

Company Registration No. 02954321 (England and Wales)

ST GILES HOTEL LIMITED
GROUP REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ST GILES HOTEL LIMITED

COMPANY INFORMATION

Directors	Dato' Seri R C M Tan Mr S Y Chua Mr S H Noar Mr C B Oh Ms A H X Tan
Secretary	Boodle Hatfield Secretarial Limited
Company number	02954321
Registered office business address	St Giles Hotel 12 Bedford Avenue London WC1B 3GH
Auditor	Silver Levene (UK) Limited Chartered Certified Accountants 37 Warren Street London W1T 6AD

ST GILES HOTEL LIMITED

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ST GILES HOTEL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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, which is in its 10th year of trading, operates two hotels in New York one of which closed in April 2018.

At year end, the group had deficits shareholders' funds of £9.5m compared to deficits of £3,549 in 2019.

St Giles London

Due to the impact of the Covid-19 pandemic on the hospitality industry, St Giles London was only able to achieve an occupancy of 22.7% and ADR of £74.72 compared to 96.3% and ADR of £82.56 in 2019, resulting in a decrease in room revenue.

The turnover for St Giles London was £4.04m, a decrease from the 2019 results of £21.45m. The year started positively with the revenue surpassing targets for the first two months of 2020. In January 2020, the occupancy was 92.9%, the ADR was £71.08, and rooms revenue was £1.37m. In February 2020, the occupancy was 94.3%, the ADR was £74.44, and rooms revenue was £1.36m.

The pandemic began to impact the hotel in early March and was forced to close by the 3rd week of the month due to the UK lockdown. The property remained closed until 15 August 2020 when it briefly re-opened until the end of October. It again re-opened in November and had to closed again in December 2020, all in compliance with the government restrictions and lockdown rules.

Cost controlling measures

- Payroll reduction – The majority of St Giles London employees have been on full furlough since April 2020, while the remaining staff have either been working from home or on flexi-furlough. In March 2020, we reviewed payroll cost and all Executives as well as Heads of Department agreed to a salary reduction which lasted for seven months and afterwards was moved to flexi-furlough.
- A redundancy programme was also completed in November 2020 for St Giles London to meet the current business requirements, resulting in a 12% reduction in payroll cost.
- Contract review and renegotiation - We also used the time to eliminate unnecessary supplier and service contracts, as well as renegotiate existing contracts for lower cost where possible.

The property generated a loss before tax of £2.92m versus £2.33m profit before tax in 2019.

The Tuscany – A St Giles Signature

In 2020, The Tuscany hotel in New York, which was also impacted by the pandemic, achieved an occupancy of 17.1% while in 2019 the occupancy was 88.0%. The ADR was \$130.3 compared to \$214.6 in 2019. The property was closed in the 3rd week of March 2020 and has remained closed until further notice. In April 2020, the property received a Paycheck Protection Program (PPP) loan grant from New York State for \$1.42m, which was used towards mortgage, payroll, and utilities as stipulated by the conditions of the loan grant. This loan is entirely forgivable as long as it is used according to the loan guidelines.

The Group

The group has delivered an after-tax loss of £10.27m (compared to 2019 after-tax loss of £5.18m). This loss does not represent a liquid cash loss, but rather the impact of the significant currency movements over the two years. The directors consider the performance of both hotels as being satisfactory in a very challenging period for hospitality and the wider tourism industry.

ST GILES HOTEL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The hospitality industry has been one of the hardest-hit sectors by the COVID-19 pandemic in both the UK and the US. Throughout 2020, restrictions on movement within and into both countries, the rise and prevalence of cases, and the uncertainty of the changing restrictions led to a sharp fall in both international and domestic travel from traditional feeder markets for both countries.

In the UK, the regularly changing government guidelines, rules of travelling, and the uncertainty of when life and business will resume a form of normality causes widespread confusion and the inability to make travel plans, even domestically.

Another cause of uncertainty will be the return of the business traveller – when they will return, in what volume they will return, and if they will return. With many companies approving and encouraging working from home and cutting travel budgets, this will be an important area for us to watch in the next 12 to 24 months.

There is also an uncertainty that surrounds international travel restrictions, questions such as; will a vaccine passport be required to travel, and if so, what about the travellers from those countries who frequent our hotels who are in a queue for vaccines that could take months; will there still be a quarantine requirement in place to travel into the UK; when will the borders of key Asian countries open, which will enable those important demographic of visitors to enter the UK or US.

These are what we see as the principal uncertainties at this moment, although the global situation changes rapidly. However, one certainty is that all countries want to get their economies and tourism industries moving again, so we are positive that time will only make more certainties than uncertainties.

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, operating profit and profit before taxation. These are outlined in the business review above.

On behalf of the board

Ms A H X Tan

Director

29 March 2021

ST GILES HOTEL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company and group continued to be that of hotels operator. The company's subsidiary, St. Giles Hotel, LLC operates two hotels in New York, "The Court" and "The Tuscany". In April 2018, the company closed down "The Court" due to on-going loss making. It is currently in vacant possession.

Due to COVID-19 pandemic, the operation of the hotels are temporarily closed. The current and potential future impacts are disclosed in the Strategic Report.

Directors

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

Dato' Seri R C M Tan
Mr S Y Chua
Mr S H Noar
Mr C B Oh
Ms A H X Tan

Results and dividends

The results for the year are set out on page 9.

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

Market value of land and buildings

In the opinion of the directors the current market value of the company's interests in land and buildings exceeds the book value by approximately £40 million.

Financial instruments

Treasury operations and financial instruments

The group operates a treasury function which is responsible for managing the liquidity and interest risks associated with the group activities.

The group's financial instruments comprise cash at bank, trade debtors and trade creditors that arise directly from operations and loans to and from group companies and banks. The financial risks affecting the group is monitored and reviewed by the directors on a regular basis.

Liquidity risk

Liquidity risk arises from the group's management of working capital. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Interest rate risk

The group is exposed to interest rate risk because the group borrows funds at both fixed and floating interests rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings, and the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and define risk appetite, ensuring the most cost-effective hedging strategies are applied.

ST GILES HOTEL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Foreign currency risk

The group is exposed to the functional currency of its foreign subsidiary in the US. It is the policy of the group to enter into borrowings and interest rate swap contracts in the same currency of the country of its foreign operation to minimise the risk.

Credit risk

The group's principal credit risk relates to the recovery of amounts owned by trade debtors. In order to manage the risk, limits are set for each client based upon a mixture of past payment history and third party credit references. These are regularly reviewed. Debts are actively chased by the credit control department and those over a certain size or age are reported to the board monthly.

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.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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 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.

Statement of disclosure to auditor

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

ST GILES HOTEL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor

In accordance with the company's articles, a resolution proposing that be reappointed as auditor of the group will be put at a General Meeting.

On behalf of the board

Ms A H X Tan

Director

29 March 2021

ST GILES HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST GILES HOTEL LIMITED

Opinion

We have audited the financial statements of St Giles Hotel Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 December 2020 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ST GILES HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST GILES HOTEL LIMITED

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.

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 where 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, 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

ST GILES HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST GILES HOTEL LIMITED

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Employment law, Health and Safety legislation, General Data Protection Regulation, Tax and Pensions legislation, and distributable profits legislation.
- It is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rajnikant Purshottam Patel (Senior Statutory Auditor)

For and on behalf of Silver Levene (UK) Limited

Chartered Certified Accountants

Statutory Auditor

37 Warren Street

London

W1T 6AD

29 March 2021

ST GILES HOTEL LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Turnover	3	4,870,612	28,183,657
Cost of sales		(6,255,357)	(12,761,250)
Gross (loss)/profit		(1,384,745)	15,422,407
Administrative expenses		(9,940,990)	(18,987,631)
Other operating income		4,013,388	2,734,005
Operating loss	4	(7,312,347)	(831,219)
Interest receivable and similar income	8	45,148	106,189
Interest payable and similar expenses	9	(3,503,201)	(4,062,288)
Loss before taxation		(10,770,400)	(4,787,318)
Tax on loss	10	498,461	(395,375)
Loss for the financial year	25	(10,271,939)	(5,182,693)
Other comprehensive income			
Currency translation differences		777,170	336,081
Total comprehensive income for the year		(9,494,769)	(4,846,612)

Loss for the financial year is all attributable to the owners of the parent company.

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

ST GILES HOTEL LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		87,651		95,087
Tangible assets	12		68,048,241		70,546,685
Investment properties	13		-		215,000
Investments	14		87,509		87,509
			<u>68,223,401</u>		<u>70,944,281</u>
Current assets					
Stocks	17	102,474		106,771	
Debtors	18	4,896,965		5,154,229	
Cash at bank and in hand		1,246,400		3,147,174	
		<u>6,245,839</u>		<u>8,408,174</u>	
Creditors: amounts falling due within one year	19	<u>(35,093,733)</u>		<u>(30,454,093)</u>	
Net current liabilities			<u>(28,847,894)</u>		<u>(22,045,919)</u>
Total assets less current liabilities			<u>39,375,507</u>		<u>48,898,362</u>
Creditors: amounts falling due after more than one year	20		(48,401,301)		(48,429,387)
Provisions for liabilities					
Deferred tax liability	22	472,524		472,524	
		<u>472,524</u>	<u>(472,524)</u>	<u>472,524</u>	<u>(472,524)</u>
Net liabilities			<u>(9,498,318)</u>		<u>(3,549)</u>
Capital and reserves					
Called up share capital	24		555,420		555,420
Share premium account	25		127,374		127,374
Capital redemption reserve	25		320,230		320,230
Profit and loss reserves	25		(10,501,342)		(1,006,573)
Total equity			<u>(9,498,318)</u>		<u>(3,549)</u>

The financial statements were approved by the board of directors and authorised for issue on 29 March 2021 and are signed on its behalf by:

Ms A H X Tan
Director

ST GILES HOTEL LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

Company Registration No. 02954321

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		87,651		95,087
Tangible assets	12		4,522,555		3,975,254
Investment properties	13		-		215,000
Investments	14		21,325,109		21,325,109
			<u>25,935,315</u>		<u>25,610,450</u>
Current assets					
Stocks	17		12,873		15,508
Debtors	18		45,141,347		44,134,977
Cash at bank and in hand			939,193		1,560,363
			<u>46,093,413</u>		<u>45,710,848</u>
Creditors: amounts falling due within one year	19		(25,075,379)		(21,946,021)
Net current assets			<u>21,018,034</u>		<u>23,764,827</u>
Total assets less current liabilities			<u>46,953,349</u>		<u>49,375,277</u>
Creditors: amounts falling due after more than one year	20		(18,052,869)		(18,052,869)
Provisions for liabilities	22		(472,524)		(472,524)
Net assets			<u><u>28,427,956</u></u>		<u><u>30,849,884</u></u>
Capital and reserves					
Called up share capital	24		555,420		555,420
Share premium account	25		127,374		127,374
Capital redemption reserve	25		320,230		320,230
Profit and loss reserves	25		27,424,932		29,846,860
Total equity			<u><u>28,427,956</u></u>		<u><u>30,849,884</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,421,928 (2019 - £1,938,699 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 March 2021 and are signed on its behalf by:

Ms A H X Tan
Director

ST GILES HOTEL LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2019	555,420	127,374	320,230	3,840,039	4,843,063
Year ended 31 December 2019:					
Loss for the year	-	-	-	(5,182,693)	(5,182,693)
Other comprehensive income:					
Currency translation differences	-	-	-	336,081	336,081
Total comprehensive income for the year	-	-	-	(4,846,612)	(4,846,612)
Balance at 31 December 2019	555,420	127,374	320,230	(1,006,573)	(3,549)
Year ended 31 December 2020:					
Loss for the year	-	-	-	(10,271,939)	(10,271,939)
Other comprehensive income:					
Currency translation differences	-	-	-	777,170	777,170
Total comprehensive income for the year	-	-	-	(9,494,769)	(9,494,769)
Balance at 31 December 2020	555,420	127,374	320,230	(10,501,342)	(9,498,318)

ST GILES HOTEL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2019	555,420	127,374	320,230	27,908,161	28,911,185
Year ended 31 December 2019:					
Profit and total comprehensive income for the year	-	-	-	1,938,699	1,938,699
Balance at 31 December 2019	555,420	127,374	320,230	29,846,860	30,849,884
Year ended 31 December 2020:					
Loss and total comprehensive income for the year	-	-	-	(2,421,928)	(2,421,928)
Balance at 31 December 2020	555,420	127,374	320,230	27,424,932	28,427,956

ST GILES HOTEL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	30	260,847		1,021,668	
Interest paid		(1,768,988)		(1,725,195)	
Income taxes paid		(197,643)		(484,436)	
Net cash outflow from operating activities		(1,705,784)		(1,187,963)	
Investing activities					
Purchase of intangible assets		(24,260)		-	
Purchase of tangible fixed assets		(1,631,408)		(310,490)	
Proceeds on disposal of tangible fixed assets		36,417		3,000	
Proceeds on disposal of investment property		243,951		-	
Interest received		45,148		106,189	
Net cash used in investing activities		(1,330,152)		(201,301)	
Financing activities					
Proceeds from borrowings		1,108,320		-	
Net cash generated from/(used in) financing activities		1,108,320		-	
Net decrease in cash and cash equivalents		(1,927,616)		(1,389,264)	
Cash and cash equivalents at beginning of year		3,147,174		4,591,087	
Effect of foreign exchange rates		26,842		(54,649)	
Cash and cash equivalents at end of year		1,246,400		3,147,174	

ST GILES HOTEL LIMITED

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	31	(1,177,337)		(309,595)	
Interest paid		(891,608)		(367,923)	
Income taxes paid		(197,643)		(484,436)	
Net cash outflow from operating activities		(2,266,588)		(1,161,954)	
Investing activities					
Purchase of intangible assets		(24,260)		-	
Purchase of tangible fixed assets		(1,615,450)		(242,152)	
Proceeds on disposal of tangible fixed assets		36,417		3,000	
Proceeds on disposal of investment property		243,951		-	
Interest received		45,148		106,189	
Net cash used in investing activities		(1,314,194)		(132,963)	
Financing activities					
Proceeds from borrowings		2,959,612		-	
Net cash generated from/(used in) financing activities		2,959,612		-	
Net decrease in cash and cash equivalents		(621,170)		(1,294,917)	
Cash and cash equivalents at beginning of year		1,560,363		2,855,280	
Cash and cash equivalents at end of year		939,193		1,560,363	

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

St Giles Hotel Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

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.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company St Giles Hotel Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2020. 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Going concern

The group is currently facing unprecedented uncertainty about the impact of the COVID-19 Pandemic, together with the extent and duration of social distancing measures imposed by the UK Government. The directors have foreseen the challenges in the coming months and considered carefully the potential impact of these matters. In taking into account of available cash resources, support from related parties, access to existing financing facilities and the extent of support provided by The UK Government announced as of the date of signing this report the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Significant judgements and assumptions have been made by the directors as follow:

In the UK,

- Business Rates Holiday in England – this is waived from 1 April 2020 until 30 June 2021.
- Coronavirus Job Retention Scheme - grant from UK Government to cover the cost for each furloughed employee.
- VAT deferral payments.
- The landlord has expressed their willingness for rent reduction.
- The company's banker has expressed their willingness to refinance its current facilities and providing additional overdrawn facilities if needed.
- Extended credit terms to 60 -90 days from main suppliers.

In the US,

- The company's banker has expressed their willingness to refinance its current facilities and providing additional overdrawn facilities if needed.
- The United States Federal Government stimulus package due to the economic effects of the COVID-19. Within the package, there is a section to assist small businesses (defined as 500 employees or less). It would be a loan that can be forgiven under certain circumstances which St. Giles Hotel, LLC is qualified to make application.
- Continued support from its group companies.

The financial statements do not include any adjustments that would result if such supports were withdrawn. If the company was unable to continue to trade, adjustments would have to be made to reduce the value of assets to their recoverable amounts, provide for further liabilities that may arise and to reclassify noncurrent assets and non-current liabilities as current assets and liabilities.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue derived from hire of rooms is recognised on the arrival of the guests.

1.5 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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 years straight line
Website costs	5 years straight line

1.6 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:

Freehold land and buildings	Not depreciated
Leasehold improvements	15 years straight line
Fixtures and fittings	5 to 10 years straight line
Motor vehicles	3 years straight line

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 recognised in the income statement.

Freehold land and buildings are stated at cost and building is not depreciated due to the company's nature of business. It is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated over their useful life except land which generally has an unlimited useful life. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

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

1.7 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. Changes in fair value are 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.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 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.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets 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.

1.12 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 in the group's statement of financial position 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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.13 Equity instruments

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

1.14 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 Taxation

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

Current tax

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

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

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

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

1.16 Employee benefits

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

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

1.18 Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income'.

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.

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 sell. 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

	2020 £	2019 £
Turnover analysed by class of business		
Hotels operation	4,870,612	28,183,657
	<u> </u>	<u> </u>
	2020 £	2019 £
Other significant revenue		
Interest income	45,148	106,189
UK Coronavirus Job Retention Scheme grant	1,368,589	-
Rental income	1,172,915	1,429,864
US PPP loan forgiveness grant	1,233,777	-
	<u> </u>	<u> </u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3	Turnover and other revenue	(Continued)	
		2020	2019
		£	£
	Turnover analysed by geographical market		
	United Kingdom	4,040,080	21,446,348
	Overseas	830,532	6,737,309
		<u>4,870,612</u>	<u>28,183,657</u>
4	Operating loss	2020	2019
		£	£
	Operating loss for the year is stated after charging/(crediting):		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	1,734,213	1,616,087
	UK Coronavirus Job Retention Scheme grant	(1,368,589)	-
	UK PPP loan forgiveness grant	(1,233,777)	-
	Depreciation of owned tangible fixed assets	1,726,098	1,781,348
	Loss/(profit) on disposal of tangible fixed assets	254,755	(3,000)
	Amortisation of intangible assets	31,696	31,696
	Operating lease charges	1,284,555	6,846,717
5	Auditor's remuneration	2020	2019
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	24,000	38,500
	Audit of the financial statements of the company's subsidiaries	13,129	16,064
		<u>37,129</u>	<u>54,564</u>
	For other services		
	Taxation compliance services	3,000	3,000
	All other non-audit services	6,000	6,000
		<u>9,000</u>	<u>9,000</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Hotel staff	91	98	91	98
Administrative staff	44	47	44	47
Total	135	145	135	145

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	5,036,042	8,017,698	3,167,917	4,149,013
Social security costs	1,355,016	2,304,161	269,545	378,747
Pension costs	110,433	127,191	110,433	127,191
Total	6,501,491	10,449,050	3,547,895	4,654,951

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	101,204	138,800
Company pension contributions to defined contribution schemes	46,013	46,085
Total	147,217	184,885

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	630	6,867
Other interest income	44,518	99,322
Total income	45,148	106,189

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	630	6,867
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ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,309,376	1,714,184
Other interest on financial liabilities	459,612	721,006
	<u>1,768,988</u>	<u>2,435,190</u>
Other finance costs:		
Finance costs for financial instruments measured at fair value through profit or loss	-	11,011
Exchange differences on financing transactions	1,734,213	1,616,087
	<u>3,503,201</u>	<u>4,062,288</u>

10 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	-	498,461
Adjustments in respect of prior periods	(498,461)	8,277
	<u>(498,461)</u>	<u>506,738</u>
Deferred tax		
Origination and reversal of timing differences	-	(42,668)
Adjustment in respect of prior periods	-	(68,695)
	<u>-</u>	<u>(111,363)</u>
Total tax (credit)/charge	<u>(498,461)</u>	<u>395,375</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

(Continued)

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

	2020	2019
	£	£
Loss before taxation	(10,770,400)	(4,787,318)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(2,046,376)	(909,590)
Tax effect of expenses that are not deductible in determining taxable profit	37,607	(12,342)
Gains not taxable	-	(31)
Unutilised tax losses carried forward	125,932	-
Adjustments in respect of prior years	-	8,277
Permanent capital allowances in excess of depreciation	(92,431)	11,537
Depreciation on assets not qualifying for tax allowances	(14,695)	13,155
Deferred tax adjustments in respect of prior years	-	(68,695)
Losses on foreign subsidiaries not recognised	1,491,502	1,353,064
Taxation (credit)/charge	(498,461)	395,375

Finance Bill 2021 published on 11 March 2021 has temporarily extended the trade loss carry-back period for income tax giving an additional two years of relief. Schedule 2, Part 2 of the Bill provide a temporary extension for the 2020/21 and 2021/22 tax year, to carry-back of trading losses from one year to three years. The company will received further refund of £125,932 if the Bill receives Royal Assent.

11 Intangible fixed assets

Group and company	Software	Website costs	Total
	£	£	£
Cost			
At 1 January 2020	158,479	-	158,479
Additions - separately acquired	-	24,260	24,260
At 31 December 2020	158,479	24,260	182,739
Amortisation and impairment			
At 1 January 2020	63,392	-	63,392
Amortisation charged for the year	31,696	-	31,696
At 31 December 2020	95,088	-	95,088
Carrying amount			
At 31 December 2020	63,391	24,260	87,651
At 31 December 2019	95,087	-	95,087

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2020	59,098,704	26,358,239	6,269,644	304,928	92,031,515
Additions	-	1,525,530	32,056	73,822	1,631,408
Disposals	-	(1,912,653)	-	(63,233)	(1,975,886)
Exchange adjustments	(1,900,651)	(492,465)	(51,244)	(2,802)	(2,447,162)
At 31 December 2020	57,198,053	25,478,651	6,250,456	312,715	89,239,875
Depreciation and impairment					
At 1 January 2020	-	16,417,447	4,779,032	288,351	21,484,830
Depreciation charged in the year	-	1,399,899	306,621	19,578	1,726,098
Eliminated in respect of disposals	-	(1,592,530)	-	(63,233)	(1,655,763)
Exchange adjustments	-	(313,476)	(47,253)	(2,802)	(363,531)
At 31 December 2020	-	15,911,340	5,038,400	241,894	21,191,634
Carrying amount					
At 31 December 2020	57,198,053	9,567,311	1,212,056	70,821	68,048,241
At 31 December 2019	59,098,704	9,940,792	1,490,612	16,577	70,546,685
Company		Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2020		11,074,299	4,677,107	217,800	15,969,206
Additions		1,510,033	31,595	73,822	1,615,450
Disposals		(1,912,653)	-	(63,233)	(1,975,886)
At 31 December 2020		10,671,679	4,708,702	228,389	15,608,770
Depreciation and impairment					
At 1 January 2020		8,383,161	3,409,568	201,223	11,993,952
Depreciation charged in the year		475,680	252,768	19,578	748,026
Eliminated in respect of disposals		(1,592,530)	-	(63,233)	(1,655,763)
At 31 December 2020		7,266,311	3,662,336	157,568	11,086,215
Carrying amount					
At 31 December 2020		3,405,368	1,046,366	70,821	4,522,555
At 31 December 2019		2,691,138	1,267,539	16,577	3,975,254

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 January 2020	215,000	215,000
Disposals	(215,000)	(215,000)
At 31 December 2020	-	-

14 Fixed asset investments

		Group 2020 £	2019 £	Company 2020 £	2019 £
	Notes				
Investments	15	87,509	87,509	21,325,109	21,325,109

Movements in fixed asset investments

Group	Investments in participating interests
	£
Cost or valuation	
At 1 January 2020 and 31 December 2020	87,509
Carrying amount	
At 31 December 2020	87,509
At 31 December 2019	87,509

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2020 and 31 December 2020	21,325,109
Carrying amount	
At 31 December 2020	21,325,109
At 31 December 2019	21,325,109

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
St. Giles Hotel, LLC	USA	Hotel operator	Ordinary unit	100.00	0
St. Giles Hotels, Inc (North America)	USA	Dormant holding company	Ordinary	100.00	0

16 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,067,819	4,576,904	44,507,521	43,662,754
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	-	96,518	-	-
Measured at amortised cost	83,016,785	77,864,595	42,772,193	39,145,600

17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	102,474	106,771	12,873	15,508

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	48,207	1,206,070	-	1,098,450
Corporation tax recoverable	498,461	-	498,461	-
Amounts owed by group undertakings	-	-	41,763,053	39,279,539
Other debtors	2,109,378	2,620,834	1,994,468	2,534,765
Prepayments and accrued income	1,490,919	577,325	135,365	472,223
	<u>4,146,965</u>	<u>4,404,229</u>	<u>44,391,347</u>	<u>43,384,977</u>
Amounts falling due after more than one year:				
Amount owed by related parties	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
Total debtors	<u>4,896,965</u>	<u>5,154,229</u>	<u>45,141,347</u>	<u>44,134,977</u>

19 Creditors: amounts falling due within one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Notes				
Other borrowings	21 18,774,457	15,814,845	18,774,457	15,814,845
Trade creditors	2,268,964	1,062,440	593,070	840,479
Corporation tax payable	-	197,643	-	197,643
Other taxation and social security	478,249	724,724	356,055	655,647
Other creditors	8,631,818	8,700,693	785,928	710,807
Accruals and deferred income	4,940,245	3,953,748	4,565,869	3,726,600
	<u>35,093,733</u>	<u>30,454,093</u>	<u>25,075,379</u>	<u>21,946,021</u>

20 Creditors: amounts falling due after more than one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Notes				
Bank loans and overdrafts	21 48,401,301	48,332,869	18,052,869	18,052,869
Derivative financial instruments	-	96,518	-	-
	<u>48,401,301</u>	<u>48,429,387</u>	<u>18,052,869</u>	<u>18,052,869</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loan 1	47,359,045	48,332,869	18,052,869	18,052,869
Bank loan 2	1,042,256	-	-	-
Other loans	18,774,457	15,814,845	18,774,457	15,814,845
	<u>67,175,758</u>	<u>64,147,714</u>	<u>36,827,326</u>	<u>33,867,714</u>
Payable within one year	18,774,457	15,814,845	18,774,457	15,814,845
Payable after one year	<u>48,401,301</u>	<u>48,332,869</u>	<u>18,052,869</u>	<u>18,052,869</u>

Bank loan 1

The bank loans are interest bearing between 1.7% - 2.5% above LIBOR. They are secured by fixed charges over the properties and floating charges over the remaining assets of the group. The loans are due for repayment in year 2021. As of the date of signature, the directors were in discussion with the banker to refinance the exiting facilities. The group's banker is keen to refinance subject to acceptable terms.

Bank loan 2

On 9 April 2020, the group was granted a loan of US\$1.4m from JPMorgan Chase Bank, pursuant to the Paycheck Protection Program ("PPP") under Division A, Title I of the CARES Act, which was enacted on 27 March 2020. The loan matures on 8 April 2022 and bears interest at a rate of 0.98% per annum. Funds from the loan may only be used for payroll costs, utilities, and mortgage interest incurred before 24 September 2020. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

Other loans

Loans from related parties are unsecured and no fixed date of repayment. They carry an interest of 1.7% (2019: 4%) above LIBOR.

22 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Group and company		
Accelerated capital allowances	<u>472,524</u>	<u>472,524</u>

There were no deferred tax movements in the year.

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 is not recognised in respect of tax losses arose from its subsidiaries as it is not probable that they will be recovered against the future taxable profits in the short term.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	110,433	127,191

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	555,420	555,420	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 transactions costs.

Capital redemption reserve

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

Profit and loss reserves

Profit and loss reserves represent cumulative profit and loss net of distribution to owners. It includes translation reserve of £2,041,800 (2019: £1,264,600) arising from re-translation of foreign subsidiaries and fair value reserve of £nil (2019: £14,900 loss) related to revaluation of investment property which are non-distributable.

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	
	2020	2019	2020	2019
	£	£	£	£
Within one year	4,760,000	4,760,000	4,760,000	4,760,000
Between two and five years	18,628,333	18,888,333	18,628,333	18,888,333
In over five years	30,375,000	34,875,000	30,375,000	34,875,000
	<u>53,763,333</u>	<u>58,523,333</u>	<u>53,763,333</u>	<u>58,523,333</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

26 Operating lease commitments

(Continued)

Lessor

The operating leases represent sub-leases to third parties. The leases are negotiated over terms of 3 - 25 years and rentals are fixed for 3 - 5 years. All leases include a provision for three to five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	1,432,652	1,451,652	1,432,652	1,451,652
Between two and five years	241,667	1,674,319	241,667	1,674,319
	<u>1,674,319</u>	<u>3,125,971</u>	<u>1,674,319</u>	<u>3,125,971</u>

Rent concession of £3,225,000 was provided to the company during the year.

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Acquisition of tangible fixed assets	<u>959,029</u>	<u>2,564,000</u>	<u>959,029</u>	<u>2,564,000</u>

28 Related party transactions

Transactions with related parties

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

	Loan advanced to related parties		Interest receivable	
	2020 £	2019 £	2020 £	2019 £
Group and company				
Entities with substantially the same shareholders	<u>-</u>	<u>100,000</u>	<u>44,518</u>	<u>99,157</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

28 Related party transactions

(Continued)

	Rent payable		Interest payable	
	2020	2019	2020	2019
	£	£	£	£
Group and company				
Entities with substantially the same shareholders	1,275,021	6,834,073	459,612	721,007
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020	2019
	£	£
Group		
Entities with substantially the same shareholders	30,087,115	25,770,613
	<u> </u>	<u> </u>
Company		
Entities with substantially the same shareholders	22,051,094	17,816,387
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020	2019
	Balance	Balance
	£	£
Group and company		
Entities with substantially the same shareholders	1,761,569	1,592,306
	<u> </u>	<u> </u>

29 Controlling party

The company is owned by a number of private shareholders and companies, none of whom own more than 50% of the issued share capital of the company. Accordingly there is no parent entity nor ultimate controlling party.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

30 Cash (absorbed by)/generated from group operations

	2020	2019
	£	£
Loss for the year after tax	(10,271,939)	(5,182,693)
Adjustments for:		
Taxation (credited)/charged	(498,461)	395,375
Finance costs	1,887,114	6,335,323
Investment income	(45,148)	(106,189)
Loss on disposal of tangible fixed assets	254,755	8,714
Amortisation and impairment of intangible assets	31,696	31,696
Depreciation and impairment of tangible fixed assets	1,759,449	1,781,348
Movements in working capital:		
Decrease in stocks	1,161	41,462
Decrease in debtors	745,638	234,497
Increase/(decrease) in creditors	3,539,980	(1,769,703)
Cash (absorbed by)/generated from operations	(2,595,755)	1,769,830

31 Cash absorbed by operations - company

	2020	2019
	£	£
(Loss)/profit for the year after tax	(2,421,928)	1,938,699
Adjustments for:		
Taxation (credited)/charged	(498,461)	395,375
Finance costs	891,608	1,088,929
Investment income	(45,148)	(106,189)
Loss/(gain) on disposal of tangible fixed assets	254,755	(3,000)
Amortisation and impairment of intangible assets	31,696	31,696
Depreciation and impairment of tangible fixed assets	748,026	798,882
Movements in working capital:		
Decrease in stocks	2,635	15,049
Increase in debtors	(507,909)	(4,220,462)
Increase/(decrease) in creditors	367,389	(248,574)
Cash absorbed by operations	(1,177,337)	(309,595)

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

32 Analysis of changes in net debt - group

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	3,147,174	(1,900,774)	1,246,400
Borrowings excluding overdrafts	(64,147,714)	(3,028,044)	(67,175,758)
	<u>(61,000,540)</u>	<u>(4,928,818)</u>	<u>(65,929,358)</u>

33 Analysis of changes in net debt - company

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	1,560,363	(621,170)	939,193
Borrowings excluding overdrafts	(33,867,714)	(2,959,612)	(36,827,326)
	<u>(32,307,351)</u>	<u>(3,580,782)</u>	<u>(35,888,133)</u>

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