

Company registration number 02954321 (England and Wales)

ST GILES HOTEL LIMITED
GROUP REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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	St Giles Hotel 12 Bedford Avenue London WC1B 3GH
Auditor	Silver Levene (UK) Limited Chartered Certified Accountants 37 Warren Street London W1T 6AD
Business address	St Giles Hotel 12 Bedford Avenue London WC1B 3GH

ST GILES HOTEL LIMITED

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ST GILES HOTEL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Fair review of the business

The principal activity of the group during the year was hotel operation and management. The group made a loss of £83k in 2023 compared to a net profit of £1.23m in 2022. This is after foreign exchange loss of £3.2m in financing transaction; in 2022 an exchange gain of £6.2m. At year end, the group had deficits in shareholders' funds of £13.2m compared to a deficit of £14.5m in 2022.

High demand and a change in rate strategy resulted in a strong financial performance at St Giles Hotel Limited as indicated in the table below.

The company's subsidiary, St. Giles Hotel, LLC consists of two properties in New York, USA. One property - The Court was sold at the end of year 2022 and the other - The Tuscany was placed under a two year lease agreement with an option to sell.

St Giles Hotel Limited

Q1 of 2023 started with cancellations and low demand for January, in large related to the train and tube strike actions that month. February and March, however, saw a sudden increase in leisure demand which translated into pick up and exceeding the budgets.

To maximise revenue, we continue with our strategy of working on increasing the ADR as well as optimising the occupancy to achieve a strong RevPAR. The completion of the Tower B project, with newly renovated rooms, helped with confidence to grow the rate and increase the revenue.

FINANCIAL INDICATORS	2022	2023
Total Revenue	£21.10m	£25.73m
ADR	£105.49	£112.09
Occupancy	79.1%	85.6%

Q1 2024, despite strike actions in January and an average of 85% drop in the Israeli business due to the Israeli-Palestinian war, has started with a strong year-on-year January performance. The demand, however, including group business, dropped in February and as a result, we missed last year's revenue by £19k. March saw an increase in leisure demand and has been pacing on a similar level to 2023. We noticed that the market trend has significantly changed from last year, which was very unique with an extra-strong post-Covid travel demand from all of the channels. It seems that business has returned to the pre-COVID trends with a much weaker Q1, and a stronger Q2, Q3, and Q4, and more last-minute business.

In January 2024 we began to complete the gut refurbishment of Block C which comprises 204 rooms, including complete new pipework in the shafts, new bathrooms, individual air-conditioning and room corridors. This project will take about 2 years with expected completion in Dec 2025. We are committed to improving the property standard and maintenance of rooms for the longevity of the product.

As part of our continued efforts to give back to community through our charitable initiative, Hotels with Heart, we support about 10 different causes with the aim of supporting 10,000 young people through donations to breakfast clubs, youth groups, classroom materials, to give them better starts to adult life. We also continue our collaboration with the local councils, offering accommodation to homeless people and rough sleepers, and will launch a hospitality academy aimed at giving these individuals the confidence, skills and hospitality training which lead to jobs and livelihoods, moving into the private accommodation market and being self-sustaining.

St. Giles Hotel, LLC

The Tuscany is now under a two-year lease from March 1, 2023 until February 28, 2025 at a rent of US\$1.5m per annum with an option to extend and also an option to purchase by the lessee.

ST GILES HOTEL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Principal risks and uncertainties

Uncertainties include ongoing industrial actions in the U.K., high inflation, increased utility bills, operational costs and the cost-of-living crisis. We have seen an impact on Q1's performance with a downward trend from the domestic market, especially due to train strikes. The uncertain geo-political climate also plays a key factor in the travel patterns and frequency of our core markets.

Key performance indicators

The management team regularly reviews and analyses a wide range of KPIs to assess 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 since the pandemic is outlined in the business review above.

On behalf of the board

Ms A H X Tan

Director

21 March 2024

ST GILES HOTEL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

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 a hotel in New York, "The Tuscany". The Tuscany was leased to a 3rd party not related to the company from 1 March 2023 for short term with an option to purchase.

The current and potential future impacts are disclosed in the Strategic Report.

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.

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 C B Oh

Ms A H X Tan

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 £13 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.

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 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.

ST GILES HOTEL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

Post reporting date events

In January 2024, the group began the refurbishment of Block C of St Giles Hotel London. This project is expected to complete in December 2025 with an estimated cost of £8.8 million.

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.

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 financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

ST GILES HOTEL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

On behalf of the board

Ms A H X Tan
Director

21 March 2024

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 2023 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 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 Financial Reporting Standard 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 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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.

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.

ST GILES HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST GILES HOTEL LIMITED

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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, 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.

ST GILES HOTEL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ST GILES HOTEL LIMITED

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

22 March 2024

ST GILES HOTEL LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Turnover	3	26,388,555	21,487,685
Cost of sales		(9,325,355)	(7,310,696)
Gross profit		17,063,200	14,176,989
Administrative expenses		(13,943,686)	(15,622,640)
Other operating income		2,728,679	1,981,671
Operating profit	4	5,848,193	536,020
Interest receivable and similar income	8	146,137	50,081
Interest payable and similar expenses	9	(4,953,991)	3,767,057
Profit/(loss) on disposal of operations		-	(1,718,338)
Profit before taxation		1,040,339	2,634,820
Tax on profit	10	(1,123,243)	(1,400,180)
(Loss)/profit for the financial year	23	(82,904)	1,234,640
Other comprehensive income			
Currency translation gain/(loss) taken to retained earnings		1,359,044	(2,422,499)
Total comprehensive income for the year		1,276,140	(1,187,859)

(Loss)/profit 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 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		88,935		14,555
Tangible assets	12		32,314,953		34,769,018
Investments	13		87,509		87,509
			<u>32,491,397</u>		<u>34,871,082</u>
Current assets					
Stocks	15	30,259		40,113	
Debtors	16	2,209,478		42,270,912	
Cash at bank and in hand		6,601,560		4,247,070	
		<u>8,841,297</u>		<u>46,558,095</u>	
Creditors: amounts falling due within one year	17	(36,870,440)		(94,907,055)	
Net current liabilities			<u>(28,029,143)</u>		<u>(48,348,960)</u>
Total assets less current liabilities			4,462,254		(13,477,878)
Creditors: amounts falling due after more than one year	18		(16,654,209)		(64,107)
Provisions for liabilities					
Deferred tax liability	20	1,032,701		958,811	
		<u>(1,032,701)</u>		<u>(958,811)</u>	
Net liabilities			<u>(13,224,656)</u>		<u>(14,500,796)</u>
Capital and reserves					
Called up share capital	22		555,420		555,420
Share premium account	23		127,374		127,374
Capital redemption reserve	23		320,230		320,230
Profit and loss reserves	23		(14,227,680)		(15,503,820)
Total equity			<u>(13,224,656)</u>		<u>(14,500,796)</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 21 March 2024 and are signed on its behalf by:

Ms A H X Tan

Director

Company registration number 02954321 (England and Wales)

ST GILES HOTEL LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		88,935		14,555
Tangible assets	12		5,137,232		5,022,565
Investments	13		8,073,509		8,073,509
			<u>13,299,676</u>		<u>13,110,629</u>
Current assets					
Stocks	15	30,259		40,113	
Debtors	16	23,066,001		64,619,206	
Cash at bank and in hand		5,977,647		3,822,190	
		<u>29,073,907</u>		<u>68,481,509</u>	
Creditors: amounts falling due within one year	17	(29,131,702)		(85,444,206)	
Net current liabilities			<u>(57,795)</u>		<u>(16,962,697)</u>
Total assets less current liabilities			<u>13,241,881</u>		<u>(3,852,068)</u>
Creditors: amounts falling due after more than one year	18	(16,654,209)			-
Provisions for liabilities					
Deferred tax liability	20	1,032,701		958,811	
		<u>(1,032,701)</u>		<u>(958,811)</u>	
Net liabilities			<u>(4,445,029)</u>		<u>(4,810,879)</u>
Capital and reserves					
Called up share capital	22		555,420		555,420
Share premium account	23		127,374		127,374
Capital redemption reserve	23		320,230		320,230
Profit and loss reserves	23		(5,448,053)		(5,813,903)
Total equity			<u>(4,445,029)</u>		<u>(4,810,879)</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 profit for the year was £365,849 (2022 - £23,934,935 loss).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 21 March 2024 and are signed on its behalf by:

Ms A H X Tan

Director

Company registration number 02954321 (England and Wales)

ST GILES HOTEL LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2022	555,420	127,374	320,230	(14,315,961)	(13,312,937)
Year ended 31 December 2022:					
Profit for the year	-	-	-	1,234,640	1,234,640
Other comprehensive income:					
Currency translation differences	-	-	-	(2,422,499)	(2,422,499)
Total comprehensive income	-	-	-	(1,187,859)	(1,187,859)
Balance at 31 December 2022	555,420	127,374	320,230	(15,503,820)	(14,500,796)
Year ended 31 December 2023:					
Loss for the year	-	-	-	(82,904)	(82,904)
Other comprehensive income:					
Currency translation differences	-	-	-	1,359,044	1,359,044
Total comprehensive income	-	-	-	1,276,140	1,276,140
Balance at 31 December 2023	555,420	127,374	320,230	(14,227,680)	(13,224,656)

ST GILES HOTEL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2022	555,420	127,374	320,230	18,121,032	19,124,056
Year ended 31 December 2022:					
Loss and total comprehensive income for the year	-	-	-	(23,934,935)	(23,934,935)
Balance at 31 December 2022	555,420	127,374	320,230	(5,813,903)	(4,810,879)
Year ended 31 December 2023:					
Profit and total comprehensive income	-	-	-	365,850	365,850
Balance at 31 December 2023	555,420	127,374	320,230	(5,448,053)	(4,445,029)

ST GILES HOTEL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	28	4,464,940		8,050,838	
Interest paid		(1,145,215)		(1,825,811)	
Income taxes paid		(897,513)		-	
Net cash inflow from operating activities		<u>2,422,212</u>		<u>6,225,027</u>	
Investing activities					
Purchase of intangible assets		(79,232)		-	
Purchase of tangible fixed assets		(785,143)		(790,754)	
Proceeds from disposal of investments		37,419,115		-	
Interest received		146,137		50,081	
Net cash generated from/(used in) investing activities		<u>36,700,877</u>		<u>(740,673)</u>	
Financing activities					
Repayment of borrowings		(4,576,052)		(3,862,186)	
Repayment of bank loans		(32,163,390)		-	
Net cash used in financing activities		<u>(36,739,442)</u>		<u>(3,862,186)</u>	
Net increase in cash and cash equivalents		<u>2,383,647</u>		<u>1,622,168</u>	
Cash and cash equivalents at beginning of year		4,247,070		2,600,086	
Effect of foreign exchange rates		(29,157)		24,816	
Cash and cash equivalents at end of year		<u><u>6,601,560</u></u>		<u><u>4,247,070</u></u>	

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

St Giles Hotel Limited is a private company limited by shares incorporated in England and Wales. The registered office is St Giles Hotel, 12 Bedford Avenue, London, WC1B 3GH.

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

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 individual financial information of each entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group are presented in Pound Sterling ("£"), which is the presentation currency for the consolidated financial statements. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

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 2023. 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 2023

1 Accounting policies

(Continued)

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, and the continued support from the shareholders and the landlord who are 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 sales related taxes.

Revenue derived from hire of rooms is recognised over the period of hiring.

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	Over the remaining life of the leasehold
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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

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.

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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

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 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.

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.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.14 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.

1.15 Retirement benefits

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

1.16 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.

1.17 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.

1.18 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'.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets

The Tuscany was leased to a 3rd party not connected to the company from 1 March 2023 for a short term basis. Accordingly, the property has changed from owner-occupied property to an investment property. However, it is always the management's intention to sell if a suitable buyer can be found. The lease was granted with an option to extend and an option to purchase during the lease term.

As the end of the reporting period, the management is confident that the lessee will opt for the latter option. As a result of this, the tangible assets is measured at cost. If the lessee opt for the first option, the company will change its measurement to fair value. The estimated fair value less cost to sell is US\$49 million.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Room sales	24,516,674	20,052,693
Food and beverages	1,218,562	1,003,668
Lease income	653,319	431,324
	<u>26,388,555</u>	<u>21,487,685</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	25,735,236	21,081,559
Overseas	653,319	406,126
	<u>26,388,555</u>	<u>21,487,685</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3	Turnover and other revenue	(Continued)	
		2023	2022
		£	£
	Other revenue		
	Interest income	146,137	50,081
	US PPP loan forgiveness grant	-	(225,208)
	Managemenet cross charge	858,468	553,000
	Rental income from sublet	997,721	914,033
	Insurance claims	596,202	1,159,179
		<u> </u>	<u> </u>
4	Operating profit	2023	2022
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange (gains)/losses	(177,441)	459,410
	Government grants	-	225,208
	Depreciation of owned tangible fixed assets	1,609,902	1,674,671
	(Profit)/loss on disposal of tangible fixed assets	-	97,991
	Amortisation of intangible assets	4,852	36,548
	Operating lease charges	7,806,572	4,942,745
		<u> </u>	<u> </u>
5	Auditor's remuneration	2023	2022
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	63,250	28,000
	Audit of the financial statements of the company's subsidiaries	16,082	12,124
		<u> </u>	<u> </u>
		79,332	40,124
		<u> </u>	<u> </u>
	For other services		
	Taxation compliance services	3,750	3,000
	All other non-audit services	2,250	5,000
		<u> </u>	<u> </u>
		6,000	8,000
		<u> </u>	<u> </u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Hotel staff	70	96	69	78
Administrative staff	49	32	44	29
Total	<u>119</u>	<u>128</u>	<u>113</u>	<u>107</u>

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	4,183,961	4,434,827	4,107,481	3,662,056
Social security costs	394,312	599,779	362,404	301,187
Pension costs	90,576	63,559	90,576	63,559
	<u>4,668,849</u>	<u>5,098,165</u>	<u>4,560,461</u>	<u>4,026,802</u>

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	148,262	126,790
Company pension contributions to defined contribution schemes	12,464	5,750
	<u>160,726</u>	<u>132,540</u>

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	144,152	16,369
Other interest income	1,985	33,712
Total income	<u>146,137</u>	<u>50,081</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	1,145,215	1,811,422
Other interest on financial liabilities	639,242	729,513
Exchange differences on financing transactions	3,169,534	(6,322,382)
Other interest	-	14,390
	<u>4,953,991</u>	<u>(3,767,057)</u>

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	1,049,353	643,559
Adjustments in respect of prior periods	-	422,267
	<u>1,049,353</u>	<u>1,065,826</u>
Deferred tax		
Origination and reversal of timing differences	73,890	334,354
	<u>73,890</u>	<u>334,354</u>
Total tax charge	<u>1,123,243</u>	<u>1,400,180</u>

During the year, the corporation tax rate increased from current 19% to 25%, starting from 1 April 2023 for companies with profits over £250,000. Therefore, the effective tax rate is 23.52%. For the purposes of deferred tax, this has been provided at the standard corporation tax rate of 25%.

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

	2023	2022
	£	£
Profit before taxation	<u>1,040,339</u>	<u>2,634,820</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	244,688	500,616
Tax effect of expenses that are not deductible in determining taxable profit	128,807	139,273
Tax effect of utilisation of tax losses not previously recognised	-	(20,376)
Adjustments in respect of prior years	-	422,267
Permanent capital allowances in excess of depreciation	39,069	263,841
Depreciation on assets not qualifying for tax allowances	(10,499)	(9,357)
Losses on foreign subsidiaries not recognised	721,178	103,916
	<u>1,123,243</u>	<u>1,400,180</u>
Taxation charge	<u>1,123,243</u>	<u>1,400,180</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Intangible fixed assets

Group and company	Software £	Website costs £	Total £
Cost			
At 1 January 2023	158,479	24,260	182,739
Additions	35,834	43,398	79,232
At 31 December 2023	194,313	67,658	261,971
Amortisation and impairment			
At 1 January 2023	158,479	9,705	168,184
Amortisation charged for the year	-	4,852	4,852
At 31 December 2023	158,479	14,557	173,036
Carrying amount			
At 31 December 2023	35,834	53,101	88,935
At 31 December 2022	-	14,555	14,555

12 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2023	24,288,600	26,337,913	5,811,054	269,347	56,706,914
Additions	-	395,874	389,269	-	785,143
Disposals	-	-	-	(19,173)	(19,173)
Exchange adjustments	(1,349,049)	(804,806)	(22,348)	(5,310)	(2,181,513)
At 31 December 2023	22,939,551	25,928,981	6,177,975	244,864	55,291,371
Depreciation and impairment					
At 1 January 2023	-	17,267,582	4,422,574	247,740	21,937,896
Depreciation charged in the year	-	1,337,047	251,248	21,607	1,609,902
Eliminated in respect of disposals	-	-	-	(19,173)	(19,173)
Exchange adjustments	-	(529,732)	(17,165)	(5,310)	(552,207)
At 31 December 2023	-	18,074,897	4,656,657	244,864	22,976,418
Carrying amount					
At 31 December 2023	22,939,551	7,854,084	1,521,318	-	32,314,953
At 31 December 2022	24,288,600	9,070,331	1,388,480	21,607	34,769,018

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets

(Continued)

Company	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2023	11,848,013	5,408,678	173,744	17,430,435
Additions	395,874	389,269	-	785,143
Disposals	-	-	(19,173)	(19,173)
At 31 December 2023	12,243,887	5,797,947	154,571	18,196,405
Depreciation and impairment				
At 1 January 2023	8,132,834	4,122,899	152,137	12,407,870
Depreciation charged in the year	418,965	229,904	21,607	670,476
Eliminated in respect of disposals	-	-	(19,173)	(19,173)
At 31 December 2023	8,551,799	4,352,803	154,571	13,059,173
Carrying amount				
At 31 December 2023	3,692,088	1,445,144	-	5,137,232
At 31 December 2022	3,715,179	1,285,779	21,607	5,022,565

13 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	87,509	87,509	8,073,509	8,073,509
Movements in fixed asset investments					
Group					Shares in subsidiaries £
Cost or valuation					
At 1 January 2023 and 31 December 2023					87,509
Carrying amount					
At 31 December 2023					87,509
At 31 December 2022					87,509

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Fixed asset investments (Continued)

Movements in fixed asset investments	Shares in subsidiaries £
Company	
Cost or valuation	
At 1 January 2023 and 31 December 2023	21,325,109
Impairment	
At 1 January 2023 and 31 December 2023	13,251,600
Carrying amount	
At 31 December 2023	8,073,509
At 31 December 2022	8,073,509

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

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

15 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	30,259	40,113	30,259	40,113

16 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	512,637	282,350	512,638	282,348
Amounts owed by group undertakings	-	-	20,878,806	61,863,511
Other debtors	1,316,939	41,256,129	1,309,027	2,015,921
Prepayments and accrued income	379,902	732,433	365,530	457,426
	2,209,478	42,270,912	23,066,001	64,619,206

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	19	-	51,278,220	-	51,278,220
Other borrowings	19	18,790,055	22,849,571	18,790,055	22,849,571
Trade creditors		671,010	2,115,819	606,199	1,042,207
Corporation tax payable		733,595	581,755	733,595	581,755
Other taxation and social security		661,820	1,080,803	661,820	1,080,803
Other creditors		8,686,577	9,303,596	1,041,676	981,476
Accruals and deferred income		7,327,383	7,697,291	7,298,357	7,630,174
		<u>36,870,440</u>	<u>94,907,055</u>	<u>29,131,702</u>	<u>85,444,206</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	19	16,654,209	64,107	16,654,209	-
		<u>16,654,209</u>	<u>64,107</u>	<u>16,654,209</u>	<u>-</u>

19 Loans and overdrafts

		Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans		16,654,209	51,342,327	16,654,209	51,278,220
Other loans		18,790,055	22,849,571	18,790,055	22,849,571
		<u>35,444,264</u>	<u>74,191,898</u>	<u>35,444,264</u>	<u>74,127,791</u>
Payable within one year		18,790,055	74,127,791	18,790,055	74,127,791
Payable after one year		16,654,209	64,107	16,654,209	-
		<u>35,444,264</u>	<u>74,191,898</u>	<u>35,444,264</u>	<u>74,127,791</u>

The bank loans are interest bearing which is now extended with final maturity date on 16 December 2026. Interest is charged at an average rate of 1.85% (2022: 1.7% - 2.5%) above SONIA. Included in the bank loans, amount of £33.23 million was repaid in January 2023.

The loan is secured on 730-room St Giles Hotel located at Bedford Avenue, London, UK.

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	1,032,701	958,811
	<u>1,032,701</u>	<u>958,811</u>
	Liabilities 2023 £	Liabilities 2022 £
Company		
Accelerated capital allowances	1,032,701	958,811
	<u>1,032,701</u>	<u>958,811</u>
	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 January 2023	958,811	958,811
Charge to profit or loss	73,890	73,890
	<u>1,032,701</u>	<u>1,032,701</u>
Liability at 31 December 2023	<u>1,032,701</u>	<u>1,032,701</u>

The deferred tax liability set out above is expected to reverse after 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.

21 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	90,576	63,559
	<u>90,576</u>	<u>63,559</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.

22 Share capital

	2023 Number	2022 Number	2023 £	2022 £
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>

ST GILES HOTEL LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****22 Share capital****(Continued)**

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.

23 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 £1,023,427 (2022: £2,382,471) arising from re-translation of foreign subsidiaries.

24 Operating lease commitments**Lessee**

The operating lease represents lease of property from, a related party by virtue of common ownership. Rent reviews occur at the end of every 5th year of the lease. Additional contingent rents are also payable on the basis of 50% of the profit before taxation of the company for the accounting period less the basic rent. Contingent rents are excluded from the disclosure below.

The operating lease expired in 38 years from 5 October 1994.

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	
	2023	2022	2023	2022
	£	£	£	£
Within one year	4,763,500	4,763,500	4,763,500	4,763,500
Between two and five years	14,290,500	14,290,500	14,290,500	14,290,500
In over five years	25,975,271	30,738,771	25,975,271	30,738,771
	<u>45,029,271</u>	<u>49,792,771</u>	<u>45,029,271</u>	<u>49,792,771</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Operating lease commitments

(Continued)

Lessor

The operating leases represent:

a) 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.

b) Lease of a US hotel to third party for two years amended from 1 March 2023 to 28 February 2025 at US\$1.5 million per annum. There is an option to extend or to purchase at the end of the initial lease term subject to all of the terms, covenants and conditions of the lease.

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	1,962,503	2,040,950	785,753	795,000
Between two and five years	556,125	1,908,301	360,000	1,025,753
In over five years	442,521	562,521	442,521	562,521
	<u>2,961,149</u>	<u>4,511,772</u>	<u>1,588,274</u>	<u>2,383,274</u>

Rent concession of £800,000 (2022: £2,739,000) was provided to the company during the year.

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Acquisition of tangible fixed assets	-	104,300	-	104,300
	<u>-</u>	<u>104,300</u>	<u>-</u>	<u>104,300</u>

26 Related party transactions

Transactions with related parties

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

	Purchases 2023 £	Purchases 2022 £
Company		
Entities with substantially the same shareholders	-	33,712
	<u>-</u>	<u>33,712</u>

ST GILES HOTEL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

26 Related party transactions

(Continued)

	Rent payable		Interest payable	
	2023	2022	2023	2022
	£	£	£	£
Company				
Entities with substantially the same shareholders	7,806,572	4,942,745	639,242	729,513

Other information

During the year, the company also received management cross charge of £858,468 (2022: £553,000) from a connected company, for services rendered.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2023	2022
	£	£
Group		
Entities with substantially the same shareholders	31,787,393	36,973,532
Company		
Entities with substantially the same shareholders	24,351,372	28,937,512

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2023	2022
	Balance	Balance
	£	£
Group		
Entities with substantially the same shareholders	109,333	91,495
Company		
Entities with substantially the same shareholders	109,333	91,495

27 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 2023

28 Cash generated from group operations

	2023	2022
	£	£
(Loss)/profit for the year after tax	(82,904)	1,234,640
Adjustments for:		
Taxation charged	1,123,243	1,400,180
Finance costs	4,953,991	(3,767,057)
Investment income	(146,137)	(50,081)
Non-operating income treated as investing activity	-	26,940
(Gain)/loss on disposal of tangible fixed assets	-	97,991
(Gain)/loss on disposal of business	-	1,718,338
Amortisation and impairment of intangible assets	4,852	36,548
Depreciation and impairment of tangible fixed assets	1,609,902	1,674,671
Foreign exchange gains on cash equivalents	-	(10,100)
Movements in working capital:		
Decrease in stocks	9,854	51,518
Decrease in debtors	1,378,757	994,311
(Decrease)/increase in creditors	(4,386,618)	4,642,939
Cash generated from operations	4,464,940	8,050,838

29 Analysis of changes in net debt - group

	1 January 2023	Cash flows	Exchange rate	31 December
	£	£	movements	2023
			£	£
Cash at bank and in hand	4,247,070	2,383,647	(29,157)	6,601,560
Borrowings excluding overdrafts	(74,191,898)	38,747,634	-	(35,444,264)
	<u>(69,944,828)</u>	<u>41,131,281</u>	<u>(29,157)</u>	<u>(28,842,704)</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.