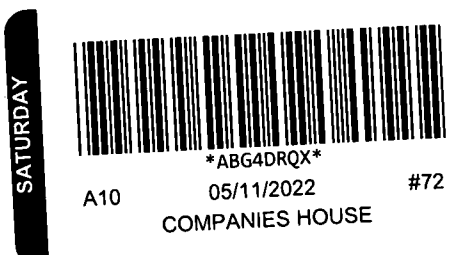


REGISTERED NUMBER: 03428170 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31 December 2021
for
BOUSTEAD VENTURES LIMITED



BOUSTEAD VENTURES LIMITED

Contents of the Financial Statements
for the year ended 31 December 2021

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BOUSTEAD VENTURES LIMITED

Company Information
for the year ended 31 December 2021

DIRECTORS:

F B Ismail
N Kamarudin

SECRETARY:

N Kamarudin

REGISTERED OFFICE:

C/O Tmf Group, 8th Floor
20 Farringdon Street
London
EC4A 4AB

REGISTERED NUMBER:

03428170 (England and Wales)

INDEPENDENT AUDITORS:

Ernst & Young LLP
1 More London Place
London
SE1 2AF

BANKER:

HSBC UK
PO Box 68, 130 New Street Birmingham
West Midlands
B2 4JU

BOUSTEAD VENTURES LIMITED

Report of the Directors **for the year ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

REVIEW OF BUSINESS

The company has continued to undertake the operation of a hotel. The hotel is based in London in the United Kingdom.

The directors have assessed the Company's financial position along with any potential risks to the business including the ongoing impact of Covid-19 and believe that preparing the accounts on a going concern basis continues to be appropriate for the company. The Directors consider turnover to be the key performance indicator for the company; turnover is impacted by both occupancy rates and the average daily rate achieved per room.

GOING CONCERN

The financial statements have been prepared on the going concern basis. Although the company has net current liabilities and net liabilities, the company's ultimate parent undertaking, Boustead Holdings Berhad ("the group"), has agreed to provide financial support on a binding basis for a period of 12 months from the date of signing these financial statements until 29 September 2023 in order that the company can continue to meet its liabilities as they fall due. Having reviewed this support and in the context of the financial resources of the Parent, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

DIVIDENDS

The loss for the year after tax amounted to £550,795 (2020 - loss of £1,483,655).

The directors are unable to recommend the payment of a dividend (2020 - Nil).

FUTURE DEVELOPMENTS AND ECONOMIC RISK

The Covid-19 pandemic continued to cause widespread disruption to the hospitality and leisure sector during the financial year. Although the Company is supported by Boustead Holdings Berhad, Covid-19 has had a significant impact on the activities of the Company. Due to the pandemic and the associated restrictions put in place by the U.K government, the Hotel was closed between 1 January 2021 and 17 May 2021. Since May 2021, the Hotel has been fully operational, and the Directors expect the business to return to levels of pre pandemic trading in FY 22/23.

The U.K left the E.U on 31 December 2020, the most significant impact of this on the hospitality industry has been the impact on the labour supply and in turn labour costs for the industry. The Directors continue to stay focused on managing this risk and its impact on the business. Because of the Covid-19 pandemic, it also remains difficult to fully assess the precise impact that Brexit will have on the company in the longer term and the full impact it will have on hotel staffing, wages, taxes and availability of staff among other issues. The Directors are of the opinion that the Company is, however, well placed to deal effectively with unexpected developments and any resulting volatility.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the note 19 to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

F B Ismail
N Kamarudin

No director has any interest in the shares of the company or other interests that require disclosure under the Companies Act 2006.

Directors' indemnity insurance is in place for all directors, subject to the conditions set out in section 234 of the Companies Act 2006. Such indemnity insurance remains in force at the date of approving the Directors' Report.

BOUSTEAD VENTURES LIMITED

Report of the Directors **for the year ended 31 December 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks and the mitigation to those risks which the company was exposed to during the current period are listed below.

Health and safety risk

The company is exposed to health and safety risk whilst customers stay in the hotel. The company takes a comprehensive approach to mitigating health and safety risk. A full planned and preventable maintenance programme is in operation year-round. Periodic training provides regular and systematic skill transfer, and hotel teams are thoroughly briefed on their responsibilities and the company escalation mechanisms, covering incident, accident, disaster recovery and interaction with emergency services.

Credit risk

Credit risk arises from cash and cash equivalents, bank deposits and accounts receivable. Credit risk refers to the risk exposure that potential financial loss to the company may occur if counterparty defaults on its contractual obligations. The maximum exposure to credit risk is the value of assets which might be lost. Cash and cash equivalents are deposited only within banks that are considered by the company to have a minimal risk of default. The company evaluates the concentration of risk with respect to accounts receivables as low, as reputable booking agents are used to generate revenue.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations. Cash flow forecasting is performed at group level. The group monitors rolling forecasts and the liquidity requirements to ensure it has sufficient cash to meet operational needs and financial obligations. Furthermore, as noted above, the Boustead Holdings Berhad has provided a letter of support for the business and will provide any funds required, this has been clearly demonstrated in prior years where funded when needed has been provided.

Market risk

The company operates in a market with a high level of competition and there is a risk that competitor actions could have a detrimental impact on the company. The company reviews the market continually and participates in regular benchmarking to understand the company's position compared to its competitors.

Recently, there has been heightened political and economic uncertainty in the United Kingdom market and the growth rates and market sentiment have been impacted by Covid-19 and Brexit. The Directors believe that despite the uncertainty in the market, the business in the UK is well positioned for recovery due to the international customer base as the international travel opens over the next 12 months.

Covid - 19 Pandemic risk

Due to Covid-19 pandemic, the hotel was closed between 1 January 2021 and 17 May 2021, however, continued to operate uninterrupted from 18 May 2021 to date and is expected to remain operational for the foreseeable future. The Directors have taken a number of measures to both understand and respond to the business risks associated with the pandemic including managing non-discretionary spending and taking advantage of government support and initiatives available to the business. The Directors together with the hotel's management have assessed liquidity including the impact of Covid-19 through preparing revised cash flow forecasts of the business. This cashflow forecast demonstrates the Company's ability to meet its liabilities as and when they fall due. Additionally, considering the letter of financial support provided by the Group, the Directors are satisfied that the company can meet its liabilities as they fall due.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the board at the time of approving the Directors' report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors each of these Directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

BOUSTEAD VENTURES LIMITED

Report of the Directors
for the year ended 31 December 2021

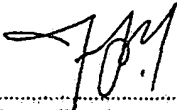
AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

SMALL COMPANIES REGIME

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006. The Company has also taken advantage of the small companies' exemption from the requirement to prepare a strategic report.

ON BEHALF OF THE BOARD:



.....
F B Ismail - Director

Date: 29.09.2022
.....

BOUSTEAD VENTURES LIMITED

Directors' Responsibilities Statement
for the year ended 31 December 2021

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BOUSTEAD VENTURES LIMITED

Opinion

We have audited the financial statements of Boustead Ventures Limited (the 'company') for the year ended 31 December 2021 which comprise of the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of changes in equity, and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its 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 the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, 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 company's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOUSTEAD VENTURES LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, Companies Act 2006, Bribery Act 2010, laws and regulations to health and safety and employee matters and relevant tax compliance regulations in the jurisdictions in which the Company operates.

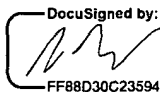
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BOUSTEAD VENTURES LIMITED

- We understood how the Company is complying with those frameworks by enquiry with management, and by identifying the policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by enquiry with management during all phases of the audit. We consider the risk of improper revenue recognition through management override of controls, specifically manipulation of revenue by any top-side adjustments related revenue recognition. For the identified fraud risk, we obtained all journal entries posted during the year and any journals which are above our testing threshold and posted to the revenue accounts, we made inquiries of management as to the nature of the posting and obtain supporting evidence for the posting to agree the value of the revenue recognised and the timing of the revenue recognition. We corroborated the inquiries made of management to ensure any such top-side adjustments related to revenue that are being recognised are materially correct.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
 - a) Inquiry of members of senior management, and when appropriate those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and
 - b) Reading minutes of meeting of those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located 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.

DocuSigned by:

FF88D30C2359461...

Becky Turner (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 September 2022

BOUSTEAD VENTURES LIMITED**Statement of profit or loss and other comprehensive income
for the year ended 31 December 2021**

	Notes	2021 £	2020 £
<u>CONTINUING OPERATIONS</u>			
TURNOVER	3	395,034	146,444
Cost of sales		<u>(175,403)</u>	<u>(234,382)</u>
GROSS PROFIT/(LOSS)		219,631	(87,938)
Administrative expenses		<u>(635,504)</u>	<u>(1,281,087)</u>
Other operating income	4	<u>41,574</u>	<u>74,722</u>
OPERATING LOSS		(374,299)	(1,294,303)
Interest payable and similar expenses	6	<u>(176,496)</u>	<u>(200,407)</u>
LOSS BEFORE TAXATION	7	(550,795)	(1,494,710)
Tax on loss	8	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR FOR CONTINUING OPERATIONS		(550,795)	(1,494,710)
<u>DISCONTINUED OPERATIONS</u>			
Profit after tax for the year from discontinued operations		<u>-</u>	<u>11,055</u>
LOSS FOR THE YEAR		<u>(550,795)</u>	<u>(1,483,655)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(550,795)</u>	<u>(1,483,655)</u>

The Company has no other recognised Comprehensive Income and therefore no separate Statement of Comprehensive Income has been presented. Total Comprehensive loss for the financial year was £550,795 (2020: loss of £1,483,655).


The notes form part of these financial statements

BOUSTEAD VENTURES LIMITED**Statement of Financial Position**
31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	10	688	1,398
CURRENT ASSETS			
Trade and other receivables	12	29,661	13,597
Cash at bank	13	<u>113,077</u>	<u>45,510</u>
		142,738	59,107
TRADE AND OTHER PAYABLES			
Amounts falling due within one year	14	<u>(6,812,232)</u>	<u>(6,178,516)</u>
NET CURRENT LIABILITIES		<u>(6,669,494)</u>	<u>(6,119,409)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,668,806)</u>	<u>(6,118,011)</u>
EQUITY - SHAREHOLDERS EQUITY			
Called up share capital	17	1,000	1,000
Accumulated losses		<u>(6,669,806)</u>	<u>(6,119,011)</u>
SHAREHOLDERS' FUNDS		(6,668,806)	(6,118,011)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 29.09.2022 and were signed on its behalf by:


.....
F B Ismail - Director

The notes form part of these financial statements

BOUSTEAD VENTURES LIMITED**Statement of Changes in Equity**
for the year ended 31 December 2021

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 January 2020	1,000	(4,635,356)	(4,634,356)
Changes in equity			
Total comprehensive loss	-	(1,483,655)	(1,483,655)
Balance at 31 December 2020	<u>1,000</u>	<u>(6,119,011)</u>	<u>(6,118,011)</u>
Changes in equity			
Total comprehensive loss	-	(550,795)	(550,795)
Balance at 31 December 2021	<u>1,000</u>	<u>(6,669,806)</u>	<u>(6,668,806)</u>

The notes form part of these financial statements

BOUSTEAD VENTURES LIMITED

Notes to the Financial Statements **for the year ended 31 December 2021**

1. GENERAL INFORMATION

The company is a limited company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and domiciled in England and Wales.

The company was formed to operate a hotel and commenced operations in November 2015. The registered office is located at C/O Tmf Group 8th Floor, 20 Farringdon Street, EC4A 4AB, London, United Kingdom.

The immediate holding company is Boustead Properties Berhad (the Parent), incorporated in Malaysia. The ultimate parent of the group is Boustead Holdings Berhad, which is also a company registered in Malaysia.

2. ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below.

The financial statements contain information about Boustead Ventures Limited as an individual company. These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

The accounting policies set out below have been applied consistently by the company.

The company's financial statements were approved by the board of Directors and authorised for issuance on 29 September 2022.

Basis of measurement

The financial statements have been prepared under the historical cost basis convention modified for applicable accounting policies.

The company's financial statements are presented in Sterling, which is also the functional currency of the company.

Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and their underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The following judgment and estimate has the most significant impact on amounts recognised in the financial statements:

Determining the lease term of contracts – Company as lessee

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of the Hotel property, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
 - If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

BOUSTEAD VENTURES LIMITED**Notes to the Financial Statements - continued**
for the year ended 31 December 2021**2. ACCOUNTING POLICIES - continued****Lease payments**

The Company had in place an agreement with Boustead Hyde Park Limited for the lease of Hyde Park Hotel, 23-25 Leinster Square, London, W2 4NE. The agreement has a term of 12 months and commenced on 1 November 2020. The Company renewed the lease agreement, from 1 November 2021 to 31 October 2022. On 15 November 2021, a new lease agreement was signed, for the period from 1 November 2022 to 31 October 2023. The company accounts for the lease as short-term. Therefore, the lease payments associated with this new lease are expensed on a straight-line basis over the lease term.

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Include the following not issued but not yet effective:

- Amendments to IAS 8: Definition of Accounting Estimates; Effective 1 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies; Effective 1 January 2023.

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

Financial Reporting Standard 101 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 “Reduced Disclosure Framework”:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1.
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirement of paragraph 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group.
- the requirements of paragraphs 130(f)(ii) and 130(f)(iii) of IAS 36 Impairment of Assets.

BOUSTEAD VENTURES LIMITED

Notes to the Financial Statements - continued **for the year ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Financial Reporting Standard 101 – reduced disclosure exemptions - continued

These exemptions require that equivalent disclosures are included in the financial statements of the group in which the entity is consolidated.

The results of the company are included in the consolidated financial statements of Boustead Holdings Berhad which are available from 28th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

Financial reporting standards applicable to the company for future financial periods

The company has reviewed the effect of all other amendments to FRS and interpretations effective for accounting periods beginning on or after 1 January 2021.

At the date of authorisation of these financial statements, the following amendments have become applicable for the year ended 31 December 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 ‘Interest Rate Benchmark Reform Phase 2’
- Amendments to IFRS 16 ‘COVID-19 Related Rent Concessions beyond 30 June 2021’

These amendments had no impact on the financial statements, nor is there expected to be any future impact.

Turnover

Turnover is derived wholly in the United Kingdom from hotel operations including rental of rooms, food and beverage sales and car park rental.

Turnover is recognised when control of services is transferred to the customer when they stay at these locations, at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services in the normal course of business, net of trade discounts and VAT.

Cost of sales

Cost of sales are included in the statement of profit or loss, net of trade discounts and VAT.

Finance costs

Finance costs comprise interest expenses on borrowings. All borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized in income in equal amounts over the expected useful life of the related asset.

Tangible assets

All tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation

Depreciation is provided on all tangible fixed assets, on a straight-line basis over its estimated useful life, as follows:

Furniture and fixtures – 5 years straight line

Computer equipment – 3 years straight line

BOUSTEAD VENTURES LIMITED

Notes to the Financial Statements - continued **for the year ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Depreciation – continued

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred taxation is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, or liability is settled based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise, income tax is recognised in the statement of profit or loss.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Leases

The Company leases the hotel property. Rental contract is typically made for fixed periods but may have extension options. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

BOUSTEAD VENTURES LIMITED

Notes to the Financial Statements - continued **for the year ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Leases – continued

Right-of-use assets: The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment.

Lease liabilities: At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate used was 4.1%.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in creditors, split between amounts due within and after one year.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Going concern

The Company incurred losses amounting to £550,795 in the year ended 31 December 2021 and has net current liabilities of £6,669,494 and net liabilities of £6,668,806 as of 31 December 2021. The Board is required to consider the availability of resources to the company to enable it to meet its liabilities for a period of at least twelve months from the date of approval of these financial statements.

BOUSTEAD VENTURES LIMITED**NOTES TO THE FINANCIAL STATEMENTS – continued**
for the year ended 31 December 2021**2. ACCOUNTING POLICIES – continued****Going concern – continued**

The Board has assessed whether the Company will be able to meet its liabilities as and when they fall due for a period of twelve months from the date of approval of the financial statements to 29 September 2023 with reference to various considerations including preparing a cash flow forecast using base case assumptions which were then stress tested.

When performing the going concern assessment, the Board have considered the ongoing impact of Covid-19 on trading. The outbreak of the pandemic continues to progress and evolve. The outbreak has significantly affected the hotel industry, both nationally and internationally. During the year ended 31 December 2021, the U.K and other governments enforced restrictions on movement which significantly impacted the Company's operations. Whilst as of the date of this report, restrictions have been eased reflecting the roll out of the UK's vaccination programme, the industry continues to be impacted. Management is actively monitoring the situation to ensure it can address the challenges posed by Covid-19 in a timely and most effective manner.

The Board acknowledges the general uncertainty caused by Covid-19 and as such has obtained a written confirmation of financial support from the company's ultimate parent undertaking, Boustead Holdings Berhad, for a period of twelve months from the date of approval of these financial statements until September 2023. The Directors, having made the relevant enquiries and having reviewed the Group's publicly available financial position in its latest annual report filings, indicating that the Group is in a strong financial position with significant amounts of liquid assets available, are therefore satisfied that the Group has adequate resources to provide any support to the Company if it is needed. As at 31 December 2021, as reported on 27 April 2022, the Group had Malaysian Ringgit RM 463.5m of cash and cash equivalents. In addition, as at 31 December 2021, the Group had further undrawn credit facilities of RM 2,732.5m that are available for drawdown.

The Board notes that Boustead Holdings Berhad has always provided all solvent financial support as and when required in prior years. As a result of the group's precedent to support the company together with the binding letter of financial support provided covering the going concern assessment period to 29 September 2023 and enquiries made of group management, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Trade and other receivables

Trade and other receivables are measured at transaction price, less any impairment. Provision for impairment is made through profit or loss when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Prepayments

Prepayments primarily consist of expenses paid in advance. These costs have been capitalised as they represent a future economic benefit to the company.

Cash at bank

Bank balances net of outstanding checks.

Trade and other payables

Trade payables are non-interest bearing and are normally paid when due.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax effects.

Pension costs

The company operates a defined contribution pension scheme. Contributions to this scheme are recognised in the statement of comprehensive income in the period in which they are earned.

BOUSTEAD VENTURES LIMITED**Notes to the Financial Statements - continued**
for the year ended 31 December 2021**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Room revenue	387,149	140,837
Car park	7,881	3,011
Food & beverages and other	4	2,596
	<u>395,034</u>	<u>146,444</u>

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	<u>395,034</u>	<u>146,444</u>
	<u>395,034</u>	<u>146,444</u>

During the year, the Company earned rental revenue of Nil (2020: £18,506) from its discontinued operation of Apartments rental services (refer to note 9).

4. OTHER OPERATING INCOME

The analysis of the company's other operating income during the year is as follows:

	2021	2020
	£	£
Government grants	41,574	63,760
Intercompany write-offs	-	10,962
	<u>41,574</u>	<u>74,722</u>

Government grants represent amounts received from the U.K Government (via the Government's job retention scheme and Coronavirus business support grants) during the year in relation to the Company having furloughed staff.

BOUSTEAD VENTURES LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 31 December 2021**5. EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	130,581	181,461
Social security costs	8,505	11,647
Other pension costs	<u>1,784</u>	<u>2,498</u>
	<u>140,870</u>	<u>195,606</u>

The average number of employees during the year was as follows:

	2021	2020
Administrative staff	<u>5</u>	<u>9</u>

During the year neither of the directors received any emoluments for their services to Boustead Ventures Limited (2020 - £nil). Both directors received remuneration from Boustead Holdings Berhad as employees of this company.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Interest payable on loans from group undertaking	176,496	177,549
Finance charges payable under finance leases	-	22,858
	<u>176,496</u>	<u>200,407</u>

7. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2021	2020
	£	£
Cost of inventories recognised as expense	34,533	38,776
Depreciation – ROU assets	-	967,771
Depreciation – owned assets	710	1,571
Short-term lease costs	<u>482,875</u>	<u>116,000</u>
	<u>518,118</u>	<u>1,124,118</u>

Auditors' remuneration

The company paid £62,665 (2020 - £79,755) to its auditors in respect of the audit of the financial statements. Amounts paid for the non-audit services during the year were £5,550 (2020 - £7,700).

BOUSTEAD VENTURES LIMITED**Notes to the Financial Statements - continued**
for the year ended 31 December 2021**8. TAXATION****Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

Continuing operations:

	2021 £	2020 £
Loss before income tax from continuing operations	(550,795)	(1,494,710)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(104,651)	(283,995)
Effects of:		
Losses carried forward from continuing operations	104,651	283,995
Tax expense from continuing operations	-	-

Discontinued operations:

	2021 £	2020 £
Profit before income tax from discontinued operations	-	11,055
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	-	2,100
Offset against:		
Losses from continuing operations	-	(2,100)
Tax expense from discontinued operations	-	-

Factors affecting future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted on 24 May 2021 and are not anticipated to have a material impact on the balance sheet of the company as at 31 December 2021.

BOUSTEAD VENTURES LIMITED**Notes to the Financial Statements - continued**
for the year ended 31 December 2021**9. DISCONTINUED OPERATIONS**

In July 2020, a Group undertaking sold the 14 apartments which the Company used to lease for its Apartment rental services. As a result of this sale, the letting of apartments was ceased as part of the Company's operations and is therefore classified as a discontinued operation as at 31 December 2020. The results of this discontinued operation are presented below:

	Note	2021 £	2020 £
Revenue – apartment rental		-	18,506
Water rates - apartments		-	(446)
Council tax		-	(6,892)
Electricity apartments		-	(113)
Profit/(loss) before tax from discontinued operations		-	11,055
Tax expense	8	-	-
		-	11,055

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2021 and 31 December 2021	20,314	7,942	28,256
DEPRECIATION			
At 1 January 2021	18,916	7,942	26,858
Charge for year	710	-	710
At 31 December 2021	19,626	7,942	27,568
NET BOOK VALUE			
At 31 December 2021	688	-	688
At 31 December 2020	1,398	-	1,398

BOUSTEAD VENTURES LIMITED**Notes to the Financial Statements - continued**
for the year ended 31 December 2021**11. RIGHT OF USE ASSETS**

	Total £
COST	
Effect of adoption of IFRS 16	<u>2,129,096</u>
At 1 January 2021	2,129,096
Additions	<u>-</u>
At 31 December 2021	<u>2,129,096</u>
ACCUMULATED DEPRECIATION	
Effect of adoption of IFRS 16	<u>2,129,096</u>
At 1 January 2021	2,129,096
Charge for year	<u>-</u>
At 31 December 2021	<u>2,129,096</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

The Company has in place an agreement with Boustead Hyde Park Limited for the lease of Hyde Park Hotel, 23-25 Leinster Square, London, W2 4NE. The agreement commenced on 1 November 2020 and had a term of 12 months. A new lease agreement was signed on 15 November 2021, for the period 1 November 2021 to 31 October 2022. The Company has accounted for the lease agreements as short-term.

12. TRADE AND OTHER RECEIVABLES

	2021 £	2020 £
Prepayments and accrued income	20,131	7,754
Other debtors	8,530	3,848
Amount owed by parent undertaking	1,000	1,000
VAT	<u>-</u>	<u>995</u>
	<u>29,661</u>	<u>13,597</u>

13. CASH AT BANK

	2021 £	2020 £
Cash at bank	112,748	43,650
Cash in hand	<u>329</u>	<u>1,860</u>
	<u>113,077</u>	<u>45,510</u>

BOUSTEAD VENTURES LIMITED**Notes to the Financial Statements - continued**
for the year ended 31 December 2021**14. TRADE AND OTHER PAYABLES**

	2021	2020
	£	£
Trade creditors	1,555,288	837,966
Amounts owed to group undertakings	4,704,495	4,525,953
Amounts owed to group undertakings (Lease liability)	448,625	603,750
Social security and other taxes	4,549	2,510
VAT	13,572	-
Other creditors	203	203
Pension	938	278
Accruals and deferred income	84,562	207,856
	<u>6,812,232</u>	<u>6,178,516</u>

Amounts owed to group undertakings are unsecured, bear interest based on the interest rate that the beneficiary is paying to its creditors and are repayable on demand.

15. LEASING***Lease profit and loss disclosure***

The following are amounts recognised in the profit and loss account:

	31 December 2021	31 December 2020
	£	£
The following are amounts recognised in the profit and loss account:		
Depreciation charged in the year on right of use assets	-	967,771
Interest expense on lease liabilities	-	22,858
Expenses relating to short term leases (included in administrative expenses)	482,875	116,000

16. COMMITMENTS**Company as lessee**

The Company has a lease contract that commenced on 1 November 2021 and will expire on 31 October 2022. The future lease payment for this short-term lease contract is:

	31 December 2021
	£
Within one year	580,000

BOUSTEAD VENTURES LIMITED**Notes to the Financial Statements - continued**
for the year ended 31 December 2021**17. CALLED UP SHARE CAPITAL**

Allotted and issued:		Nominal value:	2021 £	2020 £
Number:	Class:			
1,000	Ordinary shares	£1	<u>1,000</u>	<u>1,000</u>

Capital management

The Company defines capital as the total equity of the Company. The Company's primary objectives when managing capital are to achieve sustainable growth and ensure that the Company has adequate capital to fund its operations.

The Directors regularly assess and quantify the potential capital requirements of the Company in order to ensure the Company has adequate capital. The process of allocating capital to specific operations and activities is undertaken by the management and is reviewed regularly by the Directors.

The Company has access to capital from its Parent company and group to be used for its operations.

18. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions in the ordinary course of business, with related parties.

19. CONTROLLING PARTY AND PARENT UNDERTAKING

The immediate parent undertaking is Boustead Properties Berhad, a company incorporated in Malaysia.

The ultimate parent undertaking and controlling party is Boustead Holdings Berhad, a company incorporated in Malaysia.

Lembaga Tabung Angkatan Tentera, a Malaysian statutory body established under the Tabung Angkatan Tentera Act, 1973, is the main shareholder of Boustead Holdings Berhad.

Boustead Holdings Berhad is the largest group of undertakings to consolidate these financial statements at 31 December 2021.

The consolidated financial statements of Boustead Holdings Berhad are available from Tingkat 28, Menara Boustead 69, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.