Financial Statements

Jurys Hotel Management (UK) Limited

For the year ended 31 December 2021

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COMPANIES HOUSE

Registered number: 03447849

Company Information

Director	Daniel Roger
Registered number	03447849
Registered office	245 Broad Street Birmingham England B1 2HQ
Independent auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD
Bankers	Royal Bank of Scotland Kirkstone House 139 St Vincent Street Glasgow G2 5JF
Solicitors	Squire Patton Boggs LLP Rutland House Cutlers Gardens London EC2M 4YH

Contents

Strategic report

For the year ended 31 December 2021

Principal activities and Business review

The main activity of the Jurys Hotel Management (UK) Limited ("the Company") continues to be the operation of hotels in the United Kingdom.

The Company achieved a turnover of £149.3 million in the year ended 31 December 2021 (2020: £80.5 million) which is a increase of 85.5% on the year ended 31 December 2020 (2020: decrease of 69.1%). The large increase in turnover versus prior year is due to the lesser impact of the Covid pandemic as the hotels, whilst being closed for some of the early months of the year, rebounded once opened and witnessed increased activity as the vaccine rollout was undertaken and the market recovered.

The Company produced an operating profit post exceptional items of £15.4 million (2020: operating loss post exceptional items of £36.1 million) in the year ended 31 December 2021 driven by an increase in turnover in the year. Exceptional items noted in the year have been detailed in Note 11. The hospitality industry continued to face severe challenges and the Company focused on cost control and cash flow reductions to mitigate the loss position whilst the hotels were closed and during the reopening period as covid remained a key concern, these included the following:

- Significant reduction in payroll including the use of the Coronavirus Job Retention Scheme for the majority of the employees (cost control)
- Elimination of all non-essential costs (including travel, training, retainers) (cost control)
- Review of all short and medium contracts (cost control)
- Participation in government schemes to improve short term cash flow with rates holidays and VAT (cash flow reduction).

The key performance indicators for the Company are highlighted in the below table:

	2021	2020
Gross (loss) %	**(17.1)%**	(82.8)%
Operating profit/(loss) %	**10.3%**	(44.8)%
Customer satisfaction	**79.28%**	81.84%

Strategic report (continued)

For the year ended 31 December 2021

Business risks and uncertainties

The Company is directly exposed to the risks associated with the hotel industry – entering into the current financial year, the hospitality industry was still immensely impacted by the global Covid-19 pandemic, with continued Government mandated lockdowns forcing the hotels shut for periods throughout the first two quarters of 2021. Through to the year end, due in part to the continued vaccine rollout, lockdowns were ceased and restrictions were lifted, allowing the economy to reopen for the most part and the Company has witnessed a recovery of sorts with hotels fully operational by year end. Whilst the risk of further mandated lockdowns is minimal in comparison to the prior year, the Company remains vigilant and acknowledges a risk exists that further unforeseen events related to the pandemic could arise.

The Company's exposure to credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts. The Company seeks to mitigate credit risk through central and hotel level credit checking and, where customers pay on departure, Company policy is to obtain a pre-authorised credit card for payment. In certain circumstances customers pay all or part of their stay in advance. The Company's exposure to liquidity and cash flow risk is mitigated by the trade receivables procedures described above and by negotiating commercial payment terms with suppliers. The Company aims to mitigate liquidity risk by managing cash generation and its use through its operations. Cash flows are monitored closely; cash flow forecasts are prepared and presented to the management team to determine future cash flow requirements and sources – during the pandemic this allowed future planning opportunities to manage cash. As we have exited the most severely impacted period of this pandemic, and witnessed a rebounding of the hospitality sector, the Company continues to acknowledge that there is a risk that exists for unforeseen economic events to occur and cashflow continues to be a high priority.

In 2022, the war in Ukraine with the invasion by Russia have occurred – this is an ongoing humanitarian crisis which as of yet has had no direct impact upon the Company or the industry in the UK however the Company closely monitors these awful events and strives to help in all possible ways to assist those affected.

On 23 June 2016, the United Kingdom voted to formally resign its membership of the European Union and the UK left the EU on the 31 December 2020. Due to the disruptive nature of the pandemic, it is unclear as to the impact Brexit has had on the performance of the hotels or the Company. However, as the industry recovers from the pandemic and business/leisure travel resumes, the risks and impacts of Brexit may become apparent as, for example, staffing level requirements rise leading to a demand for staff which has somewhat been witnessed in the later part of the financial year.

Future Developments

The director expects to see improved results for 2022 and throughout future years as the Company and wider hospitality industry continue to recover from the impact of the pandemic.

The first half of 2021 seen challenging conditions as the hotel operations remained shut however since May/June 2021 the portfolio of hotels have reopened in full and the Company is witnessing increasing levels of activity, resulting in increased revenues compared to prior year.

In addition to this, there is a strong revenue forecast through to the end of 2022 as individuals and groups book stays after the prolonged restrictive period due to the pandemic.

The Company continued to expand its footprint in the UK during the year, with the opening of two new hotels, and there is an active pipeline of potential new hotel operations throughout 2023 and beyond as the Company views new cities and sites..

The director is confident that taking this into consideration along with the continued tight cost controls in place, the future of the Company will show increasing growth in future years.

Strategic report (continued)

For the year ended 31 December 2021

Section 172 statement

The director of the Company must act in a way he considers, in good faith, would most likely promote the success of the Company for the benefits of its members as a whole, and in doing so have regard (amongst other matters) to

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board considers that it has complied in all material respects set out in Section 172(1) (a-f). The following paragraphs summarise how the directors fulfil their duties:

- The Director fulfils his duties by engaging regularly with key stakeholders such as group and/or parent entities with open communication and periodic meetings held to ensure all issues and/or decisions are being taken in line with the Company's values and objectives – future forecasts are presented and discussed to ensure decisions which have long term implications are considered and agreed;
- The Director and Senior management team recognise that a dynamic and motivated workforce is key to delivering against the future growth strategy of the business, and in this regard employee participation is critical. For example, the Company ensures that the wellbeing of employees is being considered throughout the year, particularly in the recent pandemic times – a mobile application exists so that the Company could keep in contact with employees whilst they were not working during the pandemic.
- The Director ensures that a culture of transparency and collaboration is taken, both when engaging with key stakeholders and with employees across the Group – meetings are held with the Senior Leadership team regularly whereby the key messages for the Company are then communicated throughout the various teams. Supplier and customer perspectives are also included in these meetings to ensure that these relationships are upheld and satisfaction is met;
- The Director considers that the Company's reputation is critical when it is in relation to business conduct and actions taken through the year – by ensuring close and open communication with the Senior Leadership team, the director employs a frequent check on business standards, updates and developments to enable high standards of business conduct, and that no material issues arise in this regard.
- The Company culture also includes a focus on building and maintaining relationships with key suppliers and customers, whose support is paramount to the ongoing success of the business. Key suppliers are kept up to date with business developments and offered opportunities as they arise for continued and growing business. Key customers have built a strong relationship with the Company which allows for a joint beneficial relationship with increased business and a common trust on the level of service provided.
- The Company engages with employees on an ongoing basis to ensure sufficient training, development and promotion opportunities are being presented to them. Open communication channels within the Company allow for employees to excel in specific areas which they are strongest/most interested in – for example there are various management programmes which seek to develop high potential candidates into future leaders.

Strategic report (continued)
For the year ended 31 December 2021

This report was approved by the board on 8 April 2022 and signed on its behalf.

Daniel Roger
Director

Director's report

For the year ended 31 December 2021

The director presents his report and the financial statements for the year ended 31 December 2021.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's reports may differ from legislation in other jurisdictions.

Principal activities

The Company is part of a leading hotel group and operates hotels in the United Kingdom.

Director's report (continued)

For the year ended 31 December 2021

Statement of corporate governance arrangements

The Company aligns its business to ensure its framework is abiding by the six Wates principles for large private companies.

The Company has used these principles under the following areas (which are detailed further through the Directors Report and Strategic Report) and there have been no instances of explicit departure from the below:

- Clear purpose and leadership – the Company strategy for growth and development is communicated throughout the organisation, ensuring transparency of goals, policies and direction for the Company and promoting a healthy corporate culture;
- High quality board and Senior Management team composition and a focus on diversity and a wealth of experience in the sector;
- Positive relationships between the Company, shareholders and stakeholders – this is completed through frequent communication/meetings with the shareholder whereby company policies/practices, future developments and agreement on strategy is completed. Along with this, key suppliers and customers are also in communication with the various internal teams to foster this relationship and continue to provide/receive a high level of service; and
- Remuneration which is proportionate and supports long-term success.
- The Board is comprised of one director, who is highly experienced in the sector in which the Company operates. The Director also delegates elements of governance of the Company to the highly skilled Senior Management team, whom oversee the various divisions within the Company and are responsible for reporting to the Director frequently on any issues which arise. This is done via the occurrence of at least quarterly meetings.
- Risk is managed by ensuring that there is transparency throughout the organisation on historical performance, current activities and future strategic direction. Open communication between the Company and stakeholders ensure that future risks are foresee to the most extent possible, and mitigated via reasonable measures which are decided upon between the director and Senior Management team.

The Company is subject to the review of each of the relevant committees established in its Parent Company "Fattal Holdings (1998)", there are also frequent executive meetings held which cover areas such as audit and corporate responsibility.

The Company remains committed to maintaining high standards of corporate governance led by and directed by the Board of Director.

Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 17 and in the related notes.

The Company recommended and paid dividends of £Nil during the year (2020: £Nil).

Directors and secretary and their interests

The director who served during the year was:

Daniel Roger

The director who held office at 31 December 2021 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

Director's report (continued)
For the year ended 31 December 2021

Duty to promote the success of the Company

The Company and its director ensure that exceptional hospitality is at the core of the business, as this is what will drive future success and growth in line with the overall business strategy.

The Company culture is imperative to uphold; the director and the Senior Leadership team are in direct contact with employees on a regular basis to ensure all objectives are aligned and a good working environment exists within the Company. The director, via Senior Leadership, ensures the setting and maintaining of core Company values, and ensures ethical business behaviours.

The Company culture also includes a focus on building and maintaining relationships with key suppliers and customers, whose support is paramount to the ongoing success of the business. Key suppliers are kept up to date with business developments and offered opportunities as they arise for continued and growing business. Key customers have built a strong relationship with the Company which allows for a joint beneficial relationship with increased business and a common trust on the level of service provided.

This point is also discussed in the Strategic Report.

Future Developments

The director expects to see improved results for 2022 and throughout future years as the Company and wider hospitality industry continue to recover from the impact of the pandemic. Please see additional future developments narrative in the Strategic report.

Disabled persons

It is the policy of the Company to give fair and full consideration to registered disabled persons applying for employment and to the continuing employment and appropriate training of staff who become disabled having regard to their particular aptitudes and abilities.

Employee participation

The Company engages with employees on an ongoing basis to ensure sufficient training, development and promotion opportunities are being presented to them. Open communication channels within the Company allow for employees to excel in specific areas which they are strongest/most interested in – for example there are various management programmes which seek to develop high potential candidates into future leaders.

The Company also ensures that the wellbeing of employees is being considered throughout the year, particularly in the recent pandemic times – a web-based application was launched so that the Company could keep in contact with employees whilst they were not working during the pandemic.

The Company is committed to providing equal opportunities from recruitment and appointment, training and development to appraisal and promotion opportunities for a wide range of people, free from discrimination or harassment and in which all decisions are based on work criteria and individual performance.

The Company recognises that employees are at the heart of the delivery of service, and hence crucial to the future success of the Company.

Director's report (continued)
For the year ended 31 December 2021

Statement on business relationships

The director is satisfied that business relationships are managed, maintained and fostered through the relevant management teams – key supplier contracts are consistently reviewed by the procurement team, and customer relationships are upheld through the delivery of a high standard of service.

During the current year, in light of the challenging times which arose due to the Covid-19 pandemic, key short, medium and long term contracts were reviewed and re-negotiated where possible. Business relationships are also discussed above within the Duty to promote the success of the Company section.

Subsequent events

There were no events subsequent to the balance sheet date that required adjustment or disclosure in the financial statements.

Political donations

The Company made no political donations during the year (2020: Nil).

Going concern

The director is satisfied that it is appropriate to prepare the financial statements on a going concern basis for the Company. This is based on a review of the performance of the Company which has been directly impacted by the Covid-19 pandemic, along with a review of future forecasts for the Company for a period of 12 months from signing date.

During 2021, the Company continued to be heavily impacted by the Covid-19 pandemic which forced the hospitality industry to close for periods of time in the first half of the year. However towards the year end the vaccine roll out was widespread and the economy reopened allowing for a recovery in the hospitality industry which has continued into 2022. Whilst recovery and growth is being witnessed since the reopening of the hotels, the Company continues to focus on cost control to help protect the balance sheet and have reduced the cash outflows where possible during the challenging periods earlier in the year. The Company has used several substantial measures during the pandemic to safeguard the position and performance of the Company. These measures include a significant reduction in payroll including the use of the Coronavirus Job Retention Scheme for the majority of the employees; elimination of all non-essential costs (including travel, training, retainers); review of all short and medium contracts; deferral of renovations other than those already in progress and participation in government schemes to improve short term cash flow. It is anticipated that as performance continues to improve and recover in the future months, some of these cost controls will fall away as they will not be required however the Company will remain extremely focused on costs in the future. Revenue forecasts are strong and most recent forecasts suggest that the Company will be generating a positive EBITDA in 2023.

As at the 31 December 2021, the Company is in a net liability position. The Company has been and will continue to be supported by the ultimate parent Fattal Holdings (1998) Limited which has sufficient resources to support the Company as trading operations return to pre-pandemic levels. Based on most recent forecasts the Company will return to operational profitability in the next year however it is evident that group support is current the main contributor to the going concern of the Company as it exits the pandemic times.

The director is satisfied that due to the actions described above together with the cash flow forecast and support letter from the ultimate parent Fattal Holdings (1998) Limited it is appropriate to prepare accounts on a going concern basis.

Director's report (continued)
For the year ended 31 December 2021

Financial Instruments

The Company has included details of the Company's financial risk management objectives and policies are included in note 22 to the accounts.

Energy and carbon reporting

In line with the 'Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018' and related accompanying government guidance 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements: March 2019', the Company presents details of its carbon and energy use.

Energy and emissions report

	2021	2020
Emissions from:		
Energy consumption used to calculate emissions:	**102,473,262 kWh**	86,370,439 kWh
Emissions from combustion of gas (scope 1)	**9,680 tCO2e**	8,516 tCO2e
Emissions from combustion of fuel for transport purposes (Scope 1)	**0 tCO2e**	0 tCO2e
Emissions from business travel in rental cars or employee-owned vehicles where Company is responsible for purchasing the fuel (Scope 3)	**21 tCO2e**	13 tCO2e
Emissions from purchases electricity (Scope 2, location based)	**11,240 tCO2e**	9,346 tCO2e
Total gross tCO2e based on above	**20,942.17 tCO2e**	17,875 tCO2e

Intensity ratio: tCO2e gross figure based from field above/turnover - 106.9 tCO2e/£million turnover (2020-222.0tCO2e/£million turnover).

Director's report (continued)
For the year ended 31 December 2021

Methodology

To determine emissions for the year ended 31 December 2021, the Company has taken/used the following data:

- Minimum to meet SECR compliance requirements.
- Electricity and gas energy consumption data is based upon invoices submitted by the associated energy suppliers.
- Transport categories pertinent to SECR were ascertained. Within this only being staff's use of personal cars on business use, transport data is based upon mileage records derived from staff expense claims.
- The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the total UK energy use from electricity, gas and transport have been calculated using the published Government conversion factors.

Energy efficiency measures

A sample of energy efficiency actions undertaken by the Company during the financial year are outlined below:

- Widespread lighting upgrade to utilise LED technology, and the provision of voltage optimisation equipment on the incoming electrical supplies at Jurys Inns. Other plant replacement works were also taken
- Cold water booster sets were replaced in certain hotels.
- AHU Plant is being completely overhauled in a Hotel.
- A number of older direct gas fired hot water heaters have been replaced.
- A combined heat and power unit was installed at one Hotel.
- Inclusion of a high efficiency heat pump based domestic hot water system at the new development in Bristol Glassfields.
- General replacement of older mechanical and electrical equipment, improving the associated energy efficiency.
- All energy supply demand profiles are actively monitored and any irregularities are reported for investigation and remedial action if appropriate.
- Staff are required to adhere to a robust travel policy

Director's report (continued)
For the year ended 31 December 2021

Statement as to disclosure of information to auditor

In the case of each person who was a director at the time this report was approved:

- so far as that director is aware there is no relevant audit information of which the Company's auditor is unaware: and
- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Auditor

It is proposed that Mazars LLP will continue in office in accordance with the Companies act 2006 section

487(2). This report was approved by the board on 8April 2022 and signed on its behalf.

Daniel Roger
Director

Independent auditor's report to the members of Jurys Hotel Management (UK) Limited

Opinion

We have audited the financial statements of Jurys Hotel Management (UK) Limited (the 'company') for the year ended 31 December 2021 which comprise Statement of Comprehensive Income, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state 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 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.

Independent auditor's report to the members of Jurys Hotel Management (UK) Limited (continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the director's going concern assessment;
- Evaluating the director's method to assess the Company's ability to continue as a going concern;
- Review of the ultimate parent's ability to support the Company;
- Evaluating the key assumptions used and judgements applied by the director in forming his conclusions on going concern; and
- Reviewing the appropriateness of the director's disclosures in the financial statements.

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 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 Financial Statements 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Jurys Hotel Management (UK) Limited (continued)

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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 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, 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.

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.

Independent auditor's report to the members of Jurys Hotel Management (UK) Limited (continued)

Auditor's responsiblities 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 the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation and health and safety regulation, general data protection regulation (GDPR), modern slavery, food and beverage legislation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation and use of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect of non-compliance, our procedures included, but were not limited to:

- Inquiring with management and, where appropriate, those charged with governance, as to whther the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: tax legisation, pension legislation and the Companies Act 2006.

In addition, we evaluated the director's and management's incentive and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls and determined that the principal risks related to posting manual journal entires to manipulate financial performance, management bias through judgments and assumptions in significant accounting estimates, in particular in relation to accounting estimates, revenue recognition (which we pinpointed to the completeness and cut off), and significant one-off or unusual transactions.

Independent auditor's report to the members of Jurys Hotel Management (UK) Limited (continued)

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.

J. Sean

Jonathan Seaman (Senior statutory auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way

London E1W 1DD

Date:12April 2022

Statement of comprehensive income

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Turnover	4	**149,290**	80,529
Cost of sales		**(174,751)**	(147,229)
Gross loss		**(25,461)**	(66,700)
Administrative expenses		**(257)**	(1,968)
Exceptional income	11	**41,076**	32,582
Operating profit/(loss)	5	**15,358**	(36,086)
Interest receivable and similar income	8	**312**	312
Interest payable and similar expenses	9	**(68,005)**	(71,224)
Loss before tax		**(52,335)**	(106,998)
Tax on loss	10	**1,424**	13,471
Loss for the financial year		**(50,911)**	(93,527)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit liabilities	26	**2,307**	(1,513)
Tax on defined benefit liabilities	26	**(364)**	333
		1,943	(1,180)
Total comprehensive loss for the year		**(48,968)**	(94,707)

The notes on pages 21 to 47 form part of these financial statements.

Jurys Hotel Management (UK) Limited

Registered number:03447849

Balance sheet

As at 31 December 2021

	Note		2021 £'000		2020 £'000
Fixed assets					
Intangible assets	12		**14,615**		15,100
Tangible fixed assets	13		**1,308,922**		1,343,270
Fixed asset investments	14		**4,910**		4,910
			1,328,447		1,363,280
Current assets					
Stocks	15	**1,187**		710	
Debtors: amounts falling due after more than one year	16	**14,895**		13,471	
Debtors: amounts falling due within one year	16	**88,194**		84,371	
Cash at bank and in hand	17	**1,373**		-	
		105,649		98,552	
Creditors: amounts falling due within one year	18	**(111,607)**		(109,088)	
Net current liabilities			**(5,958)**		(10,536)
Total assets less current liabilities			**1,322,489**		1,352,744
Creditors: amounts falling due after more than one year	19		**(1,437,453)**		(1,416,779)
			(114,964)		(64,035)
Net liabilities excluding pension liability			**(114,964)**		(64,035)
Employment retirement benefit	26		**(966)**		(2,927)
Net liabilities			**(115,930)**		(66,962)
Capital and reserves					
Called up share capital	23		**-**		-
Share premium account	24		**48,585**		48,585
Profit and loss account	24		**(164,515)**		(115,547)
Total shareholder's deficit - equity			**(115,930)**		(66,962)

Balance sheet (continued)

As at 31 December 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 April 2022.

Daniel Roger
Director

The notes on pages 21 to 47 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
At 1 January 2021	-	48,585	(115,547)	(66,962)
Loss for the year	-	-	(50,911)	(50,911)
Remeasurement of defined benefit liabilities	-	-	2,307	2,307
Tax on defined benefit liabilities	-	-	(364)	(364)
Other comprehensive income for the year	-	-	1,943	1,943
Total comprehensive loss for the year	-	-	(48,968)	(48,968)
At 31 December 2021	-	48,585	(164,515)	(115,930)

The notes on pages 21 to 47 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
At 1 January 2020	-	48,585	(20,840)	27,745
Loss for the year	-	-	(93,527)	(93,527)
Remeasurement of defined benefit liabilities	-	-	(1,513)	(1,513)
Tax on defined benefit liabilities	-	-	333	333
Other comprehensive loss for the year	-	-	(1,180)	(1,180)
Total comprehensive loss for the year	-	-	(94,707)	(94,707)
At 31 December 2020	-	48,585	(115,547)	(66,962)

The notes on pages 21 to 47 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2021

1. General information

Jurys Hotel Management (UK) Limited is a Company incorporated in the United Kingdom. The Company's registered office is 245 Broad Street, Birmingham, England. The registered number is 03447849.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("UK IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Notes to the financial statements

For the year ended 31 December 2021

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

As the consolidated financial statements of Fattal Holding (1998) Ltd include the equivalent disclosures, the Company has taken the exemption under FRS 101 available in respect of the following:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 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 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;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 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 requirements of paragraph 17 and 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking Fattal Holdings (1998) Limited established under the law and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

Notes to the financial statements

For the year ended 31 December 2021

2. Accounting policies (continued)

2.4 Going concern

The director is satisfied that it is appropriate to prepare the financial statements on a going concern basis for the Company.

This is based on a review of the performance of the Company which has been directly impacted by the Covid-19 pandemic, along with a review of future forecasts for the Company for a period of 12 months from signing date.

During 2021, the Company was heavily impacted by the Covid-19 pandemic which forced the hospitality industry to close for periods of time over the year, resulting in no revenue and cash into the Company. Since the start of the pandemic in March 2020, the Company has focused on cost control to help protect the balance sheet and have reduced the cash outflows during this challenging time which has continued into early 2022. The Company has used several substantial measures during the pandemic to safeguard the position and performance of the Company. These measures include a significant reduction in payroll including the use of the Coronavirus Job Retention Scheme for the majority of the employees; elimination of all non-essential costs (including travel, training, retainers); review of all short and medium contracts; deferral of renovations other than those already in progress and participation in government schemes to improve short term cash flow.

As at the 31 December 2021, the Company is in a net liability position and has been further impacted at the start of 2022 by the pandemic. The Company has been and will continue to be supported by the ultimate parent Fattal Holdings (1998) Limited, which has sufficient resources to support the Company as trading operations return to pre-pandemic levels. The Company has started to see improved trading conditions since reopening in 2022 with strong revenue forecasts and continued cost controls continuing into the near future.

The director is satisfied that due to the actions described above together with the cash flow forecast and support letter from the ultimate parent Fattal Holdings (1998) Limited, it is appropriate to prepare accounts on a going concern basis.

2.5 Functional currency

These financial statements are presented in Sterling, being the functional currency of the Company. All financial information presented in Sterling has been rounded to the nearest thousand, except where otherwise stated.

2.6 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

2.7 Turnover

Revenue represents sales (excluding VAT and similar taxes) of goods and services net of trade discounts provided in the normal course of business.

Revenue is derived from hotel operations and includes the rental of rooms, food and beverage sales, and other revenue. Revenue is recognised when rooms are occupied and food and beverages are sold.

The Group operates a loyalty programme. Revenue is allocated between the loyalty programme and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

Due to the nature of the business the turnover is recognised when the service is provided.

2.8 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Balance sheet and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

Government grants received in the year in relation to the CJRS scheme have been netted off against the relevant expense rather than being recognised as other income.

Government grants recieved in the year in relation to Covid-19 restart have been recognised as other exceptional income.

2.9 Finance income and finance costs

The Company's finance income and finance costs include:

- interest expense;
- interest income; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expenses is recognised using the effective interest method.

Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

2.10 Pension

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company operates a defined benefit pension scheme. The scheme is funded through payments to insurance companies or trustee administered funds, determined by periodic actuarial calculations. The defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of the defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates or high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms of the related pension liability.

The actuarial gains and losses arising are charged or credited to reserves through the statement of comprehensive income. The Company also operates a defined contributory retirement scheme. The contributions of this scheme are recognised as an expense when they fall due.

Notes to the financial statements

For the year ended 31 December 2021

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.13 Intangible fixed assets

The intangible fixed assets relate to the operating rights of the properties and is amortised over the term of the operating rights/lease. The length of the operating rights differ per property.

2.14 Impairment

Individual items of tangible and intangible fixed assets are reviewed for impairment annually and tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that do not generate independent cash flows are combined into cash generating units. If carrying amounts exceed estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and impairment. Impairment losses are recognised in profit and loss.

Other tangible fixed assets are depreciated to a residual value over the estimated useful lives which are as follows:

Plant	- 20 years
Fixtures, fittings and equipment	- 5 to 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The Right of use assets are depreciated over the shorter of the lease term and the assets useful life. In this instance, the lease term is shorter.

2.16 Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

2.17 Inventories

Inventories are measured at the lower of cost and net realisable value.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash balances with maturities of three months or less. There are no deposit balances.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

A provision is measured at the amount that the Company would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. Risks and uncertainties are taken into account in measuring a provision. The provision is discounted to its present value.

Notes to the financial statements

For the year ended 31 December 2021

2. Accounting policies (continued)

2.20 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and lease of low value. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability are the fixed lease payments less any incentives receivable. Some of the leases have a variable element which is dependent on turnover.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives and any initial direct costs. They are subsequent ally measured at cost less accumulated depreciation and impairment losses.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

2.21 Financial instruments

Financial assets are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income or amortised costs as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of instruments not at fair value through profit or loss, directly attributable transactions costs.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or amortised cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, which in the case of loans and borrowings, is net of directly attributable transactions costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables
Trade and other receivables are initially recognised at fair value plus transaction costs, when the Company becomes party to the contractual provisions of the instrument. The Company recognises an allowance for expected credit losses for customers and other receivables and the impairment provision to be recognised on origination of the customer balance based on its estimated credit loss and assessed throughout the life of the balance. Any changes in their value through impairment or reversal of impairment is recognised in the Statement of Comprehensive Income.

Trade payables
Trade payables are initially recognised at fair value through profit and loss and subsequentially measured at amortised cost less settlement payments.

3. Use of estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

The key accounting judgements and estimates in these financial statements are:

- Recognition of deferred tax assets in relation to estimated future profits for the company - note 21
- Actuarial assumptions relating to the defined benefit pension obligation - note 26

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Notes to the financial statements
For the year ended 31 December 2021

4. Turnover

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom.

Due to the nature of the business the turnover is recognised when the service is provided.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2021 £'000	2020 £'000
Auditors remuneration	54	45
Restructuring costs	24	1,173
Fair value gain on lease	(39,660)	(33,755)
Depreciation of tangible fixed assets	65,691	67,268
Amortisation of intangible assets	485	485
Pension cost	1,043	813

The restructuring costs in the prior year were due to the Covid-19 pandemic and all costs have been captured during that year.

6. Auditor's remuneration

	2021 £'000	2020 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	54	45

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

Notes to the financial statements
For the year ended 31 December 2021

7. Employees

The average number of persons, including executive directors, employed by the Company, during the year was 2,349 (2020: 2,451). All staff relate to the hotel staff and central staff within the Company.

Staff costs were as follows:

	2021 £'000	2020 £'000
Wages and salaries	**37,491**	29,115
Social security costs	**3,307**	2,713
Pension cost	**1,043**	813
	41,841	32,641

The Director did not receive any remuneration from the Company during the year in respect of services to the Company (2020: £Nil).

The above salary costs are net of government grants received in the year in relation to the Coronavirus Job Retention Scheme. The total grants received were £10.3 million (2020: £19.0 million).

8. Interest receivable

	2021 £'000	2020 £'000
Interest receivable from group companies	**312**	312
	312	312

9. Interest payable and similar expenses

	2021 £'000	2020 £'000
Interest expense on lease liabilities	**69,152**	70,990
Foreign exchange (gain)/loss	**(1,198)**	234
Other interest payable	**51**	-
	68,005	71,224

Notes to the financial statements
For the year ended 31 December 2021

10. Taxation

	2021 £'000	2020 £'000
Total current tax	-	-
Deferred tax		
Losses and other deductions	**(3,697)**	(12,241)
Tangible fixed assets - allowances	**2,273**	(1,230)
Total deferred tax	**(1,424)**	(13,471)
Taxation on (loss) on ordinary activities	**(1,424)**	(13,471)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £'000	2020 £'000
Loss on ordinary activities before tax	**(52,335)**	(106,998)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**(9,944)**	(20,330)
Effects of:		
Expenses not deductible for tax purposes	**78**	142
Fixed asset differences	**(13)**	1,875
Remeasurement of deferred tax for changes in tax rates	**-**	(308)
Income not deductible for tax purposes FV gains	**(7,535)**	(6,413)
Adjustments to brought forward values	**-**	(67)
Deferred tax not recognised	**15,627**	11,630
Amounts (charged)/credited directly to OCI or otherwise transferred	**363**	-
Total tax charge for the year	**(1,424)**	(13,471)

Notes to the financial statements

For the year ended 31 December 2021

10. Taxation (continued)

Factors that may affect future tax charges

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which increases the U.K. corporate tax main rate from 19.0% to 25.0% from April 1, 2023, was substantively enacted in May 2021. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds. Deferred tax assets and liabilities have been recognised at using the tax rates applicable for the date the assets and liabilities are expected to reverse.

The Company had unrecognised deferred tax assets on losses of £64.5 million at 31 December 2021 (2020: £18.4 million).

11. Exceptional items

	2021 **£'000**	2020 £'000
Reorganisation costs	**24**	1,173
Fair value gain on lease asset/liability	**(39,660)**	(33,755)
Covid-19 Restart Grants	**(1,440)**	-
	(41,076)	(32,582)

Notes to the financial statements
For the year ended 31 December 2021

12. Intangible assets

	Operating rights intangible £'000
Cost	
At 1 January 2021	**16,150**
At 31 December 2021	**16,150**
Amortisation	
At 1 January 2021	**1,050**
Charge for the year	**485**
At 31 December 2021	**1,535**
Net book value	
At 31 December 2021	**14,615**
At 31 December 2020	15,100

Intangible operating rights arose in November 2018 when the Company acquired two operating rights to two new hotels and are amortised over the length of these operating rights.

Notes to the financial statements

For the year ended 31 December 2021

13. Tangible fixed assets

	Land and Buildings £'000	Plant fixtures, fittings and equipment £'000	Total £'000
Cost or valuation			
At 1 January 2021	**1,399,952**	**141,803**	**1,541,755**
Additions	**25,104**	**6,239**	**31,343**
At 31 December 2021	**1,425,056**	**148,042**	**1,573,098**
Depreciation			
At 1 January 2021	**110,557**	**87,928**	**198,485**
Charge for the year	**56,063**	**9,628**	**65,691**
At 31 December 2021	**166,620**	**97,556**	**264,176**
Net book value			
At 31 December 2021	**1,258,436**	**50,486**	**1,308,922**
At 31 December 2020	1,289,395	53,875	1,343,270

The Company leases several assets all relating to Land and Buildings. The average lease term is 23 years. The Company has taken the exemption to apply IFRS 16 to low level leases and short term leases.

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance sheet is as follows:

	2021 £'000	2020 £000
Tangible fixed assets owned	**50,486**	53,875
Right-of-use tangible fixed assets	**1,258,436**	1,289,395
	1,308,922	1,343,270

Information about right-of-use assets is summarised below:

Net book value

	2021 £'000	2020 £000
Land and building	**1,258,436**	1,289,395
	1,258,436	1,289,395

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised in the statement of financial position:

Right-of-use asset	No of right-of-use assets leased	Average remaining term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to sales	No of leases with termination options
Land and Buildings	34	23 years	10	-	18	-

	2021 £'000	2020 £'000
Amounts recognised in the profit and loss		
Deprecation expense on right of use asset	**56,063**	55,828
Interest expense on lease liabilities	**69,152**	70,990
Expense relating to variable lease payments not included in the measurement of the lease liability	**265**	-
Fair value of leases following the rental concessions applying the practical expedient	**(43,095)**	(34,607)

Some of the property leases in which the Company is the lessee contain variable additional rentals linked to sales generated from the leased hotels.

Notes to the financial statements

For the year ended 31 December 2021

14. Fixed asset investments

	Investments in subsidiary companies £'000
Cost or valuation	
At 1 January 2021	**4,910**
At 31 December 2021	**4,910**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation and operation	Business	Class of shares	Holding
Chamberlain Hotels Limited	United Kingdom	Operating	Ordinary	100%
Jyrus EDI Limited	United Kingdom	Operating	Ordinary	100%
Hillary Hotel No.1 Limited	United Kingdom	Operating	Ordinary	100%
Silence Hotel No.4 Limited	United Kingdom	Operating	Ordinary	100%
Jurys Newco 1 Limited	United Kingdom	Dormant	Ordinary	100%

The registered office of all subsidiaries is 245 Broad Street, Birmingham, B1 2HQ.

Consolidated financial statements are not prepared as the Company is a wholly owned subsidiary of Fattal Holdings (1998) Ltd which prepares and files consolidated financial statements incorporating the results of the Company and its subsidiaries. Accordingly, the Company is exempt from the requirement to prepare consolidated financial statements.

15. Stocks

	2021 £'000	2020 £000
Consumables	**1,187**	710
	1,187	710

In 2021, a total of £9.4 million (2020: £7.8 million) of consumables was included in the profit or loss as an expense.

Notes to the financial statements
For the year ended 31 December 2021

16. Debtors

	2021 £'000	2020 £'000
Due after more than one year		
Deferred tax asset	**14,895**	13,471
	14,895	13,471

	2021 £'000	2020 £'000
Due within one year		
Trade debtors	**5,281**	363
Amounts owed by group undertakings	**70,338**	61,530
Other debtors	**2,748**	5,770
Prepayments and accrued income	**9,827**	16,708
	88,194	84,371

Amounts owed by group undertakings are repayable on demand and are non interest bearing. Analysis of credit risk shows that maximum exposure is negligible as the amounts are not deemed past due nor are they impaired based on experience and forecasts available from the group companies.

Included within other debtors due within one year is an amount of £0.2 million in relation to a restricted cash balance.

17. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	**1,373**	-
	1,373	-

Notes to the financial statements

For the year ended 31 December 2021

18. Creditors: Amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	**15,424**	16,401
Amounts owed to group undertakings	**34,604**	30,500
Other taxation and social security	**2,697**	1,892
Lease liabilities	**13,214**	30,845
Accruals and deferred income	**45,668**	29,450
	111,607	109,088

Amounts owed to group undertakings are repayable on demand and are non interest bearing.

Within the accruals and deferred income balance are deposits for future stays at the hotels held by the Company of £8,075k (2020: £4,472k).

Notes to the financial statements

For the year ended 31 December 2021

19. Creditors: Amounts falling due after more than one year

	2021 £'000	2020 £'000
Loans and borrowings	**127,303**	102,303
Lease liabilities	**1,310,150**	1,314,476
	1,437,453	1,416,779

Company as a lessee

The Company does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

Lease liabilities are due as follows:

	2021 £'000	2020 £'000
Within one year	**13,214**	30,845
Within 2-5 years	**60,308**	140,767
Over 5 years	**1,249,842**	1,173,709
	1,323,364	1,345,321

The undiscounted future cash flows on leases at 31 December were as follows:

	2021 £'000	2020 £'000
Within one year	**82,972**	79,462
Within 2-5 years	**404,694**	360,848
Over 5 years	**1,803,704**	2,156,839
	2,291,370	2,597,149

The Company has taken the exemption to apply IFRS 16 to low level leases and short term leases.

Notes to the financial statements
For the year ended 31 December 2021

20. Loans

Analysis of the maturity of loans is given below:

	2021 £'000	2020 £'000
Amounts falling due after more than 5 years		
Loans and borrowings	**127,303**	102,303
	127,303	102,303
	127,303	102,303

The loans and borrowings in the year are from group undertakings who support the business and the Company to achieve its objectives. These amounts due are non-interest bearing.

21. Deferred taxation

	2021 £'000	2020 £'000
At beginning of year	**13,471**	-
Charged to profit or loss	**1,424**	13,471
At end of year	**14,895**	13,471

The deferred tax asset is made up as follows:

	2021 £'000	2020 £'000
Losses and other deductions	**15,938**	12,241
Tangible fixed assets - allowances	**(1,043)**	1,230
	14,895	13,471

The Director has completed forecast projections for the Company until December 2026 to support the recoverability of the deferred tax asset in respect of losses.

Notes to the financial statements
For the year ended 31 December 2021

22. Financial Risk Management objectives and policies

The Company's activities expose them to certain financial risks, these include credit risk, liquidity risk and foreign exchange risks and are described below.

Credit risk
The amounts shown in the balance sheet at the year end best represent the maximum credit risk exposure in the event of other parties failing to perform their obligations under financial instruments.

The Company monitors credit risk closely and consider that its current policies of credit checks meet its objectives of managing exposure to credit risk.

Liquidity risk
The Company at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. The Company is support by Fattal Holdings (1998) Limited and funds are provided to the Company as and when they are required to support the liquidity of the Company.

Foreign exchange risk
The Company operates exclusively within the UK, however is subject to exposure of foreign exchange rate risks in relation to balances within other entities within the group and therefore subject to foreign exchange rate differences on retranslation of year end balances and on transactions in the year.

23. Share capital

	2021 £'000	2020 £'000
Authorised		
1,000,000 (2020 - 1,000,000) Ordinary shares of £1.00 each	**1,000**	1,000
Allotted, called up and fully paid		
61 (2020 - 61) Ordinary shares of £1.00 each	**-**	-

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

24. Reserves

Share premium account

This reserve relates to the amount above the nominal value received for issued share capital, less transaction costs.

Retained earnings

This account includes all current period retained losses.

25. Capital commitments

At 31 December 2021 the Company had capital commitments of £Nil (2020: £Nil).

26. Pension commitments

The Company operates a defined benefit scheme on behalf of the Group. The scheme's assets are held in trustee-administered funds that are separate from the Company.

The Company undertakes actuarial valuations of the scheme at least every three years. These are conducted by qualified, independent actuaries. The effective date of the last actuarial valuation was 5 April 2020.

The valuations employed for IAS 19 purposes have been based on the most recent funding valuations (date of which is noted above) adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2021 and to take account of financial conditions at this date. They have been completed using the projected unit method and assets for this purpose have been valued at market value.

The UK defined benefit scheme was closed to future accrual and replaced by a Personal Pension Plan scheme (defined contribution) on 31 March 2011.

The extent of the Group's obligation under the defined benefit scheme is sensitive to judgemental actuarial assumptions, of which the principal ones are set out within this note. No other significant risks exist in respect of the pension obligation.

Notes to the financial statements
For the year ended 31 December 2021

26. Pension commitments (continued)

	2021 £'000	2020 £'000
Reconciliation of defined benefit obligation		
At the beginning of the year	**14,275**	11,733
Interest cost	**200**	223
Actuarial (losses)/gains	**(826)**	2,411
Benefits paid	**(130)**	(19)
Transfer payments	**-**	(73)
At the end of the year	**13,519**	14,275

Recognition of fair value of plan assets:

	2021 £'000	2020 £'000
At the beginning of the year	**10,662**	9,656
Interest income	**149**	183
Return on plan assets greater than interest income	**1,481**	898
Employer contributions	**69**	17
Benefits paid	**(130)**	(19)
Transfer payments	**-**	(73)
At the end of the year	**12,231**	10,662

Notes to the financial statements
For the year ended 31 December 2021

26. Pension commitments (continued)

The fair value of the plans' assets at 31 December is analysed as follows:

	2021 £'000	2020 £'000
Equity securities	**8,639**	7,411
Government bonds	**2,668**	2,293
Other	**924**	958
Total plan assets	**12,231**	10,662

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and are rated AAA or AA.

	2021 £'000	2020 £'000
Fair value of plan assets	**12,231**	10,662
Present value of plan liabilities	**(13,519)**	(14,275)
Related tax asset	**322**	686
Employee retirement benefit liability after tax	**(966)**	(2,927)

The Company expects to contribute £0.5 million to its Defined benefit pension scheme in 2022.

Notes to the financial statements
For the year ended 31 December 2021

26. Pension commitments (continued)

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2021	2020
	%	%
Discount rate	**1.9**	1.4
Future pension growth	**3.2**	2.8
Rate of increase of deferred pensions	**2.8**	2.4
Inflation rate	**6.1**	5.3
Mortality rates		
- for a male aged 65 now	**21.7**	21.7
- at 65 for a male aged 45 now	**23**	23
- for a female aged 65 now	**24.3**	24.3
- at 65 for a female member aged 45 now	**25.7**	25.7

At 31 December 2021, the weighted average duration of the defined benefit obligation was 33 years (2020: 32 years).

Sensitivity analysis

The net liability of £1.0 million as at 31 December 2021 is based on the actuarial assumptions detailed above. The impact on the Effect on Defined Benefit Obligation of a change in the actuarial assumptions would be as follows:

	Effect on Defined Benefit Obligation
	£'000
Discount rate increased by 1%	**(3,414)**
Discount rate decreased by 1%	**4,852**
Price inflation (RPI) increased by 1%	**2,727**
Price inflation (CPI) increased by 1%	**1,840**
Longevity rates as if members were one year younger	**433**

27. Related party transactions

The Company has taken advantage of the exemption under FRS 101 paragraph 8(K), "Related Party Disclosures", not to disclose transactions with group undertakings as it is a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking.

There are no other related party transactions requiring disclosure.

Notes to the financial statements

For the year ended 31 December 2021

28. Subsequent events

There were no events subsequent to the balance sheet date that required adjustment or disclosure in the financial statements.

29. Controlling party

The Company's immediate parent is Rovil Limited. The largest Company in the group is Fattal Holdings (1998) Limited, a Company incorporated in Israel with a registered office at Triangular Building 35th Floor, Azrieli Center Tel Aviv Israel. The consolidated accounts can be obtained from Israeli Securities Authority's website.

The director considers David Fattal to be the ultimate controlling party.