

**Radisson Hotel Stansted Airport
Ltd**

Annual Report and Unaudited

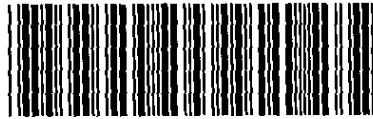
Financial Statements

Year Ended

31 December 2020

Company Number 04939075

WEDNESDAY



AAYF1L6T

A06

23/02/2022

#57

COMPANIES HOUSE

Radisson Hotel Stansted Airport Ltd

Company Information

Directors	S Amodeo E M Erauw S G A Fondell T Flanagan P Cussen
Registered number	04939075
Registered office	Chicago Avenue Manchester M90 3RA
Accountant	BDO LLP 3 Hardman Street Manchester M3 3AT

Radisson Hotel Stansted Airport Ltd

Contents

	Page(s)
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Accountants' Report	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 25

Radisson Hotel Stansted Airport Ltd

Strategic Report For the Year Ended 31 December 2020

Introduction

The Directors present their Strategic Report together with the unaudited financial statements for the year ended 31 December 2020.

Business review

The principal activity of the Company is that of an hotelier.

The Company's turnover has decreased by 72.4% from £17,121,000 to £4,719,000 in 2020. REVPAR (Rooms revenue per available room) decreased by 71.2% from £61.12 to £17.61 over the previous year.

The Company has a loss for the financial year of £111,000 (2019 - £400,000) and net liabilities of £915,000 (2019 - £804,000).

Principal risks and uncertainties

The Company operates in the travel and leisure market which can be affected by the cost of travel and by world external events including terrorism and restrictions caused by epidemics on a global scale. The Company manages this risk by forecasting business trends in line with United Kingdom and world market trends.

The Company only trades in the United Kingdom and therefore has no foreign exchange risk exposure.

The Company holds no third party loans and therefore has no interest rate exposure.

Financial key performance indicators

The Company monitors key performance indicators like REVPAR (i.e. Rooms revenue in relation to the number of rooms available), average rate and occupancy (i.e. number of rooms sold in relation to the numbers of rooms available).

The Company also monitors turnover and profit/(losses) for the year.

The table below summarises the key performance indicators for the year:

	2020	2019
Turnover	£4,719,000	£17,121,000
Loss after tax	£(111,000)	£(400,000)
REVPAR	£17.61	£61.12
Average rate	£72.92	£78.08
Occupancy	24.2%	78.3%

Radisson Hotel Stansted Airport Ltd

Strategic Report (continued) For the Year Ended 31 December 2020

Financial risk management

Radisson Hotel Stansted Airport Ltd's financial risk management is governed by a finance policy approved by the ultimate parent company, Radisson Hospitality AB. According to the finance policy, the corporate treasury function of the ultimate parent company systematically monitors and evaluates the financial risks, such as foreign exchange, interest rate, credit and liquidity risks.

Credit risk

The Company has limited exposure to credit risk, as the accounts are regularly settled in cash or by accepted credit cards. Credits are only offered to customers under a contract and only to companies or registered organisations with a legal structure. Credit terms must be described in the contract and comply with the guidelines as described in the finance manual. The credit term is normally 30 days for both local hotel customers and for fees. The financial guidelines set strict rules for the follow-up of overdue receivables and for credit meetings. As sales are dispersed among many different customers, the company has little credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Foreign exchange risk exposure

The Company only trades in the United Kingdom and therefore has no foreign exchange risk exposure.

Interest rate risk

The Company holds no third party loans and therefore has no interest rate exposure.

Liquidity risk

Cash not necessary for the normal course of business is deposited in a bank. The central treasury function at the ultimate parent company is responsible to coordinate the handling of surplus liquidity and liquidity reserves and only central treasury or persons authorised by central treasury may engage in external investment transactions. When the company has excess liquidity which cannot be held on accounts within the cash pool structure, it can invest externally only with the prior consent of central treasury and in accordance with the finance policy. According to the finance policy, the investments of surplus liquidity can only be made in creditworthy interest-bearing securities, in securities with high liquidity, in investments/securities/deposits with short-term maturity, and, as regards deposits, normally with financial institutions as the cash and cash equivalents at the beginning and at the end of the financial year.

This report was approved by the board on 31 January 2022 and signed on its behalf.


S G A Fondell
Director

Radisson Hotel Stansted Airport Ltd

Directors' Report For the Year Ended 31 December 2020

The Directors present their report and the unaudited financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £111,000 (2019 - loss £400,000).

The Directors are unable to recommend payment of a dividend (2019 - £Nil).

Directors

The Directors who served during the year were:

S Amodeo
E M Erauw
S G A Fondell
T Flanagan (appointed 2 January 2020)

P Cussen was appointed as a Director post year end on 24 February 2021.

Future developments

The Directors consider the future prospects of the Company to be satisfactory. The hospitality industry has been heavily impacted by COVID-19 and management expects that it will take 12-24 months to return to pre-pandemic trading levels. The company has adjusted its cost base in order to maximise profit during this period.

Engagement with employees

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the individual hotels and the Radisson Group as a whole. This is achieved through formal and informal meetings and the Radisson Group magazine.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Matters covered in the Strategic Report

A review of the business, its principal risks and uncertainties, financial risk management and financial and other key performance indicators is set out in the Strategic Report on page 1 of these financial statements.

Radisson Hotel Stansted Airport Ltd


Directors' Report (continued) For the Year Ended 31 December 2020

Going concern

The Directors have modelled a number of scenarios reflecting the impact of COVID-19 on the Company and its financing needs. These scenarios include the impact of a potential further lockdown in the hospitality sector, and the mitigating actions that could be taken in such a scenario. Under each scenario, the Company is reliant on financing from its parent company, Shanghai Jinjiang International Investment and Management Company Limited (the "parent company"), an entity incorporated in the People's Republic of China. In addition, the Company meets its day to day working capital requirements from a European cash pool facility, which is itself reliant upon the support of the same parent company.

The Company has received a letter of support from its parent company, confirming its intention to support the Company for the foreseeable future and for at least a 12 month period following the date of approval of these financial statements. It is on this basis that the Directors consider it appropriate to prepare the financial statements on a going concern basis.

This report was approved by the board on *31 January 2022* and signed on its behalf.



S G A Fondell
Director

Radisson Hotel Stansted Airport Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2020

The Directors are responsible for preparing the Strategic Report, 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Radisson Hotel Stansted Airport Ltd

Chartered Accountants' Report to the Board of Directors on the preparation of the Unaudited Financial Statements of Radisson Hotel Stansted Airport Ltd

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Radisson Hotel Stansted Airport Ltd for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>

It is your duty to ensure that Radisson Hotel Stansted Airport Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Radisson Hotel Stansted Airport Ltd. You consider that Radisson Hotel Stansted Airport Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Radisson Hotel Stansted Airport Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of Radisson Hotel Stansted Airport Ltd, as a body, in accordance with the terms of our engagement letter dated 24 August 2021. Our work has been undertaken solely to prepare for your approval the accounts of Radisson Hotel Stansted Airport Ltd and state those matters that we have agreed to state to the board of directors of Radisson Hotel Stansted Airport Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Radisson Hotel Stansted Airport Ltd and its board of directors as a body for our work or for this report.

BDO LLP

BDO LLP
Chartered Accountants
Manchester
United Kingdom

31 January 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Radisson Hotel Stansted Airport Ltd

Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	4,719	17,121
Cost of sales		(410)	(1,802)
Gross profit		4,309	15,319
Administrative expenses		(4,970)	(14,500)
Exceptional administrative expenses	11	(18)	(588)
Total administrative expenses	5	(4,988)	(15,088)
Other operating income	6	835	-
Operating (loss)/profit	5	156	231
Interest payable and similar expenses	9	(34)	(77)
Profit before tax		122	154
Tax on profit	10	(233)	(554)
Loss for the financial year		(111)	(400)

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 10 to 25 form part of these financial statements.

Radisson Hotel Stansted Airport Ltd
Registered number: 04939075

Statement of Financial Position
As at 31 December 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	12	-	-
		<hr/>	<hr/>
		-	-
Current assets			
Stocks	13	19	46
Debtors: amounts falling due after more than one year	14	856	1,089
Debtors: amounts falling due within one year	14	6,665	6,444
Cash at bank and in hand		10	9
		<hr/>	<hr/>
		7,550	7,588
Creditors: amounts falling due within one year	15	(8,465)	(8,392)
		<hr/>	<hr/>
Net current liabilities		(915)	(804)
Total assets less current liabilities		<hr/> (915) <hr/>	<hr/> (804) <hr/>
Net liabilities		<hr/> (915) <hr/>	<hr/> (804) <hr/>
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account	18	(915)	(804)
		<hr/>	<hr/>
Total deficit		<hr/> (915) <hr/>	<hr/> (804) <hr/>

The Directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
January 31, 2022


S G A Fondell
Director

The notes on pages 10 to 25 form part of these financial statements.

Radisson Hotel Stansted Airport Ltd

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019 (as previously stated)	-	(8,483)	(8,483)
Effect of transition to FRS 102	-	8,079	8,079
At 1 January 2019 (adjusted balance)	-	(404)	(404)
Comprehensive income for the year			
Loss for the year (adjusted balance)	-	(400)	(400)
Total comprehensive income for the year	-	(400)	(400)
At 1 January 2020	-	(804)	(804)
Comprehensive income for the year			
Loss for the year	-	(111)	(111)
Total comprehensive income for the year	-	(111)	(111)
At 31 December 2020	-	(915)	(915)

The notes on pages 10 to 25 form part of these financial statements.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Radisson Hotel Stansted Airport Ltd is a private company, limited by shares, and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Strategic Report.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in GBP and rounded to the nearest £'000.

The following principal accounting policies have been applied:

2.2 First time adoption of FRS 102

In the current year the Company has adopted FRS 102. In the previous year the Company financial statements were prepared in accordance with FRS 101.

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with FRS 101. An explanation of the adoption of FRS 102 for the year is included in note 22.

The Directors of the Company have chosen to change the accounting framework that the Company reports under to UK GAAP as this better reflects the financial information that the Directors utilise in managing the business.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Radisson Hospitality AB as at 31 December 2020 and these financial statements may be obtained from Radisson Hospitality corporate office, Avenue de Bourget 44, 3-1 130 Brussels, Belgium.

2.4 Going concern

The Directors have modelled a number of scenarios reflecting the impact of COVID-19 on the Company and its financing needs. These scenarios include the impact of a potential further lockdown in the hospitality sector, and the mitigating actions that could be taken in such a scenario. Under each scenario, the Company is reliant on financing from its parent company, Shanghai Jinjiang International Investment and Management Company Limited (the "parent company"), an entity incorporated in the People's Republic of China. In addition, the Company meets its day to day working capital requirements from a European cash pool facility, which is itself reliant upon the support of the same parent company.

The Company has received a letter of support from its parent company, confirming its intention to support the Company for the foreseeable future and for at least a 12 month period following the date of approval of these financial statements. It is on this basis that the Directors consider it appropriate to prepare the financial statements on a going concern basis.

2.5 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services in the United Kingdom to customers during the year. Turnover in respect of accommodation is recognised overnight during each night the customer stays. Other sales, including restaurant and bar revenue, are recognised at the point of purchase by the customer.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.7 Exceptional administrative expenses

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance the Company. They are items that are material either because of their size or their nature, or that are nonrecurring are considered as exceptional items and are presented within the line items to which they best relate.

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.9 Government grants

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	- over the remaining life of the lease
Fixtures and fittings	- 15 - 20% per annum

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.14 Impairment of non-financial assets

Tangible assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units), in this case being the specific hotel that the tangible assets relates to. Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of materials and net realisable value is based on estimated selling price less costs to complete and sell. Provision is made for obsolete, slow moving or defective items where appropriate.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

There were no critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have had a significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of fixed assets

Determining whether fixed assets are impaired requires an estimation of the value in use of the cash-generating units to which the fixed assets have been grouped. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. In order to maintain the overall quality of the hotel and the ultimate guest experience, the Company regularly invests in refurbishment projects as well as the purchase of new fixed assets for rooms, reception areas and in kitchens and other operational areas of the hotel. Given the historic loss making position of the Company, the Directors deem there to be a significant estimation around the impairment of these assets. In assessing their position, the Directors consider the performance of the hotel as well as changes in the marketplace that may motivate a reassessment of previous taken conclusions.

Deferred tax assets

Accounting standards require that a deferred tax asset is only recognised to the extent that it is probable that taxable profits will be generated in future in order to utilise said asset. In performing their assessment the Directors take into account the future forecasts for the hotel as well as change in legislation and applicable local tax rates to ensure that deferred tax assets are only recognised where there is reasonable certainty they can be utilised.

4. Turnover

All turnover is derived from the Company's principal activity, that of being an hotelier, and is fully derived in the UK.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

5. Operating (loss)/profit

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

	2020 £000	2019 £000
Impairment of tangible fixed assets	18	588
Exchange differences	2	-
Operating lease expense	6,141	6,067
	<u>6,161</u>	<u>6,655</u>

6. Other operating income

	2020 £000	2019 £000
Government grants receivable for furloughed employees	835	-
	<u>835</u>	<u>-</u>

7. Employees

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	1,989	2,520
Social security costs	156	206
Cost of defined contribution scheme	56	72
	<u>2,201</u>	<u>2,798</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Operational	42	129
Administrative and management	4	4
	<u>46</u>	<u>133</u>

8. Directors' remuneration

The Directors were remunerated by another group company during the current and prior years, but this was not recharged to the individual entities.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest payable	34	77

10. Taxation

	2020 £000	2019 £000
Corporation tax		
Adjustments in respect of previous periods	-	588
Total current tax	-	588
Deferred tax		
Origination and reversal of timing differences	382	137
Changes to tax rates	(130)	36
Adjustments in respect of previous periods	(19)	(207)
Total deferred tax	233	(34)
Taxation on profit	233	554

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before tax	122	154
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	23	29
Effects of:		
Expenses not deductible for tax purposes	1	(13)
Effect of changes in tax rates	-	36
Adjustment to tax in respect of prior periods - deferred tax	(18)	(207)
Adjustments to tax charge in respect of prior periods - current tax	-	588
Tax rate differences	(130)	(16)
Non-taxable income	-	(124)
Unrecognised deferred tax	233	-
Group relief	-	261
Transitional adjustments	124	-
Total tax (credit)/charge for the year	233	554

Factors that may affect future tax charges

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at 31 December 2020 has been calculated based on the tax rate as at the Statement of Financial Position date.

The Company has tax losses arising in the UK of £1,231,000 (2019 - £1,372,000) that are available indefinitely for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

11. Exceptional administrative expenses

	2020 £000	2019 £000
Impairment of tangible assets	18	588

An impairment loss on tangible assets arose during the prior year due to an assessment of the value in use of the tangible assets held. After consideration of the net present value for the specific hotel, driven by the loss recognised in the current year combined with the expected growth going forward, the conclusion was made to write down the tangible assets by £18,000 (2019 - £588,000).

12. Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Total £000
Cost			
At 1 January 2020	72	9,738	9,810
Additions	-	18	18
At 31 December 2020	72	9,756	9,828
Depreciation			
At 1 January 2020	72	9,738	9,810
Impairment charge	-	18	18
At 31 December 2020	72	9,756	9,828
Net book value			
At 31 December 2020	-	-	-
At 31 December 2019	-	-	-

13. Stocks

	2020 £000	2019 £000
Food and beverages	19	46

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

14. Debtors

	2020 £000	2019 £000
Due after more than one year		
Deferred tax asset	856	1,089
	<u>856</u>	<u>1,089</u>
Due within one year		
Trade debtors	172	548
Amounts owed by group undertakings	6,179	5,034
Other debtors	74	50
Prepayments and accrued income	40	812
Tax recoverable	200	-
	<u>6,665</u>	<u>6,444</u>

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

15. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Bank overdrafts	4,856	5,419
Trade creditors	1,886	1,006
Amounts owed to group undertakings	771	588
Other taxation and social security	-	225
Other creditors	106	57
Accruals and deferred income	846	1,097
	<u>8,465</u>	<u>8,392</u>

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

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

16. Deferred taxation

	2020 £000	2019 £000
At beginning of year	1,089	1,055
Charged to profit or loss	(233)	34
At end of year	856	1,089

The deferred tax balance is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	856	856
Tax losses carried forward	-	233
	856	1,089
Comprising:		
Asset - due after one year	856	1,089

The Directors have concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary.

17. Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	-	-

There is one class of ordinary shares and they do not carry a right to fixed income.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

18. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments.

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £56,000 (2019 - £72,000). Contributions totalling £4,000 (2019 - £Nil) were payable to the fund at the reporting date and are included in creditors.

20. Commitments under operating leases

At 31 December 2020, the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	6,182	6,182
Later than 1 year and not later than 5 years	24,729	24,729
Later than 5 years	30,911	37,093
	<u>61,822</u>	<u>68,004</u>

21. Related party transactions

The Company has taken advantage of the available exemption conferred by Section 33.1A of FRS 102 not to disclose transactions with wholly owned members of the Group.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

22. First time adoption of FRS 102

The Company transitioned to FRS 102 from FRS 101 as at 1 January 2019. The impact of the transition to FRS 102 is as follows:

	£000
Reconciliation of equity as at 1 January 2019	
Equity at 1 January 2019 under FRS 101	(8,483)
Lease adjustment	9,734
Deferred tax adjustment	(1,655)
Equity at 1 January 2019 under FRS 102	(404)

	£000
Reconciliation of equity as at 31 December 2019	
Equity at 31 December 2019 under FRS 101	(8,836)
Lease adjustment	9,544
Deferred tax adjustment	(1,512)
Equity at 31 December 2019 under FRS 102	(804)

	£000
Reconciliation of total comprehensive income for the year ended 31 December 2019	
Loss for the year under FRS 101	(353)
Depreciation	1,012
Rent payment	(2,128)
Interest on lease liabilities	926
Deferred tax adjustment	143
Loss for the year under FRS 102	(400)

The changes detailed above represent the difference in accounting treatment of leases previously reported under IFRS 16.

Radisson Hotel Stansted Airport Ltd

Notes to the Financial Statements For the Year Ended 31 December 2020

23. Ultimate parent and controlling party

The Company's immediate parent company is Radisson Hotels UK Ltd which is registered in the United Kingdom. The registered office of Radisson Hotels UK Ltd is Chicago Avenue, Manchester, M90 3RA. The ultimate parent company and controlling party is Jin Jiang International Holdings Company Limited, which is incorporated in China. The registered office of Jin Jiang International Holdings Company Limited is 23/F Union Building, Shanghai, China, 200002.

The smallest and largest group in which the results of the Company are consolidated is that headed by Radisson Hospitality AB, which is incorporated in Sweden. The consolidated financial statements of Radisson Hospitality AB are available to the public and may be obtained from Radisson Hospitality AB corporate office, Avenue de Bourget 44, B-1130 Brussels, Belgium.