

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
STONEHENGE HOTELS LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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STONEHENGE HOTELS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS:

J P Levy
N S Rubin
M D Rubin
J D Levy

REGISTERED OFFICE:

Greenhill House
90/93 Cowcross Street
London
EC1M 6BF

REGISTERED NUMBER:

04044477 (England and Wales)

AUDITORS:

Goldwyns Limited
Statutory Auditors and Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

PRINCIPAL ACTIVITY

The principal activity of the company during the year under review was a hotel operating under the IHG Holiday Inn franchise.

REVIEW OF BUSINESS

The results for the year show revenues generated of £1,452,513 (2019 - £3,588,600) and a resultant loss before tax of £(657,616) (2019 - profit of £152,013).

During March 2020 the spread of Covid-19 (Coronavirus) led to a period of national and local lockdowns, restrictions on the free movement of individuals and enforced closures of premises such as the company's. These restrictions continued throughout the remainder of the year, and into the subsequent year ended 31 December 2021. The effects on the company's business were, of course, severe.

Whilst the directors acted quickly to mitigate the damage, the company (and the country) faced unprecedented difficulties. No business can be expected to survive over nine months of disruption, enforced closures and loss of trade without huge losses of revenue, profitability and hence net reserves.

Government support was utilised and helped the company maintain some of its workforce in the interim, through the Coronavirus Job Retention Scheme. Reliefs from rates, one of the company's biggest single expenses, was also invaluable and again continues into 2021. However, the directors are also appreciative for the plentiful support they received from their staff, suppliers and financiers without whom navigating the pandemic would have been impossible.

Travel was one of the worst affected industries and will be one of the slowest to recover, fully, in due course. The advances in vaccinations, the Government's "Roadmap out of lockdown" (published in February 2021), and the resultant gradual relaxation of restrictions into Summer 2021 have remained encouraging. Trade (both leisure and business) has begun to return and advance bookings have picked up substantially. International travel remains severely affected although that may present further domestic opportunities for the company's business, depending on how the market reacts and how the pandemic continues.

Having navigated an extremely difficult 18 months already, the directors remain hopeful of overcoming the final challenges and returning to normal trading, and profitability, as soon as the business can. The directors therefore consider the company remains a going concern - further details of which can be found in the notes to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the business is inadequate occupancy of its available rooms and therefore an inability to generate sufficient revenues to service operations. The directors closely monitor the company's performance against similar businesses operating in comparable markets and respond accordingly.

The company is also susceptible to any loss in key members of operational staff and therefore operates a number of performance reward and incentive programmes to mitigate these risks.

As covered above, during the course of the year the company (and the wider economy) was severely affected by the spread of Covid-19 (Coronavirus) and the resultant Government restrictions on the travel industry and the free movement of individuals. This had severely hampered the company's ability to maintain occupancy and resultant revenues, which continued into 2021. The company therefore remains at risk of further restrictions, loss of trade and / or the return of the travel industry.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

SECTION 172(1) STATEMENT

Stakeholder engagement

The board of directors have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a board handle this responsibility.

Decision making

Regular operational and strategic meetings are held by the directors and general managers. This ensures the board has access to the key factors affecting all areas of the business' decision making, shorter term or longer.

Furthermore, the company is in constant communication with IHG and various industry specific news sources. This enables the directors to keep abreast of, and address, all longer-term shifts in the company's operating markets.

Employee engagement

The company maintains a diverse workforce of local employees spanning all aspects of the hotel delivery, supplemented by outsourced staff and suppliers where necessary. Staff are rewarded in line with comparable local markets, provided with specific training relevant to their needs and have access to wider industry opportunities as a result of the same.

Business relationships

The company actively maintains strong relationships with its key suppliers and support functions, to ensure it has access to the resources it needs to operate effectively.

The wider franchise ensures the company has access to a broad array of customers, visiting for various purposes. The company monitors compliance with brand standards to ensure all customers' expectations are satisfied and deliver the best possible service it can achieve.

Community and environmental impact

The directors remain ever conscious of the impact their business has on the local community and environment. As well as being a supportive local employer, the company also complies with all franchise environmental incentives.

Business conduct

The directors closely monitor the company's service delivery to ensure at all times the business is honest, fair and professional in its conduct with all stakeholders.

Shareholder engagement

The company is actively managed by its shareholders, who are all represented on the board of directors.

ON BEHALF OF THE BOARD:

J D Levy - Director

29 September 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

J P Levy
N S Rubin
M D Rubin
J D Levy

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Goldwyns Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J D Levy - Director

29 September 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STONEHENGE HOTELS LIMITED

Opinion

We have audited the financial statements of Stonehenge Hotels Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 Auditors' 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.

Material uncertainties related to going concern

We draw attention to note 21 in the financial statements, which details the uncertainties arising that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STONEHENGE HOTELS LIMITED

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 Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities set out on page four, 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 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In order to address the risks of misstatements in respect of irregularities, including fraud, we have:

- obtained an understanding of the key laws and regulations applicable to the company, including the Companies Act 2006, and applicable taxation legislation;
- assessed the company's own internal controls and systems for the prevention and detection of irregularities and particularly the control environment within which they operate;
- determined a materiality level and audit approach sufficient to identify most irregularities, including fraud, that may occur;
- considered our own involvement in the preparation of the company's statutory financial statements and taxation returns;
- conducted audit verification work, on a sample basis, on the key audit areas and risks we have identified; and
- reflected on the outcome of our work, and the likelihood that conclusions drawn may be indicative of other areas of potential irregularity.

We therefore consider our audit approach has been sufficient to detect material irregularities, including fraud.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
STONEHENGE HOTELS LIMITED**

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 a Report of the Auditors 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.

S T Blundell ACA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors and Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

30 September 2021

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
TURNOVER		1,452,513	3,588,600
Cost of sales		<u>1,071,973</u>	<u>1,772,266</u>
GROSS PROFIT		380,540	1,816,334
Administrative expenses		<u>1,012,795</u> (632,255)	<u>1,410,039</u> 406,295
Other operating income		<u>230,719</u>	<u>-</u>
OPERATING (LOSS)/PROFIT	4	(401,536)	406,295
Interest payable and similar expenses	5	<u>256,080</u>	<u>254,282</u>
(LOSS)/PROFIT BEFORE TAXATION		(657,616)	152,013
Tax on (loss)/profit	6	<u>(105,400)</u>	<u>61,220</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(552,216)</u>	<u>90,793</u>

The notes form part of these financial statements

STONEHENGE HOTELS LIMITED (REGISTERED NUMBER: 04044477)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
(LOSS)/PROFIT FOR THE YEAR		(552,216)	90,793
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(552,216)</u>	<u>90,793</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	8		8,905,386		9,149,623
CURRENT ASSETS					
Stocks	9	9,084		14,813	
Debtors	10	3,757,312		3,949,541	
Cash at bank and in hand		<u>2,014</u>		<u>40,503</u>	
		3,768,410		4,004,857	
CREDITORS					
Amounts falling due within one year	11	<u>1,108,054</u>		<u>1,486,890</u>	
NET CURRENT ASSETS			<u>2,660,356</u>		<u>2,517,967</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,565,742		11,667,590
CREDITORS					
Amounts falling due after more than one year	12		(12,072,896)		(11,741,007)
PROVISIONS FOR LIABILITIES	16		-		(81,520)
NET LIABILITIES			<u>(507,154)</u>		<u>(154,937)</u>
CAPITAL AND RESERVES					
Called up share capital	17		100		2
Share premium	18		199,901		-
Retained earnings	18		<u>(707,155)</u>		<u>(154,939)</u>
SHAREHOLDERS' FUNDS			<u>(507,154)</u>		<u>(154,937)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021 and were signed on its behalf by:

J D Levy - Director

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

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2019	2	(245,732)	-	(245,730)
Changes in equity				
Total comprehensive income	-	90,793	-	90,793
Balance at 31 December 2019	2	(154,939)	-	(154,937)
Changes in equity				
Issue of share capital	98	-	199,901	199,999
Total comprehensive income	-	(552,216)	-	(552,216)
Balance at 31 December 2020	100	(707,155)	199,901	(507,154)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. **STATUTORY INFORMATION**

Stonehenge Hotels Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company trades from its leased property in Amesbury, Wiltshire.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover represents the income receivable by the company from its trading activities as a hotel. Sales encompass room hire, food and beverage income and all other associated ancillary hotel and guest services. Turnover is recognised in the period in which the physical goods are sold, as services are performed or otherwise as entitlement accrues to the company.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

- Leasehold property - in accordance with the property
- Equipment - 20% on reducing balance and over remaining period of the lease

3. **EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	750,853	992,914
Social security costs	52,212	66,195
Other pension costs	15,961	20,745
	<u>819,026</u>	<u>1,079,854</u>

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

	2020	2019
Staff	66	71
Directors	4	4
	<u>70</u>	<u>75</u>

	2020	2019
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

4. **OPERATING (LOSS)/PROFIT**

The operating loss (2019 - operating profit) is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	130,340	159,518
Depreciation - assets on hire purchase contracts and finance leases	116,757	118,038
Auditors' remuneration	10,000	9,500
Auditors' remuneration - other non-audit services	-	5,500

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Leasing interest	256,080	254,282

6. **TAXATION**

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2020	2019
	£	£
Deferred tax	(105,400)	61,220
Tax on (loss)/profit	(105,400)	61,220

Reconciliation of total tax (credit)/charge included in profit and loss

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

	2020	2019
	£	£
(Loss)/profit before tax	(657,616)	152,013
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(124,947)	28,882
Effects of:		
Expenses not deductible for tax purposes recognised	19,547	32,338
Total tax (credit)/charge	(105,400)	61,220

7. **GOVERNMENT GRANTS**

During the year, the company was in receipt of government support, specifically in relation to the Covid-19 pandemic. Within other operating income is £230,719 (2019 - £nil) in respect of the Coronavirus Job Retention Scheme.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. TANGIBLE FIXED ASSETS

	Leasehold property £	Equipment £	Totals £
COST			
At 1 January 2020	8,862,436	1,784,637	10,647,073
Additions	-	2,860	2,860
At 31 December 2020	8,862,436	1,787,497	10,649,933
DEPRECIATION			
At 1 January 2020	376,325	1,121,125	1,497,450
Charge for year	102,667	144,430	247,097
At 31 December 2020	478,992	1,265,555	1,744,547
NET BOOK VALUE			
At 31 December 2020	8,383,444	521,942	8,905,386
At 31 December 2019	8,486,111	663,512	9,149,623

On 13 December 2017, the company entered into an agreement to lease the property from which it trades for a period of 150 years. This lease therefore amounts to a financing lease, as the company will derive benefit from the property throughout its useful life, and has been recognised accordingly.

The property interest is being depreciated over 75 years.

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Leasehold property £	Equipment £	Totals £
COST			
At 1 January 2020 and 31 December 2020	8,700,000	46,114	8,746,114
DEPRECIATION			
At 1 January 2020	213,889	32,024	245,913
Charge for year	102,667	14,090	116,757
At 31 December 2020	316,556	46,114	362,670
NET BOOK VALUE			
At 31 December 2020	8,383,444	-	8,383,444
At 31 December 2019	8,486,111	14,090	8,500,201

9. STOCKS

	2020 £	2019 £
Stocks	9,084	14,813

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade debtors	8,839	101,070
Amounts owed by group undertakings	3,184,202	3,473,226
Other debtors	436,003	187,084
Deferred tax asset	23,880	-
Prepayments	104,388	188,161
	<u>3,757,312</u>	<u>3,949,541</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Bank loans and overdrafts (see note 13)	103,915	70,479
Other loans (see note 13)	85,571	-
Hire purchase contracts and finance leases (see note 14)	3,048	16,185
Trade creditors	158,380	186,598
Amounts owed to group undertakings	510,026	600,000
Social security and other taxes	135,630	65,985
Other creditors	66,671	159,198
Accrued expenses	44,813	388,445
	<u>1,108,054</u>	<u>1,486,890</u>

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Bank loans (see note 13)	2,945,972	2,933,117
Other loans (see note 13)	66,303	-
Hire purchase contracts and finance leases (see note 14)	9,060,621	8,807,890
	<u>12,072,896</u>	<u>11,741,007</u>

13. **LOANS**

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	33,437	-
Bank loans	70,478	70,479
Other loans	85,571	-
	<u>189,486</u>	<u>70,479</u>
Amounts falling due between one and two years:		
Bank loans	70,479	70,479
Other loans	66,303	-
	<u>136,782</u>	<u>70,479</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

13. **LOANS - continued**

	2020 £	2019 £
Amounts falling due between two and five years:		
Bank loans	<u>2,875,493</u>	<u>2,862,638</u>

14. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts		Finance leases	
	2020	2019	2020	2019
	£	£	£	£
Gross obligations repayable:				
Within one year	3,153	18,015	259,983	252,730
Between one and five years	-	-	1,063,586	1,032,963
In more than five years	-	-	68,995,600	57,942,469
	<u>3,153</u>	<u>18,015</u>	<u>70,319,169</u>	<u>59,228,162</u>
Finance charges repayable:				
Within one year	105	1,830	259,983	252,730
Between one and five years	-	-	1,063,586	1,032,963
In more than five years	-	-	59,934,979	49,134,579
	<u>105</u>	<u>1,830</u>	<u>61,258,548</u>	<u>50,420,272</u>
Net obligations repayable:				
Within one year	3,048	16,185	-	-
In more than five years	-	-	9,060,621	8,807,890
	<u>3,048</u>	<u>16,185</u>	<u>9,060,621</u>	<u>8,807,890</u>

On 13 December 2017, the company entered into an agreement to lease the property from which it trades for a period of 150 years. This transaction amounts to a finance lease and has been recognised accordingly. The company is liable for an annual rent of £170,000 per annum, subject to an annual increase as determined by any changes in the retail price index but subject to a minimum of 1% and a maximum of 4%.

Throughout the initial period of the lease the annual interest arising will exceed the rental repayments due and therefore the company's recognised finance liability will continue to increase.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

15. SECURED DEBTS

The following secured debts are included within creditors:

	2020 £	2019 £
Bank overdraft	33,437	-
Bank loans	3,016,450	3,003,596
Other loans	151,874	-
Hire purchase contracts and finance leases	9,063,669	8,824,075
	<u>12,265,430</u>	<u>11,827,671</u>

The company had also given cross-guarantees in respect of other associated companies' debts. At the balance sheet date, those companies' liabilities to the bank totalled £11,931,908 (2019 - £11,837,125).

The company has given fixed and floating charges over all of its interests in the property (and any proceeds arising therefrom) as security for its bank loans, and its cross-guarantee.

Hire purchase contracts and finance lease liabilities are secured on the assets to which they relate.

Other loans consists of a Coronavirus Business Interruption Loan, which the company drew in November 2020. The loan is backed by a partial guarantee from the UK government.

Bank overdraft is guaranteed by the other associated companies

16. PROVISIONS FOR LIABILITIES

	2019 £
Deferred tax	<u>81,520</u>
	Deferred tax
	£
Balance at 1 January 2020	81,520
Accelerated capital allowance	(19,304)
Losses carried forward	(86,717)
Other movements	621
Balance at 31 December 2020	<u>(23,880)</u>

Deferred tax provisions primarily represent the timing differences arising on accelerated capital allowance reliefs available in excess of accounting depreciation, less cumulative losses carried forward.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>2</u>

98 Ordinary shares of £1 were issued during the year for cash of £ 199,999 .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

18. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2020	(154,939)	-	(154,939)
Deficit for the year	(552,216)		(552,216)
Cash share issue	-	199,901	199,901
At 31 December 2020	<u>(707,155)</u>	<u>199,901</u>	<u>(507,254)</u>

19. PENSION COMMITMENTS

The company operates a defined contribution scheme in respect of its eligible employees. During the year, total contributions to this scheme amounted to £15,961 (2019 - £20,745). At the balance sheet date the total contributions outstanding amounted to £3,180 (2019 - £6,448).

20. RELATED PARTY DISCLOSURES

The company works closely with a portfolio of four other hotels and their respective companies, all under similar (but not identical) control. Further, the whole portfolio is managed by BGAM Limited, a hotel management enterprise, again with ownership similarities and common directors. These close working relationships enables all businesses to access necessary trading expertise when needed, negotiate beneficial relationships with suppliers and leverage various economies of scale for mutual benefit.

During the course of the year, the company incurred management costs totalling £148,109 (2019 - £184,738) to BGAM Limited.

In aggregate at the balance sheet date, the company was owed £427,633 by, and owed £nil to, these associated companies (2019 - £170,000 and £60,000 respectively).

During the year the company's total compensation to key management personnel (including directors) amounted to £75,160 (2019 - £84,721).

BGAM Hotels (SH) Limited is regarded by the directors as being the company's ultimate parent company with 98% of the issued share capital.

The remaining issued share capital was owned by Lilac Limited, a company registered in Guernsey.

21. GOING CONCERN

As discussed in the strategic report, the Covid-19 pandemic had a substantial adverse effect on the company's trade and profitability for the year ended 31 December 2020. The company's core reserves have been affected by such an extended period of very low trading capacity. Restrictions on opening, reductions in travel and consumer confidence were also factors into the first half of 2021.

However, the gradual relaxation of restrictions, the advances in the national vaccination programme and the continuing support of the company's creditors have all been encouraging. Activity has picked up substantially in recent months and forward projections remain strong. There are currently no intentions of ceasing trading activities and, providing no further restrictions are imposed, the directors anticipate the challenges remain navigable.

These financial statements are therefore still prepared on a going concern basis.

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