service and enhanced experience at a competitive rate, which will enable us to drive loyalty and revenue.

#### **Key performance indicators**

The management team regularly review and analyse a wide range of KPIs for an assessment of the group's performance and financial position. The main indicators from the financial statements are turnover, gross profit and pre-tax profit. The improvement in all three indicators is outlined in the business review above.

On behalf of the board



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Abigail Tan-Giroud

Director

29/12/18.....

# **ST GILES HOTEL LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their annual report and financial statements for the year ended 31 December 2017.

#### **Principal activities**

The principal activity of the company and group continued to be that of operating hotels. The company's subsidiary, St Giles Hotel LLC, operates two hotels in New York.

#### **Directors**

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

Seng Yong Chua  
Stephen Noar  
Chin Beng Oh  
Abigail Tan-Giroud  
Robert Tan

#### **Results and dividends**

The results for the year are set out on page 7.

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

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### **Auditor**

A resolution to reappoint RSM UK Audit LLP as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

#### **Matters of strategic importance**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group'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.

#### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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.


# ST GILES HOTEL LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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On behalf of the board



Abigail Tan-Giroud

Director

29.03.18

# **ST GILES HOTEL LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors are responsible for preparing the Strategic Report and 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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST GILES HOTEL LIMITED**

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## **Opinion**

We have audited the financial statements of St Giles Hotel Limited (the 'parent company') and its subsidiaries for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement Of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 group's and of the parent company's affairs as at 31 December 2017 and of the group's 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 group 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 group's or the parent 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 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST GILES HOTEL LIMITED (CONTINUED)

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 directors' responsibilities statement set out on page 4, 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 group's and the parent 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 group or the parent 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.

**RSM UK Audit LLP**

Malcolm Pirouet FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

.....4 April 2018



# ST GILES HOTEL LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	34,572,078	35,308,117
Cost of sales		(16,681,537)	(17,038,696)
<b>Gross profit</b>		<b>17,890,541</b>	<b>18,269,421</b>
Administrative expenses		(23,008,656)	(15,365,520)
Other operating income		2,416,141	2,610,906
<b>Operating (loss)/profit</b>	<b>5</b>	<b>(2,701,974)</b>	<b>5,514,807</b>
Interest receivable and similar income	8	5,061	22,519
Interest payable and similar expenses	9	(2,190,303)	(1,879,758)
<b>(Loss)/profit before taxation</b>		<b>(4,887,216)</b>	<b>3,657,568</b>
Taxation	10	(624,078)	(483,039)
<b>(Loss)/profit for the financial year</b>	<b>25</b>	<b>(5,511,294)</b>	<b>3,174,529</b>
<b>Other comprehensive income net of taxation</b>			
Currency translation differences		(724,668)	1,709,760
<b>Total comprehensive income for the year</b>		<b>(6,235,962)</b>	<b>4,884,289</b>

Total comprehensive loss for the year is all attributable to the owners of the parent company.

**ST GILES HOTEL LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	11	154,319		-	
Tangible assets	12	74,245,170		81,469,658	
Investment properties	13	215,000		215,000	
Investments	14	87,509		87,509	
		<u>74,701,998</u>		<u>81,772,167</u>	
<b>Current assets</b>					
Stocks	16	115,836		131,260	
Debtors	17	6,023,372		4,423,462	
Cash at bank and in hand		4,948,575		8,440,320	
		<u>11,087,783</u>		<u>12,995,042</u>	
<b>Creditors: amounts falling due within one year</b>	18	(28,336,252)		(28,507,743)	
<b>Net current liabilities</b>		<u>(17,248,469)</u>		<u>(15,512,701)</u>	
<b>Total assets less current liabilities</b>		<u>57,453,529</u>		<u>66,259,466</u>	
<b>Creditors: amounts falling due after more than one year</b>	19	(47,696,069)		(50,467,780)	
<b>Provisions for liabilities</b>	22	(349,782)		(148,046)	
<b>Net assets</b>		<u>9,407,678</u>		<u>15,643,640</u>	
<b>Capital and reserves</b>					
Called up share capital	24	555,420		555,420	
Share premium account	25	127,374		127,374	
Revaluation reserve	25	(14,941)		(14,941)	
Translation reserve	25	997,500		1,722,168	
Capital redemption reserve	25	320,230		320,230	
Profit and loss reserves	25	7,422,095		12,933,389	
<b>Total equity</b>		<u>9,407,678</u>		<u>15,643,640</u>	

The financial statements were approved by the board of directors and authorised for issue on 29/3/18 and are signed on its behalf by:

  
 .....  
 Abigail Tan-Giroud  
 Director

**ST GILES HOTEL LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	11	154,319		-	
Tangible assets	12	4,940,468		4,564,928	
Investment properties	13	215,000		215,000	
Investments	14	21,325,109		21,325,109	
		<u>26,634,896</u>		<u>26,105,037</u>	
<b>Current assets</b>					
Stocks	16	40,337		40,260	
Debtors	17	33,799,788		29,890,839	
Cash at bank and in hand		4,076,522		5,995,154	
		<u>37,916,647</u>		<u>35,926,253</u>	
<b>Creditors: amounts falling due within one year</b>	18	(18,593,277)		(17,787,635)	
<b>Net current assets</b>		<u>19,323,370</u>		<u>18,138,618</u>	
<b>Total assets less current liabilities</b>		<u>45,958,266</u>		<u>44,243,655</u>	
<b>Creditors: amounts falling due after more than one year</b>	19	(18,052,869)		(18,052,869)	
<b>Provisions for liabilities</b>	22	(349,782)		(148,046)	
<b>Net assets</b>		<u>27,555,615</u>		<u>26,042,740</u>	
<b>Capital and reserves</b>					
Called up share capital	24	555,420		555,420	
Share premium account	25	127,374		127,374	
Revaluation reserve	25	(14,941)		(14,941)	
Capital redemption reserve	25	320,230		320,230	
Profit and loss reserves	25	26,567,532		25,054,657	
<b>Total equity</b>		<u>27,555,615</u>		<u>26,042,740</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £1,512,875 (2016: £1,787,729 profit).

The financial statements were approved by the board of directors and authorised for issue on 29/3/18 and are signed on its behalf by:



Abigail Tan-Giroud  
Director

## ST GILES HOTEL LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Translation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>	555,420	127,374	(14,941)	320,230	12,408	9,758,860	10,759,351
<b>Year ended 31 December 2016:</b>							
Profit for the year	-	-	-	-	-	3,174,529	3,174,529
Other comprehensive income net of taxation:							
Currency translation differences on overseas subsidiaries	-	-	-	-	1,709,760	-	1,709,760
Total comprehensive income for the year	-	-	-	-	1,709,760	3,174,529	4,884,289
<b>Balance at 31 December 2016</b>	555,420	127,374	(14,941)	320,230	1,722,168	12,933,389	15,643,640
<b>Year ended 31 December 2017:</b>							
Loss for the year	-	-	-	-	-	(5,511,294)	(5,511,294)
Other comprehensive income net of taxation:							
Currency translation differences on overseas subsidiaries	-	-	-	-	(724,668)	-	(724,668)
Total comprehensive income for the year	-	-	-	-	(724,668)	(5,511,294)	(6,235,962)
<b>Balance at 31 December 2017</b>	555,420	127,374	(14,941)	320,230	997,500	7,422,095	9,407,678

# ST GILES HOTEL LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>	555,420	127,374	(14,941)	320,230	23,266,928	24,255,011
<b>Year ended 31 December 2016:</b>						
Profit and total comprehensive income for the year	-	-	-	-	1,787,729	1,787,729
<b>Balance at 31 December 2016</b>	555,420	127,374	(14,941)	320,230	25,054,657	26,042,740
<b>Year ended 31 December 2017:</b>						
Profit and total comprehensive income for the year	-	-	-	-	1,512,875	1,512,875
<b>Balance at 31 December 2017</b>	555,420	127,374	(14,941)	320,230	26,567,532	27,555,615

# ST GILES HOTEL LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	29	(3,256,703)		9,591,855	
Interest paid		(1,337,150)		(1,879,758)	
Income taxes paid		(534,201)		(493,929)	
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(5,128,054)</b>		<b>7,218,168</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(154,319)		-	
Purchase of tangible fixed assets		(1,348,801)		(678,930)	
Interest received		5,061		22,519	
<b>Net cash used in investing activities</b>		<b>(1,498,059)</b>		<b>(656,411)</b>	
<b>Net cash used in financing activities</b>		<b>-</b>		<b>-</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,626,113)</b>		<b>6,561,757</b>	
Cash and cash equivalents at beginning of year		8,440,320		7,770,697	
Effect of foreign exchange rates		3,134,368		(5,892,134)	
<b>Cash and cash equivalents at end of year</b>		<b>4,948,575</b>		<b>8,440,320</b>	

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

St Giles Hotel Limited ("the company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is Bedford Avenue, London, WC1B 3AS.

The group consists of St Giles Hotel Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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. The principal accounting policies adopted are set out below.

#### Reduced disclosures

The 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 for parent company information presented within the consolidated financial statements:

- 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' – Carrying amounts, 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; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of St Giles Hotel Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

#### Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the group and 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 financial statements. These financial statements are prepared on the going concern basis. The directors' have a reasonable expectation that the group and the company will continue in operational existence for the foreseeable future.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable and is derived from the operation of the hotel and comprises income from rooms and catering. Turnover shown in the profit and loss account represents amounts receivable during the year exclusive of Value Added Tax.

#### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Software	5 to 10 years straight line
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#### 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:

Property improvements	15 years straight line
Fixtures and fittings	5 to 10 years straight line
Motor vehicles	3 years straight line

Freehold land and buildings are not depreciated as the directors estimate that the residual value is close enough to cost and therefore any depreciation charge would not be material.

Assets in the course of construction are carried at cost, less any identified impairment loss. Depreciation commences when the properties are ready for their intended use.



# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies (Continued)

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.

##### **Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

##### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

##### **Stocks**

Stocks are stated at cost less provision for impairment.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### **Financial instruments**

The group 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 when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **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 group 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 group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies (Continued)

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

#### Revaluation of investment properties

The group carries its investment properties at fair value, with changes in fair values being recognised in the income statement. The group engaged independent valuation specialists to determine fair value as at 31 December 2017, being £215,000 (2016: £215,000).

#### Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

### 3 Turnover and other revenue

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

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Hotel operation	34,572,078	35,308,117
	<u>                    </u>	<u>                    </u>
<b>Other revenue</b>		
Interest income	5,061	22,519
	<u>                    </u>	<u>                    </u>
<b>Turnover analysed by geographical market</b>		
	2017 £	2016 £
United Kingdom	19,968,979	19,559,773
Overseas	14,603,099	15,748,344
	<u>                    </u>	<u>                    </u>
	34,572,078	35,308,117
	<u>                    </u>	<u>                    </u>

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 4 Employees

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

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Hotel staff	231	269	91	98
Administrative staff	57	64	45	52
	<u>288</u>	<u>333</u>	<u>136</u>	<u>150</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	9,809,299	10,284,567	3,824,214	3,986,088
Social security costs	5,165,567	4,562,547	364,830	392,726
Pension costs	99,104	62,091	99,104	62,091
	<u>15,073,970</u>	<u>14,909,205</u>	<u>4,288,148</u>	<u>4,440,905</u>

### 5 Operating (loss)/profit

	2017 £	2016 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	2,551,362	(4,584,388)
Depreciation of owned tangible fixed assets	1,942,542	1,988,333
Operating lease charges	6,290,106	6,032,937
	<u></u>	<u></u>

### 6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	202,538	285,188
Company pension contributions to defined contribution schemes	46,540	29,121
	<u>249,078</u>	<u>314,309</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016: 2).

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	126,500	145,103
Company pension contributions to defined contribution schemes	6,464	10,173
	<u>132,964</u>	<u>155,276</u>

### 7 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	31,500	36,000
<b>For other services</b>		
Taxation compliance services	9,000	9,000
Other taxation services	8,900	-
All other non-audit services	10,000	7,000
	<u>27,900</u>	<u>16,000</u>

### 8 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	5,061	22,519
	<u>5,061</u>	<u>22,519</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	5,061	22,519
	<u>5,061</u>	<u>22,519</u>

### 9 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	1,337,150	1,193,435
<b>Other finance costs:</b>		
Other interest	853,153	686,323
Total finance costs	<u>2,190,303</u>	<u>1,879,758</u>

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	422,342	531,206
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(13,834)
Changes in tax rates	-	(34,333)
Adjustment in respect of prior periods	201,736	-
Total deferred tax	201,736	(48,167)
Total tax charge	624,078	483,039

The total tax charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2017 £	2016 £
(Loss)/profit before taxation	(4,887,216)	3,657,568
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(940,789)	731,514
Tax effect of expenses that are not deductible in determining taxable profit	985	88,050
Tax effect of utilisation of tax losses not previously recognised	-	(87,930)
Depreciation in excess of capital allowances	187,412	76,932
Movement in deferred tax rate	24,318	(48,167)
Result of overseas subsidiary not liable to corporation tax	1,352,152	(277,360)
Taxation charge for the year	624,078	483,039

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 11 Intangible fixed assets

<b>Group</b>	<b>Software £</b>
<b>Cost</b>	
At 1 January 2017	-
Additions - separately acquired	154,319
	<u>154,319</u>
At 31 December 2017	154,319
<b>Carrying amount</b>	
At 31 December 2017	154,319
	<u><u>154,319</u></u>
At 31 December 2016	-
	<u><u>-</u></u>
<b>Company</b>	<b>Software £</b>
<b>Cost</b>	
At 1 January 2017	-
Additions - separately acquired	154,319
	<u>154,319</u>
At 31 December 2017	154,319
<b>Carrying amount</b>	
At 31 December 2017	154,319
	<u><u>154,319</u></u>
At 31 December 2016	-
	<u><u>-</u></u>



## ST GILES HOTEL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 12 Tangible fixed assets

Group	Freehold land and buildings	Property improvements	Assets under construction	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2017	63,767,080	26,397,958	-	5,381,874	291,896	95,838,808
Additions	-	672,740	11,579	605,749	58,733	1,348,801
Exchange adjustments	(5,452,549)	(1,384,837)	-	(237,789)	(7,974)	(7,083,149)
At 31 December 2017	58,314,531	25,685,861	11,579	5,749,834	342,655	90,104,460
<b>Depreciation</b>						
At 1 January 2017	-	10,962,023	-	3,120,316	286,811	14,369,150
Depreciation charged in the year	-	1,460,471	-	479,375	2,696	1,942,542
Exchange adjustments	-	(387,522)	-	(56,905)	(7,975)	(452,402)
At 31 December 2017	-	12,034,972	-	3,542,786	281,532	15,859,290
<b>Carrying amount</b>						
At 31 December 2017	58,314,531	13,650,889	11,579	2,207,048	61,123	74,245,170
At 31 December 2016	63,767,080	15,430,075	-	2,267,255	5,248	81,469,658

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Company	Property improvements £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2017	10,268,212	3,739,836	198,625	14,206,673
Additions	550,883	560,406	58,733	1,170,022
At 31 December 2017	10,819,095	4,300,242	257,358	15,376,695
<b>Depreciation</b>				
At 1 January 2017	6,891,332	2,556,874	193,539	9,641,745
Depreciation charged in the year	467,987	323,799	2,696	794,482
At 31 December 2017	7,359,319	2,880,673	196,235	10,436,227
<b>Carrying amount</b>				
At 31 December 2017	3,459,776	1,419,569	61,123	4,940,468
At 31 December 2016	3,371,020	1,188,659	5,249	4,564,928

### 13 Investment property

	Group 2017 £	Company 2017 £
<b>Fair value</b>		
At 1 January 2017 and 31 December 2017	215,000	215,000

The fair value of the company's investment property at 31 December 2017 and 2016 has been arrived at on the basis of a valuation carried out by Martin & Co (Exeter), Estate Agents, on an open market value basis. Martin & Co (Exeter) are not connected with the company. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Cost	229,941	229,941	229,941	229,941
Accumulated depreciation	-	-	-	-
Carrying amount	229,941	229,941	229,941	229,941

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 14 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	15	87,509	87,509	21,325,109	21,325,109

#### Movements in fixed asset investments Group

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	87,509
<b>Carrying amount</b>	
At 31 December 2017	87,509
At 31 December 2016	87,509

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	21,325,109
<b>Carrying amount</b>	
At 31 December 2017	21,325,109
At 31 December 2016	21,325,109

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Directly
St Giles Hotel Inc.	1209 Orange Street, Wilmington, Delaware, 19801, New Castle County, USA	Dormant holding company	Ordinary	100.00
St Giles Hotel LLC	1209 Orange Street, Wilmington, Delaware, 19801, New Castle County, USA	Hotel management	Ordinary	100.00

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 16 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	115,836	131,260	40,337	40,260

### 17 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	1,181,427	1,750,635	947,018	1,139,563
Amounts owed by group undertakings	-	-	29,502,190	26,442,770
Other debtors	2,039,046	1,770,374	1,913,026	1,589,645
Prepayments and accrued income	1,835,899	902,453	470,554	718,861
	5,056,372	4,423,462	32,832,788	29,890,839

#### Amounts falling due after more than one year:

Amount owed by related parties	967,000	-	967,000	-
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<b>Total debtors</b>	<b>6,023,372</b>	<b>4,423,462</b>	<b>33,799,788</b>	<b>29,890,839</b>
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### 18 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Other borrowings	20	14,425,181	13,572,028	14,425,181	13,572,028
Trade creditors		1,039,319	1,255,258	622,415	855,476
Corporation tax payable		91,524	203,383	91,524	203,383
Other taxation and social security		1,214,799	1,519,548	631,856	644,805
Other creditors		8,933,269	9,673,316	473,938	627,312
Accruals and deferred income		2,632,160	2,284,210	2,348,363	1,884,631
		28,336,252	28,507,743	18,593,277	17,787,635

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 19 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	20	47,696,069	50,467,780	18,052,869	18,052,869

### 20 Borrowings

		Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans		47,696,069	50,467,780	18,052,869	18,052,869
Other loans		14,425,181	13,572,028	14,425,181	13,572,028
		<u>62,121,250</u>	<u>64,039,808</u>	<u>32,478,050</u>	<u>31,624,897</u>
Payable within one year		14,425,181	13,572,028	14,425,181	13,572,028
Payable after one year		<u>47,696,069</u>	<u>50,467,780</u>	<u>18,052,869</u>	<u>18,052,869</u>

The bank loan is interest bearing and is secured by way of a fixed charge over the properties and a floating charge over the remaining assets of the group. This loan is due for repayment in 2020.

### 21 Financial instruments

	Group 2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>4,187,473</u>	<u>11,961,329</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	74,725,998	13,212,784
Loan commitments measured at cost less impairment	<u>-</u>	<u>64,039,808</u>

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 22 Provisions for liabilities - deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

	<b>Liabilities 2017 £</b>	<b>Liabilities 2016 £</b>
<b>Group</b>		
Accelerated capital allowances	349,782	148,046
	<u>349,782</u>	<u>148,046</u>
	<b>Liabilities 2017 £</b>	<b>Liabilities 2016 £</b>
<b>Company</b>		
Accelerated capital allowances	349,782	148,046
	<u>349,782</u>	<u>148,046</u>
	<b>Group 2017 £</b>	<b>Company 2017 £</b>
<b>Movements in the year:</b>		
Liability at 1 January 2017	148,046	148,046
Charge to profit or loss	201,736	201,736
	<u>201,736</u>	<u>201,736</u>
Liability at 31 December 2017	349,782	349,782
	<u>349,782</u>	<u>349,782</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

Deferred tax arising on losses in the group's US subsidiary undertaking for the period has not been recognised due to the inability to accurately assess its value and due to current uncertainty surrounding its recoverability.

### 23 Retirement benefit schemes

	<b>2017 £</b>	<b>2016 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	99,104	62,091
	<u>99,104</u>	<u>62,091</u>

The group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the group in an independently administered fund. There were no contributions payable to the fund at the year end (2016: £nil).

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 24 Share capital

	Group and company	
	2017	2016
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
555,420 Ordinary shares of £1 each	555,420	555,420

The company's Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 25 Reserves

#### Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

#### Revaluation reserve

The cumulative revaluation gains and losses in respect of investment properties.

#### Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

#### Translation reserve

The cumulative foreign exchange gains and losses on the retranslation of the results and net assets of the company's foreign subsidiaries.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 26 Operating lease commitments

#### Lessee

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
In over five years	3,600,000	3,600,000	3,600,000	3,600,000

The operating lease has no expiry date, therefore only the amount payable within one year has been disclosed.

# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 27 Related party transactions

#### Transactions with related parties

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

	Loans advanced to related parties		Interest receivable	
	2017	2016	2017	2016
	£	£	£	£
<b>Group and company</b>				
Entities with substantially the same shareholders	1,300,000	-	4,914	-
	<u>1,300,000</u>	<u>-</u>	<u>4,914</u>	<u>-</u>
	Rent payable		Interest payable	
	2017	2016	2017	2016
	£	£	£	£
<b>Group and company</b>				
Entities with substantially the same shareholders	6,165,260	6,032,937	853,153	686,323
	<u>6,165,260</u>	<u>6,032,937</u>	<u>853,153</u>	<u>686,323</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017	2016
	£	£
<b>Group</b>		
Entities with substantially the same shareholders	23,805,357	21,088,051
	<u>23,805,357</u>	<u>21,088,051</u>
<b>Company</b>		
Entities with substantially the same shareholders	15,672,017	14,625,218
	<u>15,672,017</u>	<u>14,625,218</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2017	2016
	£	£
<b>Group and company</b>		
Entities with substantially the same shareholders	1,329,175	-
	<u>1,329,175</u>	<u>-</u>

### 28 Controlling party

No individual shareholder owns a controlling interest in the shares of the company.



# ST GILES HOTEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 29 Cash generated from group operations

	2017 £	2016 £
(Loss)/profit for the year after tax	(5,511,294)	3,174,529
Adjustments for:		
Taxation charged	624,078	483,039
Finance costs	2,190,303	1,879,758
Investment income	(5,061)	(22,519)
Depreciation and impairment of tangible fixed assets	1,942,542	1,988,333
(Decrease) in provisions	-	(48,167)
Movements in working capital:		
Decrease/(increase) in stocks	15,424	(19,396)
(Increase)/decrease in debtors	(1,599,910)	59,082
(Decrease)/increase in creditors	(912,785)	2,097,196
<b>Cash (absorbed by)/generated from operations</b>	<b>(3,256,703)</b>	<b>9,591,855</b>