

Company Registration No. 02954321 (England and Wales)

ST GILES HOTEL LIMITED
GROUP REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

ST GILES HOTEL LIMITED

COMPANY INFORMATION

Directors	Dato' Seri R C M Tan Mr S Y Chua 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 2021

The directors present the strategic report for the year ended 31 December 2021.

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 £13.3m compared to deficits of £9.5m in 2020.

St Giles London

The impact of the pandemic continued into 2021, with a full lockdown in Q1 and the first half of Q2. The hospitality industry was allowed to reopen to guests from 17 May 2021 onwards. St Giles London hotel achieved an occupancy of 29.03% and ADR of £65.27, which resulted in a 25% increase in room revenue YOY. Turnover for St Giles London was £4.93m, a £887k increase over 2021.

The hotel generated £210,408 in revenue during the lockdown of Q1 through early Q2 with the continuation of our partnership with the Westminster City Council to use available rooms as accommodation for the homeless under the Government's Severe Weather Emergency Programme.

Post lockdown, the hotel reopened in mid-May with a 10% occupancy and with continued monthly growth saw an occupancy of 52.7% in Dec 2021. A higher occupancy was anticipated, however the emergence of the Omicron variant of the coronavirus caused high cancellations and a large drop in bookings for the festive season and into Q1 2022.

Cost controlling measures

- Payroll reduction – Majority of staff remained on furlough during the lockdown of Q1 and early Q2, with a skeletal staff to serve the Westminster City Council group booking. When the hotel reopened in Mid-May, essential staff returned on reduced hours, 3 days per week, and staff were cross-trained to work multiple roles. With the furlough scheme ending in Sept 2021, we made further reductions in hours and increased multi-skilled staff working across multiple roles to save on payroll cost.

The property generated a loss before tax of £9.15m versus £2.92m loss before tax in 2020.

The Tuscany – A St Giles Signature

In 2021, The Tuscany hotel in New York remained closed. The property has been closed since the pandemic started. In 2021, the property received a Paycheck Protection Plan loan grant from New York State for \$1,991,600, which was used towards mortgage, payroll, and utilities as stipulated by the conditions of the grant.

The Group

The group has delivered an after-tax loss of £3.54m (compared to 2020 after-tax loss of £10.27m). 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 market that faced multiple challenges.

ST GILES HOTEL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

2021 was a much-improved year over 2020 for the hospitality industry. While the pandemic caused closure in Q1/Q2 and negatively impacted bookings in Dec 2021, the operating months saw an upward trend month over month in occupancy. While not back at pre-pandemic levels, this was the result from a pandemic-weary market that yearned to start travelling again.

The key risks and uncertainties that we faced and that were not in our control were the mood and sentiment of the public to travel, the emergence of new coronavirus variants, and due to the uncertainty of the effect of these variants therefore the changing rules of travel and social distancing. The general confusion and exhaustion over these restrictions meant a demand for flexible rates, shorter booking windows which therefore changed the way we forecasted, a more nervous audience and an anxious guest. With this in mind, we ensured to keep standards of service as high as possible with limited staff, and continue to offer the premium St Giles Experience. These are the actions that are within our control, and we tried to do our best in everything we could control.

Key performance indicators

The management team regularly reviews and analyzes 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

Ms A H X Tan

Director

25 March 2022

ST GILES HOTEL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

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.

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

(Resigned 20 August 2021)

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 £23 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.

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.

ST GILES HOTEL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 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.

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 2021

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

25 March 2022

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 2021 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 2021 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.

Goh Yong Chong (Senior Statutory Auditor)
For and on behalf of Silver Levene (UK) Limited
Chartered Certified Accountants
Statutory Auditor
37 Warren Street
London
W1T 6AD

25 March 2022

ST GILES HOTEL LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Turnover	3	4,927,336	4,870,612
Cost of sales		(3,760,497)	(6,255,357)
Gross profit/(loss)		<u>1,166,839</u>	<u>(1,384,745)</u>
Administrative expenses		(8,325,096)	(9,940,990)
Other operating income		4,556,153	4,013,388
Operating loss	4	<u>(2,602,104)</u>	<u>(7,312,347)</u>
Interest receivable and similar income	8	32,441	45,148
Interest payable and similar expenses	9	(813,406)	(3,503,201)
Loss before taxation		<u>(3,383,069)</u>	<u>(10,770,400)</u>
Tax on loss	10	(151,933)	498,461
Loss for the financial year	24	<u>(3,535,002)</u>	<u>(10,271,939)</u>
Other comprehensive income			
Currency translation differences		(279,617)	777,170
Total comprehensive income for the year		<u><u>(3,814,619)</u></u>	<u><u>(9,494,769)</u></u>

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	11		78,043		87,651
Tangible assets	12		68,570,343		68,048,241
Investments	13		87,509		87,509
			<u>68,735,895</u>		<u>68,223,401</u>
Current assets					
Stocks	16	85,526		102,474	
Debtors	17	4,929,451		4,896,965	
Cash at bank and in hand		2,600,086		1,246,400	
			<u>7,615,063</u>	<u>6,245,839</u>	
Creditors: amounts falling due within one year	18	(39,746,183)		(35,093,733)	
Net current liabilities			<u>(32,131,120)</u>		<u>(28,847,894)</u>
Total assets less current liabilities			36,604,775		39,375,507
Creditors: amounts falling due after more than one year	19	(49,293,255)		(48,401,301)	
Provisions for liabilities					
Deferred tax liability	21	624,457		472,524	
			<u>(624,457)</u>	<u>(472,524)</u>	
Net liabilities			<u>(13,312,937)</u>		<u>(9,498,318)</u>
Capital and reserves					
Called up share capital	23		555,420		555,420
Share premium account	24		127,374		127,374
Capital redemption reserve	24		320,230		320,230
Profit and loss reserves	24		(14,315,961)		(10,501,342)
Total equity			<u>(13,312,937)</u>		<u>(9,498,318)</u>

The financial statements were approved by the board of directors and authorised for issue on 25 March 2022 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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	11		78,043		87,651
Tangible assets	12		4,910,488		4,522,555
Investments	13		21,325,109		21,325,109
			<u>26,313,640</u>		<u>25,935,315</u>
Current assets					
Stocks	16		17,135		12,873
Debtors	17		69,741,317		45,141,347
Cash at bank and in hand			2,450,398		939,193
			<u>72,208,850</u>		<u>46,093,413</u>
Creditors: amounts falling due within one year	18		(31,040,912)		(25,075,379)
Net current assets			<u>41,167,938</u>		<u>21,018,034</u>
Total assets less current liabilities			<u>67,481,578</u>		<u>46,953,349</u>
Creditors: amounts falling due after more than one year	19		(47,733,065)		(18,052,869)
Provisions for liabilities					
Deferred tax liability	21		624,457		472,524
			<u>(624,457)</u>		<u>(472,524)</u>
Net assets			<u>19,124,056</u>		<u>28,427,956</u>
Capital and reserves					
Called up share capital	23		555,420		555,420
Share premium account	24		127,374		127,374
Capital redemption reserve	24		320,230		320,230
Profit and loss reserves	24		18,121,032		27,424,932
Total equity			<u>19,124,056</u>		<u>28,427,956</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 £9,303,900 (2020 - £2,421,928 loss).

The financial statements were approved by the board of directors and authorised for issue on 25 March 2022 and are signed on its behalf by:

Ms A H X Tan
Director

Company Registration No. 02954321

ST GILES HOTEL LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2020	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)
Year ended 31 December 2021:					
Loss for the year	-	-	-	(3,535,002)	(3,535,002)
Other comprehensive income:					
Currency translation differences	-	-	-	(279,617)	(279,617)
Total comprehensive income for the year	-	-	-	(3,814,619)	(3,814,619)
Balance at 31 December 2021	555,420	127,374	320,230	(14,315,961)	(13,312,937)

ST GILES HOTEL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2020	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
Year ended 31 December 2021:					
Loss and total comprehensive income for the year	-	-	-	(9,303,900)	(9,303,900)
Balance at 31 December 2021	555,420	127,374	320,230	18,121,032	19,124,056

ST GILES HOTEL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	29	1,303,798		260,847	
Interest paid		(813,406)		(1,768,988)	
Income taxes paid		-		(197,643)	
Net cash inflow/(outflow) from operating activities		490,392		(1,705,784)	
Investing activities					
Purchase of intangible assets		(26,940)		(24,260)	
Purchase of tangible fixed assets		(1,347,117)		(1,631,408)	
Proceeds on disposal of tangible fixed assets		-		36,417	
Proceeds on disposal of investment property		-		243,951	
Loans made		(4,075,968)		-	
Interest received		32,441		45,148	
Net cash used in investing activities		(5,417,584)		(1,330,152)	
Financing activities					
Proceeds from borrowings		6,280,264		1,108,320	
Net cash generated from financing activities		6,280,264		1,108,320	
Net increase/(decrease) in cash and cash equivalents		1,353,072		(1,927,616)	
Cash and cash equivalents at beginning of year		1,246,400		3,147,174	
Effect of foreign exchange rates		614		26,842	
Cash and cash equivalents at end of year		2,600,086		1,246,400	

ST GILES HOTEL LIMITED

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	30				
		1,193,735		(1,177,337)	
Interest paid		(785,129)		(891,608)	
Income taxes paid		-		(197,643)	
Net cash inflow/(outflow) from operating activities		408,606		(2,266,588)	
Investing activities					
Purchase of intangible assets		(26,940)		(24,260)	
Purchase of tangible fixed assets		(1,107,198)		(1,615,450)	
Proceeds on disposal of tangible fixed assets		-		36,417	
Proceeds on disposal of investment property		-		243,951	
Loans made		(4,075,968)		-	
Interest received		32,441		45,148	
Net cash used in investing activities		(5,177,665)		(1,314,194)	
Financing activities					
Proceeds from borrowings		6,280,264		2,959,612	
Net cash generated from financing activities		6,280,264		2,959,612	
Net increase/(decrease) in cash and cash equivalents		1,511,205		(621,170)	
Cash and cash equivalents at beginning of year		939,193		1,560,363	
Cash and cash equivalents at end of year		2,450,398		939,193	

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021. 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.

1.3 Going concern

The financial statements have been prepared on a going concern basis which assumes that the group will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the group being able to trade profitably in the future, notwithstanding any effect on the group from the COVID-19 pandemic, and the continued support of the shareholders and the landlord who is connected to the group. The financial statements do not include any adjustments that would result if the group continued to make losses and such support were withdrawn. If the group 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 fixed assets and long term liabilities as current assets and liabilities. The shareholders and the landlord have expressed their willingness to continue supporting the group for the foreseeable future and hence it is appropriate for the financial statements to be prepared on a going concern basis.

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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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 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 2021

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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 2021

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 2021

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.

1.12 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.

1.13 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.

1.14 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 2021

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.

1.15 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.

1.16 Retirement benefits

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

1.17 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.

1.18 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 2021

1 Accounting policies

(Continued)

1.19 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

	2021 £	2020 £
Turnover analysed by class of business		
Hotels operation	4,927,336	4,870,612
	<u> </u>	<u> </u>
	2021 £	2020 £
Other significant revenue		
Interest income	32,441	45,148
UK Coronavirus Job Retention Scheme grant	2,291,184	1,368,589
Rental income	1,172,914	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 2021

3 Turnover and other revenue	(Continued)	
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	4,927,336	4,040,080
Overseas	-	830,532
	<u>4,927,336</u>	<u>4,870,612</u>
	<u><u>4,927,336</u></u>	<u><u>4,870,612</u></u>
4 Operating loss	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(8,426)	-
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(622,417)	1,734,213
UK Coronavirus Job Retention Scheme grant	(2,291,184)	(1,368,589)
US PPP loan forgiveness grant	(1,233,777)	-
Depreciation of owned tangible fixed assets	1,620,001	1,726,098
(Profit)/loss on disposal of tangible fixed assets	-	254,755
Amortisation of intangible assets	36,548	31,696
Operating lease charges	467,723	1,284,555
	<u>467,723</u>	<u>1,284,555</u>
	<u><u>467,723</u></u>	<u><u>1,284,555</u></u>
5 Auditor's remuneration	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	28,000	24,000
Audit of the financial statements of the company's subsidiaries	9,197	13,129
	<u>37,197</u>	<u>37,129</u>
	<u><u>37,197</u></u>	<u><u>37,129</u></u>
For other services		
Taxation compliance services	3,000	3,000
All other non-audit services	5,000	6,000
	<u>8,000</u>	<u>9,000</u>
	<u><u>8,000</u></u>	<u><u>9,000</u></u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Hotel staff	79	91	79	91
Administrative staff	29	44	29	44
Total	<u>108</u>	<u>135</u>	<u>108</u>	<u>135</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	3,371,718	5,036,042	2,608,800	3,167,917
Social security costs	520,473	1,355,016	244,622	269,545
Pension costs	59,486	110,433	59,486	110,433
	<u>3,951,677</u>	<u>6,501,491</u>	<u>2,912,908</u>	<u>3,547,895</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	99,136	101,204
Company pension contributions to defined contribution schemes	5,750	46,013
	<u>104,886</u>	<u>147,217</u>

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	98	630
Other interest income	32,343	44,518
Total income	<u>32,441</u>	<u>45,148</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>98</u>	<u>630</u>
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ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	964,908	1,309,376
Other interest on financial liabilities	462,489	459,612
	<u>1,427,397</u>	<u>1,768,988</u>
Other finance costs:		
Exchange differences on financing transactions	(613,991)	1,734,213
	<u>813,406</u>	<u>3,503,201</u>

10 Taxation

	2021	2020
	£	£
Current tax		
Adjustments in respect of prior periods	-	(498,461)
	<u>-</u>	<u>(498,461)</u>
Deferred tax		
Origination and reversal of timing differences	151,933	-
	<u>151,933</u>	<u>-</u>
Total tax charge/(credit)	<u>151,933</u>	<u>(498,461)</u>

The actual charge/(credit) 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:

	2021	2020
	£	£
Loss before taxation	<u>(3,383,069)</u>	<u>(10,770,400)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(642,783)	(2,046,376)
Tax effect of expenses that are not deductible in determining taxable profit	87,874	37,607
Unutilised tax losses carried forward	42,266	125,932
Change in unrecognised deferred tax assets	151,933	-
Permanent capital allowances in excess of depreciation	(229,376)	(92,431)
Depreciation on assets not qualifying for tax allowances	136,660	(14,695)
Losses on foreign subsidiaries not recognised	605,359	1,491,502
	<u>151,933</u>	<u>(498,461)</u>
Taxation charge/(credit)	<u>151,933</u>	<u>(498,461)</u>

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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Intangible fixed assets

Group and company	Software £	Website costs £	Total £
Cost			
At 1 January 2021	158,479	24,260	182,739
Additions - separately acquired	-	26,940	26,940
At 31 December 2021	158,479	51,200	209,679
Amortisation and impairment			
At 1 January 2021	95,088	-	95,088
Amortisation charged for the year	31,696	4,852	36,548
At 31 December 2021	126,784	4,852	131,636
Carrying amount			
At 31 December 2021	31,695	46,348	78,043
At 31 December 2020	63,391	24,260	87,651

12 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2021	57,198,053	25,478,651	6,250,456	312,715	89,239,875
Additions	-	1,090,385	256,732	-	1,347,117
Disposals	-	(1,699)	(113,234)	(44,409)	(159,542)
Exchange adjustments	729,988	193,904	17,353	1,077	942,322
At 31 December 2021	57,928,041	26,761,041	6,411,307	269,383	91,369,772
Depreciation and impairment					
At 1 January 2021	-	15,911,340	5,038,400	241,894	21,191,634
Depreciation charged in the year	-	1,333,679	261,715	24,607	1,620,001
Eliminated in respect of disposals	-	-	(113,234)	(44,409)	(157,643)
Exchange adjustments	-	128,398	15,962	1,077	145,437
At 31 December 2021	-	17,373,417	5,202,843	223,169	22,799,429
Carrying amount					
At 31 December 2021	57,928,041	9,387,624	1,208,464	46,214	68,570,343
At 31 December 2020	57,198,053	9,567,311	1,212,056	70,821	68,048,241

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

(Continued)

Company	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2021	10,671,679	4,708,702	228,389	15,608,770
Additions	852,639	254,559	-	1,107,198
Disposals	-	-	(44,409)	(44,409)
At 31 December 2021	11,524,318	4,963,261	183,980	16,671,559
Depreciation and impairment				
At 1 January 2021	7,266,311	3,662,336	157,568	11,086,215
Depreciation charged in the year	469,728	224,930	24,607	719,265
Eliminated in respect of disposals	-	-	(44,409)	(44,409)
At 31 December 2021	7,736,039	3,887,266	137,766	11,761,071
Carrying amount				
At 31 December 2021	3,788,279	1,075,995	46,214	4,910,488
At 31 December 2020	3,405,368	1,046,366	70,821	4,522,555

13 Fixed asset investments

		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
Investments	14	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 2021 and 31 December 2021	87,509
Carrying amount	
At 31 December 2021	87,509
At 31 December 2020	87,509

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

13 Fixed asset investments (Continued)

Movements in fixed asset investments	Shares in group undertakings
Company	£
Cost or valuation	
At 1 January 2021 and 31 December 2021	21,325,109
Carrying amount	
At 31 December 2021	21,325,109
At 31 December 2020	21,325,109

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 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

15 Financial instruments

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,912,843	4,067,819	69,090,820	44,507,521
Measured at amortised cost	88,752,213	83,016,785	78,587,415	42,772,193

16 Stocks

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Finished goods and goods for resale	85,526	102,474	17,135	12,873

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	80,019	48,207	79,396	-
Corporation tax recoverable	498,461	498,461	498,461	498,461
Amounts owed by group undertakings	-	-	66,564,217	41,763,053
Other debtors	1,811,787	2,109,378	1,697,207	1,994,468
Prepayments and accrued income	1,789,184	1,490,919	152,036	135,365
	<u>4,179,451</u>	<u>4,146,965</u>	<u>68,991,317</u>	<u>44,391,347</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>4,929,451</u>	<u>4,896,965</u>	<u>69,741,317</u>	<u>45,141,347</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	20	24,586,998	18,774,457	24,586,998	18,774,457
Trade creditors		1,611,417	2,268,964	809,125	593,070
Other taxation and social security		287,225	478,249	186,562	356,055
Other creditors		8,334,454	8,631,818	632,904	785,928
Accruals and deferred income		4,926,089	4,940,245	4,825,323	4,565,869
		<u>39,746,183</u>	<u>35,093,733</u>	<u>31,040,912</u>	<u>25,075,379</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	20	<u>49,293,255</u>	<u>48,401,301</u>	<u>47,733,065</u>	<u>18,052,869</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loan 1	47,733,065	47,359,045	47,733,065	18,052,869
Bank loan 2	1,560,190	1,042,256	-	-
Other loans	24,586,998	18,774,457	24,586,998	18,774,457
	<u>73,880,253</u>	<u>67,175,758</u>	<u>72,320,063</u>	<u>36,827,326</u>
Payable within one year	24,586,998	18,774,457	24,586,998	18,774,457
Payable after one year	<u>49,293,255</u>	<u>48,401,301</u>	<u>47,733,065</u>	<u>18,052,869</u>

Bank loan 1

The bank loan is interest bearing which is expiring two years from 17 December 2021. Interest is charged at an average rate of 1.7% - 2.5% (2020: 1.7% - 2.5%) above LIBOR.

The loan is secured on:

UK Hotel Properties ("the Properties")

1. 730-room St Giles Hotel located at Bedford Avenue, London, UK.
2. 411-room St Giles Hotel located at Hounslow Road, Feltham, Middlesex, UK.

Securities for the Facilities

Customary for financing of this nature, including but not limited to:

1. A First fixed legal mortgage over the UK Hotel Properties.
2. A first fixed charge over the UK Hotel Properties operating current and fixed deposit accounts.
3. A first assignment of the rights, title & interest in the property management agreement & proceeds & insurance policies in relation to the Properties.
4. A first fixed and floating charge over the assets of the Obligors in relation to the Properties, agreement and collateral.
5. A Debt Services Reserve Account ("DSRA") with 4 months interest servicing of the Facilities is to be maintained at all times and pledged to the Bank and the next quarters interest is to be credited into the DSRA 2 weeks prior to the Interest Payment Date.

Bank loan 2

On 9 April 2020, the company was granted a loan of US\$1.4m from JP Morgan 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. During the year, repayment was made, and the final outstanding loan was US\$117k. The company was granted the option to extend the loan for a period of five years with a maturity date of 09 April 2025.

On 22 March 2021, the company was granted a further loan of US\$1.9m from JP Morgan Chase Bank which matures on with 22 March 2026 and bears an interest rate of 1% 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

Other loans

Loans from related parties are unsecured and no fixed date of repayment. They carry an interest of 1.7% (2020: 1.7%) above LIBOR.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Group and company		
Accelerated capital allowances	624,457	472,524
	<u>624,457</u>	<u>472,524</u>
	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 January 2021	472,524	472,524
Charge to profit or loss	151,933	151,933
	<u>151,933</u>	<u>151,933</u>
Liability at 31 December 2021	624,457	624,457
	<u>624,457</u>	<u>624,457</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 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.

22 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	59,486	110,433
	<u>59,486</u>	<u>110,433</u>

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.

23 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Group and company				
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	555,420	555,420	555,420	555,420
	<u>555,420</u>	<u>555,420</u>	<u>555,420</u>	<u>555,420</u>

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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 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 £876,499 (2020: £1,156,117) arising from re-translation of foreign subsidiaries.

25 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 2021 £	2020 £	Company 2021 £	2020 £
Within one year	4,760,000	4,760,000	4,760,000	4,760,000
Between two and five years	14,280,000	18,628,333	14,280,000	18,628,333
In over five years	35,434,167	30,375,000	35,434,167	30,375,000
	<u>54,474,167</u>	<u>53,763,333</u>	<u>54,474,167</u>	<u>53,763,333</u>

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 2021 £	2020 £	Company 2021 £	2020 £
Within one year	923,333	1,432,652	923,333	1,432,652
Between two and five years	1,340,753	241,667	1,340,753	241,667
	<u>2,264,086</u>	<u>1,674,319</u>	<u>2,264,086</u>	<u>1,674,319</u>

Rent concession of £4,032,000 (2020: £3,225,000) was provided to the company during the year.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Acquisition of tangible fixed assets	10,098	959,029	10,098	959,029

27 Related party transactions

Transactions with related parties

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

	Interest receivable	
	2021	2020
	£	£
Group and company		
Entities with substantially the same shareholders	32,343	44,518

	Rent payable		Interest payable	
	2021	2020	2021	2020
	£	£	£	£
Group and company				
Entities with substantially the same shareholders	467,724	1,275,021	462,489	459,612

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£	£
Group		
Entities with substantially the same shareholders	35,676,379	30,087,115
Company		
Entities with substantially the same shareholders	28,331,359	22,051,094

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021	2020
	Balance	Balance
	£	£
Group and company		
Entities with substantially the same shareholders	1,650,442	1,761,569

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

28 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.

29 Cash generated from/(absorbed by) group operations

	2021	2020
	£	£
Loss for the year after tax	(3,535,002)	(10,271,939)
Adjustments for:		
Taxation charged/(credited)	151,933	(498,461)
Finance costs	813,406	1,887,114
Investment income	(32,441)	(45,148)
Loss on disposal of tangible fixed assets	1,899	254,755
Amortisation and impairment of intangible assets	36,548	31,696
Depreciation and impairment of tangible fixed assets	1,620,001	1,759,449
Movements in working capital:		
Decrease in stocks	17,634	1,161
Decrease in debtors	7,663	745,638
Increase in creditors	2,222,157	3,539,980
Cash generated from/(absorbed by) operations	1,303,798	(2,595,755)

30 Cash generated from/(absorbed by) operations - company

	2021	2020
	£	£
Loss for the year after tax	(9,303,900)	(2,421,928)
Adjustments for:		
Taxation charged/(credited)	151,933	(498,461)
Finance costs	785,129	891,608
Investment income	(32,441)	(45,148)
(Gain)/loss on disposal of tangible fixed assets	-	254,755
Amortisation and impairment of intangible assets	36,548	31,696
Depreciation and impairment of tangible fixed assets	719,265	748,026
Other gains and losses	8,955,000	-
Movements in working capital:		
(Increase)/decrease in stocks	(4,262)	2,635
Decrease/(increase) in debtors	201,194	(507,909)
(Decrease)/increase in creditors	(314,731)	367,389
Cash generated from/(absorbed by) operations	1,193,735	(1,177,337)

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

31 Analysis of changes in net debt - group

	1 January 2021	Cash flows	Exchange rate movements	31 December 2021
	£	£	£	£
Cash at bank and in hand	1,246,400	1,353,072	614	2,600,086
Borrowings excluding overdrafts	(67,175,758)	(6,704,495)	-	(73,880,253)
	<u>(65,929,358)</u>	<u>(5,351,423)</u>	<u>614</u>	<u>(71,280,167)</u>

32 Analysis of changes in net debt - company

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	939,193	1,511,205	2,450,398
Borrowings excluding overdrafts	(36,827,326)	(35,492,737)	(72,320,063)
	<u>(35,888,133)</u>	<u>(33,981,532)</u>	<u>(69,869,665)</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.