Company Number: 06310592

QUEENSGATE GENERATOR HOLDING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

Queensgate Generator Holding Ltd

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For the year ended 31 December 2020

COMPANY INFORMATION
For the year ended 31 December 2020

DIRECTORS	Alastair Thomann Jueane Thiessen Herve Deligny (appointed on 1 March 2022)
REGISTERED OFFICE	Macnaughton House Compton Place, London United Kingdom WC1H 9SD
REGISTERED NUMBER	06310592 (England and Wales)

REVIEW OF THE BUSINESS

The Company is a non-trading investment entity, with significant related party investments, loans and borrowings. The loss was primarily driven by finance costs in the period in excess of finance income.

The loss for the year attributable to shareholders was £1,742,880 (2019: £97,499) and is detailed on the Statement of Comprehensive Income. Total equity decreased by the corresponding amount.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company operates in a highly competitive environment and is therefore exposed to actions from existing and new entrants to the market. This is overcome by a strong brand as well as key initiatives that differentiate the Company's offer. Such activity includes effective marketing campaigns, public relations actions, a robust social media presence and investment in the estate.

The directors remain confident that the business will remain viable as existing hostels mature and further hostels open.

KEY PERFORMANCE INDICATORS

The business is an investment holding company and continues to fund the expansion of its subsidiary undertakings. The Directors consider pre-tax profit or loss as the key performance indicator. In 2020 this was a loss of £1,617,709 (2019: £503,916 profit).

By order of the Board

Herve Deligny
Director

Date 26/10/22

DIRECTORS' REPORT

For the year ended 31 December 2020

The Directors submit their report and the financial statements of the Queensgate Generator Holding Limited (the "Company") for the year ended 31 December 2020.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5. The Directors do not recommend a payment of a dividend for the year (2019: £nil).

FUTURE DEVELOPMENTS

Following the significant impact of COVID-19 across all sites in 2020, the short-term focus of the Queensgate Generator S.à r.l Group (the Group) is restoring revenue and profitability to historic levels. However, the Group is always reviewing potential development of existing assets. Other opportunities for growth are being considered as the Group looks to expand the Freehand brand into the European market.

PRINCIPAL RISKS AND UNCERTAINTIES INCLUDING FINANCIAL INSTRUMENTS

The Company is a non-trading investment entity, with significant related party investments, loans and borrowings. This activity exposes the Company to credit risk, foreign exchange risk, liquidity risk and interest rate risk for long-term borrowings. Further details regarding financial risk factors can be found in the notes to the financial statements.

DIRECTORS

The following Directors have held office since 1 January 2020:
Alastair Thomann
Jueane Thiessen
Herve Deligny (appointed on 1 March 2022)
Andre Guettouche (resigned 1 February 2022)
Jonathan James Millet (resigned 23 October 2020)
Sharn Gill (resigned 7 September 2020)

POST BALANCE SHEET EVENTS

The COVID-19 outbreak in Q1 2020 has had a significant impact on the operations of the Group after the year end, as it has on hostels and hotels around the world. There were breaches to loan covenants for the main Group facility (for the quarter ending September 2020) and Italian facility (for the quarters ending June and September 2020).

Post year-end financing has been received from shareholders and local Government's (in the form of grants, payroll assistance and loan funding). Additional debt funding has been received from new lenders. The Group is fortunate to benefit from the strong support of its lenders and its shareholders and the Group's main European and US facilities are extended and covenant waivers obtained where necessary.

There are no other events or matters required to be disclosed in the financial statements.

By order of the Board

Herve Deligny
Director
Date 26/10/22

STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the year ended 31 December 2020

The Directors are responsible for preparing the Strategic Report and 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 applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), comprising Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101).

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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	Year to 31 December 2020 GBP	Year to 31 December 2019 GBP
Administration expenses	2	-	(5,618)
Operating loss		-	(5,618)
Finance costs	3	(8,405,876)	(7,098,065)
Finance income	4	6,788,167	7,607,599
Profit/(Loss) before tax		(1,617,709)	503,916
Income tax	5	(125,171)	(601,415)
Loss for the year		**(1,742,880)**	**(97,499)**
Other comprehensive income		-	-
Total comprehensive loss attributable to the shareholders		**(1,742,880)**	**(97,499)**

The loss for the year arises from the Company's continuing operations.

The accompanying notes form an integral part of these financial statements.

Queensgate Generator Holding Ltd

STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2020

	Notes	31 December 2020 GBP	31 December 2019 GBP
ASSET			
Non-current			
Investments and other financial assets	6	144,320,406	134,569,183
Current			
Other receivables	7	99,935	99,935
LIABILITIES			
Current			
Trade and other payables	8	(749,804)	(624,632)
Non-current			
Interest bearing long-term loans	9	(150,597,375)	(139,228,444)
NET LIABILITIES		**(6,926,838)**	**(5,183,958)**
EQUITY			
Share capital	10	1,000	1,000
Retained profit		(6,927,838)	(5,184,958)
TOTAL EQUITY		**(6,926,838)**	**(5,183,958)**

Registered Company Number: 06310592

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board on 26/10/22 and signed on its behalf by:

H. Deligny

Herve Deligny
Director

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Share capital GBP	Retained Earnings GBP	Total Equity GBP
At 1st January 2019	1,000	(5,087,459)	(5,086,459)
Loss for the year	-	(97,499)	(97,499)
At 1st January 2020	1,000	(5,184,958)	(5,183,958)
Loss for the year	-	(1,742,880)	(1,742,880)
At 31st December 2020	1,000	(6,927,838)	(6,926,838)

The accompanying notes form an integral part of these financial statements.

GENERAL INFORMATION

Queensgate Generator Holding Ltd is a Private Limited Company, limited by shares, domiciled and incorporated in England. The Company's principal activity is to act as a holding investment company.

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared in accordance the historical cost convention, as modified financial assets and financial liabilities at fair value through profit or loss, and in accordance with the Companies Act 2006.

In accordance with FRS 101, the Company has taken advantage of the exemptions from the following disclosure requirements;

- IAS 1 'Presentation of Financial Statements' – *Comparative reconciliations of the opening and closing number of shares and carrying amounts of property, plant and equipment, and intangible assets, objectives, policies and processes for managing capital.*
- IAS 7 'Statement of Cash Flows' – *Presentation of a Statement of Cash Flow and related notes.*
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – *IFRSs that will impact future periods.*
- IAS 24 'Related Party Disclosures' – *Compensation for key management personnel and group transactions*
- IAS 36 'Impairment of Assets' – *Key assumptions in the measurement of the recoverable amount of assets and reasonable changes in those assumptions that result in impairment, where recoverable amount is based on fair value less costs of disposal; the valuation technique(s) used, and if fair value is not measured using a quoted price for an identical unit; the level in the fair value hierarchy, any change in the valuation technique(s) and the reason for the change.*
- IFRS 7 'Financial Instruments: Disclosures' – *Carrying amounts, fair values, interest income/expense and net gains/ losses for each category of financial instrument, risks associated with financial instruments (including management of risks, maximum credit risk, credit quality of financial assets, analysis of financial assets past due or impaired, maturity analysis for financial liabilities, sensitivity analysis for market risks).*
- IFRS 13 'Fair Value Measurement' – *The fair value hierarchy, fair value measurements, (including valuation technique(s) and inputs), if the highest and best use of a non-financial asset differs from its current use, the reason for non-recurring fair value measurements, for Level 3 fair value measurements; unrealised fair value gains/losses in the period, the valuation process and sensitivity analysis.*

The Company is a wholly owned subsidiary of Queensgate Generator S.a r.l. It is included in the consolidated financial statements of Queensgate Generator S.a r.l, which are publicly available at 15 Boulevard F.W. Raiffeisen, L-2411 Luxembourg. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

1.2 Financing Costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method. Attributable transaction costs are recognised initially in the carrying value of non-derivative financial instruments, and subsequently amortised using the effective interest rate method.

1.3 Foreign Currency Translation

The financial statements of the Company are presented in Pound Sterling (GBP), which is the functional currency of the primary economic environment in which the Company operates.

Foreign currency transactions are recorded in the functional currency at the exchange rate prevailing on the date of the transaction. At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The related translation gains and losses are recorded in the statement of income for the year to which they relate;
- non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical cost applicable at the date of the transaction.

1.4 Taxation

Income tax expense represents the sum of the deferred tax and current tax payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be recognised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Where assets are not yet trading or where it is not certain that sufficient taxable profits will arise within two years deferred tax is not recognised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset recognise, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.5 FIXED ASSET INVESTMENTS

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 FINANCIAL ASSETS

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial asset. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

Fair value through profit or loss

All of the Company's financial assets other that those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost where they are:

- financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset gives rise to specified dates to cash flows that are solely payments of principal and interest.

Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus cumulative interest, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost, FVTOCI, lease receivables as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk.

The Company recognises lifetime ECL on all financial instruments where there has been a significant increase in credit risk since initial recognition. The assessment of whether lifetime ECL should be recognised is based on the likelihood or risk of default occurring since initial recognition.

Lifetime ECL represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The 12-month ECL represent the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased, the following shall be taken into account:

- Actual or expected significant deterioration in the financial instrument's external or internal credit rating; or
- Significant deterioration in external market conditions; or
- Existing or forecast adverse changes in business, financial or economic conditions that will impact the debtor's ability to meet debt obligations; or
- Actual or expected deterioration in the operating results of the debtor; or
- Actual or expected significant adverse changes in the regulatory or technological environment of the debtor that will impact the debtor's ability to meet debt obligations.

Certain categories of financial asset, such as trade receivables, are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the generally average credit period of 30 to 90 days, as well as observable changes in the national or local economic conditions that correlate with default on receivables.

1.7 FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at fair value and subsequently held at amortised cost. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

1.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.9 FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value, interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Foreign exchange risk

The Company has a Euro loan from the Parent company, along with payables and receivables due to/from Group undertakings in foreign currencies, which are exposed to changes in exchange rate fluctuations.

Credit risk

Credit risk is managed on the Group level, except for credit risk relating to accounts receivable balances. Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

1.10 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

IFRS 16 Leases

With effect from 1 January 2019, the Company has adopted IFRS 16 'Leases'. Lessees are required to recognise on the statement of financial position 'right-of-use' assets which represent the right to use underlying assets during the lease term and a lease liability representing the minimum lease payment for all leases. Depreciation of 'right-to-use' assets and interest on lease liabilities is charged to the income statement, replacing the corresponding operating lease rentals.

The Company has adopted IFRS 16 using the 'modified retrospective approach' from 1 January 2019 and therefore the comparative information has not been restated as permitted under the specific transition provisions in the standard.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019.

In applying IFRS 16, the group has used the following practical expedients permitted by the standard:

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and

The Company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

The Company had no leases which resulted in an impact to the financial statements as at 31 December 2020.

1.11 GOING CONCERN

The COVID-19 outbreak in Q1 2020 has had a significant impact on the operations of the hotels within the Queensgate Generator S.à r.l Group (the Group) after the year end, as it has on all hotels worldwide. It is too early to know the precise impact this will have on the medium and long term trading horizon as the situation continues to evolve and with different impacts and levels of support provided to businesses in the different countries in which the group operates.

However, the Group Directors are taking comprehensive steps to ensure that the business is able to continue in operation for the foreseeable future. Cost savings have been made wherever possible at both a marginal and fixed cost level, taking advantage of Government supported measures, such as loans and grants, furloughing of employees and tax deferral schemes for the period that these are available.

Queensgate Generator has previously traded with strong EBITDA performance and it is the expectation of the Group Directors that normal operations will be able to resume relatively quickly once the restrictions in relation to COVID-19 and international travel are lifted with the group expecting to be ahead of many in the industry in terms of recovery.

The Company is a holding entity within the Group, but relies on the cashflows of entities within the wider Group. It is therefore, the status of the Group which is relevant in the assessment of the going concern assumption. The Group operates with five senior debt facilities, which in connection with the additional financing secured in February 2021, were amended to acknowledge and work with the adverse impact of COVID-19 restrictions, following breaches of covenants after the balance sheet date. At this time, it was ensured that covenants within the senior debt facilities were reset and not tested again until outside the review period. The prolonged restrictions in place in the key markets for the Group and the so called third wave of the pandemic across Europe, has resulted in forecasts being prepared which require additional cash financing to provide operational capital and to protect against further shocks.

The Group shareholders have been provided with the detailed forecasts for the business and have agreed to provide additional funding, of which only half is required in the base case scenarios. In downside stress tests, the case where the total cash support agreed is insufficient is deemed to be extremely unlikely, and so the Group Directors are confident that with the Group shareholder support in place the Group will be able to continue to trade and meet its liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements.

The Directors of the Company have considered the situation of the Company with consideration to the larger Group and concluded that it is appropriate to prepare the financial statements using the going concern.

2 ADMINISTRATION EXPENSES

Key administration expenses to users of the financial statements include:

	Year to 31 December 2020 GBP	Year to 31 December 2019 GBP
Audit fees	-	5,618
Other expenses	-	-
	-	5,618

3 FINANCE COSTS

	Year to 31 December 2020 GBP	Year to 31 December 2019 GBP
Interest payable on related party borrowings	7,302,768	6,831,680
Foreign exchange loss (gain) on related party	1,103,108	266,385
	8,405,876	7,098,065

The interest payable on related party borrowings was 3%-6% (2019: 3-6%).

4 FINANCE INCOME

	Year to 31 December 2020 GBP	Year to 31 December 2019 GBP
Related party loans interest receivable	6,788,167	7,569,587
Third party loans interest receivable	-	38,012
	6,788,167	7,607,599

The interests receivable on related party loans were 3-6% (2019: 3-6%).

5 INCOME TAX

Reconciliation of effective tax rate:

	Year to 31 December 2020 GBP	Year to 31 December 2019 GBP
Current tax:		
UK corporation tax	98,625	351,416
Adjustments in respect of prior period	26,546	249,999
Total current tax	125,171	601,415
Profit/(Loss) on ordinary activities before tax	(1,617,709)	503,916
Tax on loss on ordinary activities at standard corporation tax in UK of 19% (2019: 19%)	(307,365)	95,744
Effects of:		
Transfer pricing adjustment	109,060	113,403
Expenses not deductible/income not taxable	26,546	249,999
Prior year adjustment	296,930	142,269
	125,171	601,415

6 INVESTMENTS AND OTHER FINANCIAL ASSETS

	Shares in group undertakings	Investment Loans	Total equity
	GBP	GBP	GBP
At 1 January 2020	7,174,106	127,395,076	134,569,183
Additions	-	9,751,224	9,751,224
At 31 December 2020	7,174,106	137,146,300	144,320,406

Investment loans mature in July 2023 and attracted interest at 3%-6% in 2020 (2019: 3-6%).

The Company holds more than 20% of the equity of the following companies incorporated in England and Wales.

Subsidiaries	Holding of ordinary shares	Principal activity	Total equity 31 December 2020 GBP	Loss for the year to 31 December 2020 GBP
Queensgate Generator Properties Limited	100%	Investment Holding Company	(12,712,196)	(1,015,441)
Generator Hostels Limited	100%	Management Company	(35,288,668)	(8,385,561)

Both subsidiaries are registered at Macnaughton House, Compton Place, London, WC1H 9SD.

The financial statements of the Company and its direct and indirect subsidiaries are consolidated in the financial statements of Queensgate Generator S.a.r.l the parent company for the entire group, and no consolidation is prepared at the Company's level. The consolidated financial statements of Queensgate Generator S.a r.l. are available at its registered office, 15 Boulevard F. W. Raiffeisen, L-2411, Luxembourg.

7 OTHER RECEIVABLES

	31 December 2020	31 December 2019
	GBP	GBP
Due within one year:		
Amounts owed by group undertakings	99,190	99,190
Other debtors	745	745
	99,935	99,935

All balances are unsecured and interest free.

8 TRADE AND OTHER PAYABLES

	31 December 2020 GBP	31 December 2019 GBP
Amount due to the group undertakings	740,804	615,632
Accrual and deferred income	9,000	9,000
	749,804	624,632

All balances are unsecured and interest free.

9 INTEREST BEARING LOANS

	31 December 2020 GBP	31 December 2019 GBP
Interest bearing long-term loans		
Amounts due to the shareholder	150,597,375	139,228,444

Interest bearing loans to the shareholder are subject to the interest rate of 3%-6% (2019: 3-6%), which is added semi-annually to the principal loan which is unsecured. The balance also includes an interest free loan of £2.3m (2019: £2.3m).

10 SHARE CAPITAL

	31 December 2020 GBP	31 December 2019 GBP
Allotted, issued and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at General meetings of the Company.

11 ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent is Queensgate Fusion Holdco 1 S.a.r.l. The Company's shareholder is Queensgate Generator LP GP Limited, a company registered in England and Wales. Queensgate Generator S.a r.l is parent undertaking of the smallest and the largest group for which consolidated accounts are drawn up, and of which the Company is a member, which are publicly available at 15 Boulevard F.W. Raiffeisen, L-2411 Luxembourg.

12 RELATED PARTY DISCLOSURE

The Company has taken advantage of the exemptions available under FRS101 not to disclose transactions with group companies where voting rights are wholly held within the group.

13 EVENTS AFTER THE END OF THE REPORTING PERIOD

The COVID-19 outbreak in Q1 2020 has had a significant impact on the operations of the Group after the year end, as it has on hostels and hotels around the world. There were breaches to loan covenants for the main Group facility (for the quarter ending September 2020) and Italian facility (for the quarters ending June and September 2020).

Post year-end financing has been received from shareholders and local Government's (in the form of grants, payroll assistance and loan funding). Additional debt funding has also been received from new lenders. The Group is fortunate to benefit from the strong support of its lenders and its shareholders and the Group's main European and US facilities are extended and covenant waivers obtained where necessary.

There are no other events or matters required to be disclosed in the financial statements.