REGISTERED NUMBER: 05264381 (England and Wales)

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

KEW GREEN (SQUARE) LIMITED

TUESDAY
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COMPANIES HOUSE

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

KEW GREEN (SQUARE) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	Mr C Dexter Mr D Hao Mr X Zhao
SECRETARY:	Mr X Zhao
REGISTERED OFFICE:	1 Towers Place Eton Street Richmond Surrey TW9 1EG
REGISTERED NUMBER:	05264381 (England and Wales)
INDEPENDENT AUDITORS:	MHA MacIntyre Hudson Statutory Auditor 2 London Wall Place London EC2Y 5AU

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

BUSINESS REVIEW

The Company recorded an operating profit for the year of £448 (2020: £3,302,136 - loss), and profit after tax for the year of £46,848 (2020: £3,348,536 - loss).

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the following to be the principal risks and uncertainties facing the company and the wider group. The impact of Brexit and Covid-19 are disclosed separately on page 4.

Competition, trading and market factors

The Covid-19 pandemic continued to have a disruptive influence throughout 2021, though this was partially mitigated by the roll out of a comprehensive vaccination and booster initiative. The year opened with a continuation of a lockdown enforced by a new Omicron in late 2020, which continued through the first quarter with a staggered re-opening of varying degrees from April 2021, finalising in a full relaxation of restrictions in July.

Throughout the year corporate demand remained slow, though certain regions benefitted from demand from essential travel and some on-going infrastructure projects. International travel remained restrictive throughout the year with increased testing requirements and the UK Government also changed its stance on Quarantine early in the year which saw significant increase in quarantine hotels from April / May onwards.

With the increased test, trace & quarantine practices, outbound international travel remained limited over the summer months with a significant increase in domestic holidaying. This staycation boom gave a needy boost to the hospitality sector which saw demand exceeding pre-pandemic trading. However, the industry was plagued by supply chain and staffing issues. The US military withdrawal from Afghanistan in August presented additional opportunity as Government sourced hotels as temporary accommodations for expatriated families. This aptly coincided with the phasing out of the inbound quarantine restrictions.

While the final quarter of the year saw limited restrictions, the prevalence of the Omicron variant in December prompted "work from home" messaging to be re-introduced which further tempered business travel and Christmas social trading.

Investment and asset management

The Company participates in the group's centralised treasury arrangements and shares banking arrangements with members of the group headed by CTG Metropark Limited. Investment and expenditure is being closely controlled and group funding and treasury arrangements are managed centrally.

Brand Equity and customer loyalty

Brand equity continues to play a key role in positioning the business as easily recognisable and superior in quality. Outside of this marketing activity was limited as the majority of card-carrying rewards members continued to work from home (this was similar across all main international brands in the market). Brand perception did support sales through the busy staycation summer months, with people opting and willing to pay more for the perceived safer options. Activity did see a tangible ramping up through the back part of the year where trading began to return to pre-pandemic levels.

Health, Safety and Security

We continue to take the necessary actions to ensure safety of our staff and customers in line with our statutory obligations. We have comprehensive health and safety operating procedures in place across all workplaces and we conduct regular online and in person training and carry out twice yearly health and safety audits in all locations. These audits assess general health and safety arrangements, food safety measures and leisure facility safety provisions. The pass mark for these audits is 88% as advised by SSG (Sustainable Safety Group) and our average score was 93.1%.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

In 2021 we continued to place a strong emphasis on managing the impact of Covid-19 as our business recovered. We continued to review and adjust the measures in place as the government guidelines changed and provided regular updates to employees. This included a phased return to office working for those who had previously been working at home and a gradual reduction in furloughed hours as customer demand increased. We continued to encourage frequent lateral flow testing, particularly for employees whose roles require travel to various locations and in our hotels, our employees continued to observe all hygiene and social distancing safeguards.

Revenue Channel Optimisation
OTAs (Online Travel Agents) saw significant growth through the entire pandemic period with booking.com continuing to be a key partner through the year. The OTA channels proved a particularly lucrative channel through the boom in staycation demand. Actions were taken to limit lower rated group business through this period allowing increased sales through direct and third-party retail which resulted in performance returning ahead of 2019 normalised trading through August & September.

FINANCIAL PERFORMANCE KEY INDICATORS
In order to deliver the Company's business objectives, the Company needs to deliver to three key stakeholder's groups:

1) People
2) Guests
3) Investors

The Company uses several measures to assess how well the Company is delivering to its stakeholders.

People Measures:
Team Turn-over: This measures how many people leave the Company each year and is an indicator of engagement and job satisfaction. Motivated and committed staff are key to delivering good customer service. There is also a cost associated with recruiting and training staff.
Health and Safety: This measures how well the Company looks after its people and its guests. It is critical to the Company to provide safe working environments and safe hotels for its guests to stay in. This is measured by twice yearly Health and Safety audits by external independent experts.

Guest Measures:
Brand Standards: All of the Company's hotels are audited annually by its brand partners against set criteria to make sure they meet high standards and its customer expectations.
Guest Satisfaction: The Company actively seeks feedback from its guests so that it can act on their experiences to improve the services provided. Guests satisfaction is measured continually and analysed on a monthly basis.

Investor Measures:
Profit Growth: The Company measures its profit growth against last year focusing on Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA), and against its budgets and reports and analyses this every month. EBITDA profit for the current year amounted to £1,774,446 (2020: £1,741,846 - loss).

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

IMPACT OF BREXIT:
The UK left the EU two years ago and just over a year since the transition period ended. Since then, the implementation of the Trade and Cooperation Agreement (TCA) has proceeded at different speeds on either side of the Channel. EU countries applied full customs requirements and checks on UK exports at the start of 2021, while the UK delayed the introduction of full customs requirements on EU imports until January 2022 and full health, safety and security checks to the second half of 2022.

The full economic consequences of Brexit are difficult to assess given the impact of the Covid-19 pandemic, with the rising global price of energy, supply chain problems and higher shipping costs, countries worldwide have been impacted. Initial estimates indicate Brexit has amplified the inflationary impact, with purchasing power and available imports reduced as result of the British government adding new tariff and nontariff trade barriers.

The Company remains exposed to the risk of adverse economic developments and takes a proactive approach to controlling cost in the event of a downturn as experienced in the 1st quarter of 2021. In terms of the Company's cost base, labour shortages largely caused by Brexit are having an adverse effect with increased labour costs and food prices rising.

COVID-19:
The Company owns a hotel which continued to trade during the 2nd national lockdown in 2020 and into the 1st quarter of 2021. During this period, government continued on the mass vaccination programme and published a roadmap for the lifting of the lockdown in September 21. Because of the extraordinary success of the vaccination programme, restrictions were lifted in the summer of 2021. The Company and its Group have seen the benefit, with all domestic restrictions lifted in early 2022. As a result, strengthening revenues has seen the Company, in some instances, return to pre-pandemic levels. The economy is expected to remain under pressure, with energy and fuel costs continuing to increase and further pressure on labour costs to partly keep up with inflation, but also driven by a shortage of labour in the lower end. Given this, the Company is expecting to make a profit for the year ending 31 December 2022, on the basis there are no expected impacts of any new Covid variants.

ON BEHALF OF THE BOARD:

....
Mr X Zhao - Director

Date: 30/06/2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

PRINCIPAL ACTIVITY
The principal activity of the Company in the year under review was that of the operation of 8 Holiday Inn hotels.

DIVIDENDS
The profit for the year, after taxation, amounted to £46,848 (2020: £3,348,536 - loss).

The directors do not recommend payment of a dividend for the year (2020: £nil).

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

Mr C Dexter
Mr D Hao
Mr X Zhao

GOING CONCERN
The directors have made an assessment in preparing these financial statements as to whether the Company is a going concern, and have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern based upon the support of its ultimate holding company. See note 2.12.

POST BALANCE SHEET EVENTS
During the course of 2021, the company continued to make use of the business support measures introduced by the government, although at reduced levels. From 31 March 2022, business rates relief, capped at 66% ended. Whilst the pandemic is not over, all domestic restrictions have been lifted. The post-COVID-19 recovery has continued strongly into 2022 although is partially compensated with rising costs in various sectors, including the increasing global cost of energy. The conflict in Ukraine has meant that energy and food prices are likely to keep inflation at historically elevated levels for much of 2022.

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, MHA MacIntyre Hudson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Mr X Zhao - Director

Date: 30/06/2022

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KEW GREEN (SQUARE) LIMITED

Opinion

We have audited the financial statements of Kew Green (Square) Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 2021 and of its profit 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Directors' Report and the Directors' Responsibilities Statement, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KEW GREEN (SQUARE) LIMITED

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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 Directors' Responsibilities Statement set out on page seven, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KEW GREEN (SQUARE) LIMITED

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

- Obtaining an understanding of the legal and regulatory frameworks that the Company operates in.
- Reviewing key correspondence with regulatory authorities.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management around actual and potential litigation and claims.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Discussing and reviewing among the engagement team regarding how and where fraud might occur.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.

Yogan Patel FCA, Senior Statutory Auditor
For and on behalf of MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 1 July 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	4	**17,561,856**	8,741,002
Cost of sales		**(8,351,325)**	(5,253,781)
GROSS PROFIT		**9,210,531**	3,487,221
Administrative expenses		**(9,879,597)**	(7,892,294)
		(669,066)	(4,405,073)
Other operating income	5	**669,514**	1,102,937
PROFIT/(LOSS) BEFORE TAXATION	7	**448**	(3,302,136)
Tax on profit/(loss)	8	**46,400**	(46,400)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**46,848**	(3,348,536)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**46,848**	(3,348,536)

The notes on pages 14 to 24 form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	10	**8,485,849**	9,639,971
CURRENT ASSETS			
Stocks	11	**74,155**	55,138
Debtors	12	**703,521**	789,365
Cash at bank and in hand		**2,569,144**	581,524
		3,346,820	1,426,027
CREDITORS			
Amounts falling due within one year	13	**(35,659,390)**	(34,693,600)
NET CURRENT LIABILITIES		**(32,312,570)**	(33,267,573)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(23,826,721)**	(23,627,602)
CREDITORS			
Amounts falling due after more than one year	14	**(750,065)**	(949,632)
PROVISIONS FOR LIABILITIES	15	**-**	(46,400)
NET LIABILITIES		**(24,576,786)**	(24,623,634)
CAPITAL AND RESERVES			
Called up share capital	16	**1**	1
Retained earnings	17	**(24,576,787)**	(24,623,635)
SHAREHOLDERS' FUNDS		**(24,576,786)**	(24,623,634)

The financial statements were approved by the Board of Directors and authorised for issue on ....30/06/2022.................... and were signed on its behalf by:

....
Mr X Zhao - Director

The notes on pages 14 to 24 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	1	(21,275,099)	(21,275,098)
Changes in equity			
Total comprehensive income	-	(3,348,536)	(3,348,536)
Balance at 31 December 2020	1	(24,623,635)	(24,623,634)
Changes in equity			
Total comprehensive income	-	46,848	46,848
Balance at 31 December 2021	1	(24,576,787)	(24,576,786)

The notes on pages 14 to 24 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Kew Green (Square) 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.

2. Accounting policies

2.1 Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£), rounded to the nearest pound.

The Company has taken advantage of the following disclosure exemptions 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;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

2.2 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less cost to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets, the cost of replacing part of such item when that cost is incurred and if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is de-recognised. Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.

continued...

2. **Accounting policies - continued**

The estimated useful lives range as follows:

-Fixture and fittings - 10 years

The asset's 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 disposal are determined by comparing the proceeds with the carrying value amount and are recognised in the Statement of Comprehensive Income.

2.3 Impairment of fixed assets
Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. 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 (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.4 Government grants
Government grants are recognised in the income and expenditure account so as to match them with expenditure they are intended to contribute.

2.5 Stocks
Stocks are valued at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

2.6 Financial instruments
The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and related party balances. 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 the objective evidence of impairment. If the objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

continued...

2. **Accounting policies - continued**

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 value 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.

2.7 Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.8 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 effective interest method, less any impairment.

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

2.10 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.

continued...

2. **Accounting policies - continued**

2.12 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 a fixed contribution 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 the Statement of Comprehensive Income 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 fund.

2.12 Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report pages 2 to 4 and the Directors Report pages 5 to 6. At the 31 December 2021 the Company has net liabilities of £24,576,786 and made a profit after tax of £46,848 for the year then ended.

The Company operates Holiday Inns - Ipswich Orwell, Lincoln , Milton Keynes , Northampton, Reading West, Rotherham, Sheffield, Slough and Leamington-Spa. During the second lockdown in 2020, the directors made the decision to keep the hotel open and continue trading, albeit at reduced levels. With the easing of lockdown restrictions from 12 April 2021, revenues began to strengthen. On 24 February 2022 all domestic legal restrictions were officially lifted in England. Occupancy and revenue are forecast to increase further and in certain instances have returned to pre-pandemic levels.

The Company participates in centralised treasury arrangement with members of the UK Parent Group.These arrangements are limited to the pooling of cash in intermediate holding companies of the UK Parent Group. However, aspects of the Company and its cash flows are managed on a consolidated basis together with the other hotels in the UK Parent Group. Consequently, the ability of the Company to continue as a going concern is reliant on the continued financial support of CTG Metropark Limited and on the ability of the UK Parent Group to continue as a going concern.

CTG Metropark Ltd is reliant on the continued financial support of its Ultimate Parent Company, China Tourism Group Corporation Limited ('Ultimate Parent Company') and therefore the ability of the Company to continue to meet its liabilities as they fall is also dependent on the continued financial support of the Ultimate Parent Company.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, CTG Metropark Ltd has received a support letter from the ultimate parent company who confirmed that they will continue to provide financial support for the Company so that the Company can operate as a going concern for at least 12 months from the date of signing these financial statements for the year ended 31 December 2021.

continued...

2. **Accounting policies - continued**

2.14 Revenue
Revenue, in respect of goods and services supplied, is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other taxes.

Hotel revenue, including rental of rooms and food and beverage sales, is recognised when rooms are occupied and food and beverage is sold.

2.15 Hotel operating items
The hotel's initial operating items such as glass and china and certain other loose equipment of the hotel have been capitalised and are not depreciated. The cost of replacement of these items will be charged to Statement of Comprehensive Income in the year in which it is incurred.

3. **Critical accounting judgements and key sources of estimation uncertainty**

The following are the key judgements that management have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a) Estimated impairment of tangible fixed assets

The Company is required to review hotels and fixtures and fittings for impairment if events or changes in circumstance indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations or the fair value (market value), which are prepared on the basis of management's assumption and estimates.

b) Depreciation

Depreciation is provided so as to write down assets to their residual values over their estimated useful lives. The selection of these residual values and estimated lives requires the exercise of management's judgement.

c) Taxation

Tax benefits are not recognised unless it is probable that they will be obtained; tax provisions are made if it is probable that a liability will arise. The Company reviews each significant tax liability or benefit to assess the appropriate accounting treatment.

continued...

4. Turnover

The whole of turnover is attributable to the principal activity, being the operation of 8 Holiday Inn Hotels.

All turnover arose within the United Kingdom.

5. Other operating income

	2021	2020
	£	£
Amortisation of IHG Loan	**199,567**	200,000
Government grants	**469,947**	902,937
	669,514	1,102,937

Other operating income includes £469,947 (2020: £902,937) in respect monies received as a grant from the government under the furlough scheme, coronavirus business support and kickstart scheme grants.

6. Employees and directors

	2021	2020
	£	£
Wages and salaries	**3,139,070**	3,651,384
Social security costs	**212,938**	232,338
Pension costs	**50,060**	60,004
	3,402,068	3,943,726

Directors are remunerated through Kew Green Group Ltd. Directors do not consider any other personnel as key management personnel other than the directors themselves.

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

	2021	2020
Hotel employees	**194**	254

continued...

7. Profit/(loss) before taxation

The profit (2020 - loss) is stated after charging:

	2021	2020
	£	£
Rent	**3,944,932**	1,987,907
Depreciation - owned assets	**1,773,998**	1,560,290
Defined contribution pension cost	**50,060**	60,004

8. Taxation

Analysis of the tax (credit)/charge
The tax (credit)/charge on the profit for the year was as follows:

	2021	2020
	£	£
Deferred tax	**(46,400)**	46,400
Tax on profit/(loss)	**(46,400)**	46,400

continued...

8. Taxation - continued

Reconciliation of total tax (credit)/charge included in profit and loss
The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit/(loss) before tax	448	(3,302,136)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	85	(627,406)
Effects of:		
Fixed asset differences	49,635	11,936
Transfer pricing adjustments	(6,291)	16,560
Group relief surrendered	12,880	652,232
Adjustments in respect of prior periods (deferred tax)	-	(6,193)
Remeasurement of deferred tax for changes in tax rates	(11,136)	(189,745)
Deferred tax not recognised	(85,638)	189,016
Total tax (credit)/charge	(46,400)	46,400

Factors that may affect future tax charge
During the year, the UK Government passed legislation to increase the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. Deferred tax for the year has been calculated at 25%.

9. Auditor's remuneration

	2021	2020
	£	£
Fees payable to Company's auditor for the audit of the Company's annual financial statements	8,000	8,000

Fees payable to Company's auditor in respect of:

	2021	2020
Taxation compliance services	1,800	1,800

continued...

10. Tangible fixed assets

	Fixtures and fittings £
COST	
At 1 January 2021	**19,074,935**
Additions	**619,876**
At 31 December 2021	**19,694,811**
DEPRECIATION	
At 1 January 2021	**9,434,964**
Charge for year	**1,773,998**
At 31 December 2021	**11,208,962**
NET BOOK VALUE	
At 31 December 2021	**8,485,849**
At 31 December 2020	9,639,971

11. Stocks

	2021 £	2020 £
Stocks	**74,155**	55,138

12. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	**338,205**	270,374
Amounts owed by group undertakings	**235,849**	-
Other debtors	**-**	13,132
VAT	**6,084**	255,546
Prepayments and accrued income	**123,383**	250,313
	703,521	789,365

continued...

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	781,499	389,081
Amounts owed to group undertakings	32,618,804	33,106,123
Social security and other taxes	83,720	49,622
Other creditors	11,471	21,825
Deferred income	200,017	200,017
Payments received on account	426,554	206,865
Accruals and deferred income	1,537,325	720,067
	35,659,390	34,693,600

14. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Deferred income	750,065	949,632

Deferred income relates to fees received from franchiser and are paid up up-front and are released via amortization on the Statement of Comprehensive Income over the franchise agreement period (20 years).

15. Provisions for liabilities

	2021	2020
	£	£
Deferred tax	-	46,400

	Deferred tax
	£
Balance at 1 January 2021	46,400
Credit to Statement of Comprehensive Income during year	(46,400)
Balance at 31 December 2021	-

The provision for deferred taxation is made up as follows:

	2021	2020
	£	£
Fixed asset timing differences	-	61,094
Short term timing differences	-	(6,309)
Capital losses	-	(8,305)
	-	46,400

16. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1	Ordinary	£1	1	1

continued...

17. **Reserves**

	Retained earnings £
At 1 January 2021	(24,623,635)
Profit for the year	46,848
At 31 December 2021	(24,576,787)

18. **Pension commitments**

The Company operates a defined contribution 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 £50,060 (2020: £60,004). Contributions totalling £12,056 (2020: £10,373) were payable to the fund at the reporting date.

19. **Related party disclosures**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 section 33 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

20. **Controlling party**

The Company's immediate parent is Kew Green Group Ltd. The Company's ultimate UK parent undertaking is CTG Metropark Limited. The Company's ultimate parent undertaking is China Tourism Group Corporation Limited.

The largest group in which the results of the Company are consolidated is that headed by China Tourism Group Corporation Limited, CTG House, 78-83 Connaught Road, Central, Hong Kong. The smallest group in which they are consolidated is that headed by CTG Metropark Limited, 1 Towers Place, Eton Street, Richmond, Surrey, TW9 1EG.