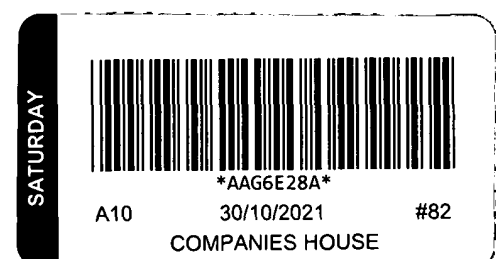


Oxford Hotel Ventures (Imperial Wharf) Limited

Director's report and
financial statements

Year ended 31 December 2020

Registered number: 04215209



Oxford Hotel Ventures (Imperial Wharf) Limited

Director's report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Director's report	2
Statement of Director's responsibilities in respect of the Director's report and the financial statements	4
Independent auditor's report to the members of Oxford Hotel Ventures (Imperial Wharf) Limited	5
Profit and loss account and other comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes forming part of the financial statements	12

Oxford Hotel Ventures (Imperial Wharf) Limited

Directors and other information

Directors	Guy David Baruch (resigned 01 May 2020) Sivan Jerushalmi
Registered office	2 nd Floor 167-169 Great Portland Street London W1W 5PF
Independent auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Registered number	04215209

Oxford Hotel Ventures (Imperial Wharf) Limited

Director's report

The Directors submit the Director's report together with the audited financial statements of Oxford Hotel Ventures (Imperial Wharf) Limited (the "Company") for the year ended 31 December 2020.

Principal activity

The Company's principal activity during the year was that of property investment.

Future developments

The Directors expect the activities of the Company to continue for the foreseeable future.

Risk and uncertainties

The emergence of the COVID-19 coronavirus has created a number of uncertainties and risks that may affect the Company's performance going forward. The Company objectives, policies and processes for managing these risks are set out below:

Property valuations

The value of the Company's property portfolio is affected by the conditions prevailing in the property investment market and the general economic environment. The impact of the United Kingdom leaving the European Union is uncertain and the effects of this, together with the Covid-19 coronavirus outbreak, are continuing to cause uncertainty which may have future economic impacts to property valuations. Accordingly, the Company's net asset value can rise and fall due to external factors beyond the Director's control.

Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 9 and in the related notes. There were no dividends proposed during the year (2019 £nil).

Directors and secretary and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Guy David Baruch (resigned 01 May 2020)
Sivan Jerushalmi

The Director and secretary who held office at 31 December 2020 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

Going concern

As a part of Aroundtown SA Group, the outbreak of coronavirus (Covid-19) in early 2020 had an immaterial effect on the Group results for the first quarter of 2020. However, the pandemic and the economic implications have an adverse effect on the results from the second quarter of 2020 to the first quarter of 2021, and the group has implemented measures to minimize the negative effect on its operations. There has been no material effect on second and third quarter of 2021. The group maintains its strong liquidity and conservative financial position, which provide a financial cushion in case of a continuous downside scenario, as well as acquisition firepower for opportunistic purchases.

Oxford Hotel Ventures (Imperial Wharf) Limited

Director's report *(continued)*

Going concern *(continued)*

The current uncertain economic conditions present increased risks for all businesses. In response to such conditions, the Director has assessed the Company's **forecasts and projections, taking account** of reasonable, possible changes in trading performance and of the financial support from its group Company, Aroundtown SA. After making enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from auditor's report date. Based on this assessment, the Director believes it remains appropriate to prepare the financial statement on a going concern.

Subsequent events

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

Political contributions

The Company made no political contributions during the year *(2019 £nil)*.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Director's report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he 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.


Small Companies' exemptions

This report has been prepared in accordance with the special provisions relating to small Companies within Part 15 of the Companies Act 2006. These provisions entitled the Director's to an exemption from preparing a Strategic Report.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office.

By order of the board


Sivan Jerushalmi
Director

Date: 28.10.2021

2nd Floor
167 – 169 Great Portland Street
London
W1W 5PF

Oxford Hotel Ventures (Imperial Wharf) Limited

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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


Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's **ability to continue as a going concern, disclosing, as applicable, matters** related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board


Sivan Jerushalmi
Director

Date: 28.10.2021



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Oxford Hotel Ventures (Imperial Wharf) Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Oxford Hotel Ventures (Imperial Wharf) Limited ('the Company') for the year ended 31 December 2020 set out on pages 9 to 22, which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 Reduced Disclosure Framework.

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;
- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- the financial statements 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.



Independent auditor's report to the members of Oxford Hotel Ventures (Imperial Wharf) Limited (continued)

Report on the audit of the financial statements (continued)

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the Directors. In addition, our risk assessment procedures included: inquiring with the Directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the Directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the Directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.



Independent auditor's report to the members of Oxford Hotel Ventures (Imperial Wharf) Limited (continued)

Report on the audit of the financial statements (continued)

Detecting irregularities including fraud (continued)

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the Directors' report;
- in our opinion, the information given in the Directors' report is consistent with the financial statements;
- in our opinion, the Directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



Independent auditor's report to the members of Oxford Hotel Ventures (Imperial Wharf) Limited (continued)

Respective responsibilities and restrictions on use

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Eamon Dillon

Eamon Dillon [Senior Statutory Auditor]
for and on behalf of
KPMG Statutory Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

29 October 2021

Oxford Hotel Ventures (Imperial Wharf) Limited

Profit and loss account and other comprehensive income for the year ended 31 December 2020

	<i>Note</i>	2020 £'000	2019 £'000
Turnover	3	613	2,450
Gross profit		613	2,450
Administrative expenses		(1,348)	2,220
Fair value gain/(loss) on investment property	9	(2,547)	2,000
Operating (loss)/profit	4	(3,282)	6,670
Interest payable and other similar costs	7	(533)	(2,179)
(Loss)/profit on ordinary activities before taxation		(3,815)	4,491
Taxation credit/(charge)	8	368	(5,172)
Loss for the year		(3,447)	(681)
Total comprehensive expense for the year		(3,447)	(681)

Oxford Hotel Ventures (Imperial Wharf) Limited


Balance sheet

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Investment property	9	44,600	47,000
		<u>44,600</u>	<u>47,000</u>
Debtors: amounts due within one year	10	1,652	1,684
Cash at bank and in hand		8	309
		<u>1,660</u>	<u>1,993</u>
Creditors: amounts falling due within one year	11	(5)	(1)
Net current assets/(liabilities)		1,655	1,992
Total assets less current assets/(liabilities)		46,255	48,992
Creditors: amounts falling due after more than one year	12	(44,302)	(43,592)
		<u>1,953</u>	<u>5,400</u>
Net assets			
Capital and reserves			
Share capital	15	-	-
Profit and loss account		<u>1,953</u>	<u>5,400</u>
Shareholder's funds		<u>1,953</u>	<u>5,400</u>

The notes on pages 12 to 22 form part of these financial statements.

The financial statements were approved by the board of Directors on 28 October 2021 and were signed on its behalf by:


Sivan Jerushalmi
Director

Company registration number: 04215209

Oxford Hotel Ventures (Imperial Wharf) Limited

Statement of changes in equity for the year ended 31 December 2020

	Share capital £'000	Retained Profit £'000	Total £'000
Balance as at 1 January 2019	-	6,081	6,081
Total comprehensive result for the year			
Profit for the year	-	(681)	(681)
At 31 December 2019	-	5,400	5,400
Balance as at 1 January 2020	-	5,400	5,400
Total comprehensive income for the year			
Loss for the financial year		(3,447)	(3,447)
At 31 December 2020	-	1,953	1,953

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes

forming part of the financial statements

1 Reporting entity

Oxford Hotel Ventures (Imperial Wharf) Limited is a private Company incorporated, domiciled and registered in the United Kingdom. The Company's registered number is 04215209 and the registered office is 2nd Floor, 167-169 Great Portland Street, London, W1W 5PF.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). **There have been no material departures from the Standards.**

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted 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 Company's ultimate parent undertaking, **Aroundtown S.A.** includes the Company in its consolidated financial statements. The consolidated financial statements of Aroundtown S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 40, Rue du Curé, L-1308 Luxembourg

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information; and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements of Aroundtown S.A. include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- certain disclosures required by IAS 36 *Impairment of Assets*.

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

Certain immaterial amounts have been reclassified in 2018 to be more consistent with current year presentation.

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.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis with the exception of investment property which is initially measured at cost and subsequently at fair value.

The Company adopted IFRS 16: Leases in the previous year.

2.3 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.

2.4 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 judgement and estimate in these financial statements is:

- Carrying amount of investment property – note 9

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

2.5 Going concern

As a part of Aroundtown SA Group, the outbreak of coronavirus (Covid-19) in early 2020 had an immaterial effect on the Group results for the first quarter of 2020. However, the pandemic and the economic implications have an adverse effect on the results of starting from the second quarter of 2020 to the second quarter of 2021, and the group has implemented measures to minimize the negative effect on its operations. There has been no material effect on second and third quarter of 2021. The group maintains its strong liquidity and conservative financial position, which provide a financial cushion in case of a continuous downside scenario, as well as acquisition firepower for opportunistic purchases.

The current uncertain economic conditions present increased risks for all businesses. In response to such conditions, the Director has assessed the Company's forecasts and projections, taking account of reasonable, possible changes in trading performance and of the financial support from its group Company, Aroundtown SA. After making enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from auditor's report date. Based on this assessment, the Director believes it remains appropriate to prepare the financial statement on a going concern.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Company uses market observable data as far as possible.

2.7 Revenue

Turnover comprises rental income, net of value added tax. Rentals receivable under operating leases are credited to the profit and loss account on an accruals basis over the term of the lease. Any initial advance receipt in relation to operating leases is treated as part of the rentals receivable and accordingly these receipts are credited to the profit and loss account on a straight-line basis over the period of the lease and are classified within deferred income.

2.8 Finance income and finance costs

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

2.9 Taxation

Income tax expense comprises current and deferred tax. It is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income 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 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.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.10 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

2.11 Trade and other receivables

Trade and other receivables are measured at their nominal amount less any allowance for doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

For trade receivables, the Company applies IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected allowance. Trade receivables are considered impaired when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the agreement.

2.12 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short-term nature of the business.

2.13 Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.13 Financial instruments *(continued)*

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition *(continued)*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iv) Ordinary shares

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

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

2.14 Cash and cash equivalent

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable or deemed and form an integral part of the Company cash management are included as a component of cash and cash and cash equivalent for the purpose only of the cash flow statement.

2.15 Lease

Policy applicable from 1 January 2019

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration to assess whether a contract conveys the right to control the use of an identified asset, the Company uses the identification of a lease in IFRS 16.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

2 Significant accounting policies (continued)

2.15 Lease (continued)

(i) As a lessee - Subleases

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate with reference to its current financing sources and make certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

2 Significant accounting policies (continued)

2.15 Lease (continued)

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period under IAS 17 were not different from IFRS 16.

3 Turnover

All turnover is derived from the Company's main activity and comprises of rental income, excluding value added tax.

4 Operating (loss)/profit

Auditor's remuneration was borne by another group Company in both years.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

5 Staff numbers and costs

The Company had no employees during the current and preceding year.

6 Director's remuneration

There was no remuneration paid to the Directors by the Company during the year (2019 £nil).
There were no retirement benefits accruing to the Directors (2019 £nil).

7 Interest payable and similar charges

	2020	2019
	£'000	£'000
Interest payable on parent Company loans	533	2,179
	<u>533</u>	<u>2,179</u>

8 Tax on profit on ordinary activities

	2020	2019
	£'000	£'000
Current Tax on profits for the year	-	575
Adjustment in respect of prior years	(574)	(156)
Total current tax charge	<u>(574)</u>	<u>419</u>
Deferred Tax		
Current Year	(358)	533
Adjustment in respect of previous periods	5	4,276
Other movement in deferred tax	-	-
Effect on changes in tax rates	559	(56)
Total deferred tax charge	<u>206</u>	<u>4,753</u>
Total tax (credit)/charge	<u>(368)</u>	<u>5,172</u>
	2020	2019
	£'000	£'000
(Loss)/profit for the year	<u>(3,810)</u>	<u>4,492</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00%	(724)	853
Effects of:		
Adjustment in respect of previous periods	(569)	4,120
Tax rate changes	559	(56)
Group relief claimed and not paid for	265	255
Movement in DTA not recognised	101	-
Total tax charge/(credit) for the year	<u>(368)</u>	<u>5,172</u>

Factors that may affect future tax charges

UK corporation tax rate is to remain at 19% with effect from 1 April 2020 (enacted on 17 March 2020) rather than reducing to 17% as previously enacted.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

9 Investment property

	2020 £'000
Valuation	
Balance at 1 January 2020	47,000
Additions	147
Fair value loss	(2,547)
Balance at 31 December 2020	44,600

Investment property comprises a hotel which is leased to a third party. Changes in fair value are recognised as gains or losses in profit or loss.

10 Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade debtors	246	980
VAT debtors	82	390
Other debtors	1,324	314
	<u>1,652</u>	<u>1,684</u>

11 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Accruals	1	1
Other creditors	4	-
	<u>5</u>	<u>1</u>

12 Creditors: amounts falling due within more than one year

	2020 £'000	2019 £'000
Loans owed to group Company	39,344	38,845
Deferred Tax	4,958	4,747
	<u>44,302</u>	<u>43,592</u>

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

13 Financial instruments

	2020	2019
	£'000	£'000
The Company had the following financial instruments:		
Financial assets		
Financial assets measured at amortised cost	1,652	1,684
Financial liabilities		
Financial liabilities measured at amortised cost	(39,349)	(38,846)

14 Deferred taxation

	2020
	£'000
Provision at 1 January 2020	4,747
Adjustment in respect of prior years	5
Deferred tax charge for the period	201
Provision at end of period	4,953

The deferred taxation balance is made up as follow

	2020	2019
	£'000	£'000
Fixed assets	4,953	4,753
IFRS 16 - leases	-	(6)
	4,953	4,747

15 Called up share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

The shares have attached to them full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

16 Operating leases

Leases as lessor

The investment properties are let under operating leases. The future minimum lease payments under leases are as follows:

	2020	2019
	£	£
Not later than 1 year	613	2,450
Later than 1 year and not later than 5 years	9,187	9,800
Total	<u>9,800</u>	<u>12,250</u>

During the year 2020, £612,500 (2019 - £2,450,000) was recognised as rental income by the Company. The decrease was due to the rental income waived for the second quarter 2020 to the first quarter 2021 due to the pandemic.

17 Group relationships and ultimate controlling parties

The immediate parent Company is K2 Hospitality (UK) Limited. The ultimate parent Company is Aroundtown S.A. The largest group in which the results of the Company are consolidated is that headed by Aroundtown S.A, 40, Rue du Curé, L-1368 Luxembourg.

18 Related party transactions

The Company has availed of the exemptions available in FRS 101 from disclosing transactions entered into between two or more members of a group and also key management personnel compensation disclosures.

There were no other related party transactions.

19 Subsequent events

There have been no events subsequent to the year end date that require adjustment to or disclosure in the financial statements.