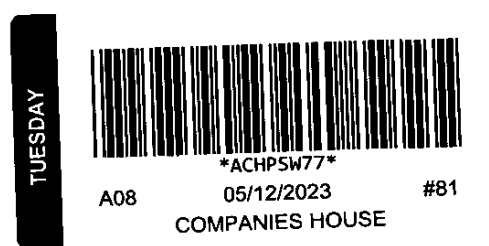


Registered Number: 10150687

**EDINBURGH ST JAMES HOTEL (GP) LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

For the year ended 31 December 2022



**EDINBURGH ST JAMES HOTEL (GP) LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2022**

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## **EDINBURGH ST JAMES HOTEL (GP) LIMITED**

### **COMPANY INFORMATION**

#### **Directors**

S. Wicks  
A. J. Rippingale  
M. B. White (resigned 17 April 2023)  
M.H. Neal (appointed 17 April 2023)

#### **Secretary and registered office**

Nuveen Corporate Secretarial Services Limited  
201 Bishopsgate  
London EC2M 3BN

## **EDINBURGH ST JAMES HOTEL (GP) LIMITED**

### **REPORT OF THE DIRECTORS**

For the year ended 31 December 2022

The Directors present their report, group and company financial statements for the year ended 31 December 2022.

#### **Principal activities and future prospects**

Edinburgh St James Hotel (GP) Limited (the “Company”) was incorporated on 27 April 2016 and acts as general partner to Edinburgh St James Hotel Limited Partnership, a property investment partnership (registered at 201 Bishopsgate, London EC2M 3BN) that holds property under construction in the Edinburgh St James Hotel redevelopment through the partnership.

#### **Results and dividends**

The Group made a profit of £nil for the year (2021 (restated): £nil). The Directors do not recommend the payment of a dividend.

Central bankers response to rising inflation has been progressive monetary tightening which has had economic consequences globally. Banks and insurance companies are suffering losses to the market values of their bond portfolios as interest rates have risen but there seems little risk of direct contagion from the collapse of Silicon Valley Bank and Signature Bank and the rescue-takeover of Credit Suisse by UBS. The financial system is well capitalised and more resilient following regulatory changes post-Global Financial Crisis (GFC). Any sharp rise in interest rates can have negative unanticipated consequences in the financial system but Policymakers may need to keep monetary policy tight as long as inflation remains high. The likely outcome is that monetary tightening in the US, EU and UK eases a little to give the financial sector more room to cope with any consequences.

Current volatility is expected to persist for some time and real estate will not be immune from this, however, the Company remains well positioned and the directors will continue to closely monitor developments in this area.

#### **Directors**

The Directors of the Company are set out on page 2, which includes those who held office throughout the year and any appointments, resignations and cessations since the year end.

#### **Registered office**

The Company’s registered office address is 201 Bishopsgate, London EC2M 3BN.

#### **Strategic report**

The Company has taken advantage of the exemption under s414B of the Companies Act 2006 not to prepare a strategic report.

## **EDINBURGH ST JAMES HOTEL (GP) LIMITED**

### **REPORT OF THE DIRECTORS (continued)**

**For the year ended 31 December 2022**

#### **Going concern**

As at 31 December 2022 the Company's balance sheet is in a net liabilities position.

After making enquiries as to the continued financial and operational support for the Group (which consists of Edinburgh St James GP Limited, Edinburgh St James Limited Partnership and all their subsidiaries including the Company, together known as the "Group"), from Albina Investments Holding Limited and HSCF Edinburgh Limited Partnership who indirectly own 75% and 25% of the interest in the Group, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the signing date of these accounts.

Albina Investments Holding Limited and HSCF Edinburgh LP have provided the Group with letters of support confirming that the directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP will not seek the repayment of amounts advanced to the Group including interest, for a period of at least 12 months from the financial statements issuance date and until adequate alternative financing has been secured by the Group.

The letters also confirm that Albina Investments Holding Limited and HSCF Edinburgh LP will provide financial support to the Group such that the Group is able to operate as a going concern and to settle its liabilities as they fall due, for a period of not less than 12 months from the financial statement issuance date as and when required. The directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP have also confirmed that they have the financial ability and intent to provide the financial and management resources required and that there are no restrictions in providing such support.

The directors have considered and are satisfied with the ability of Albina Investments Holding Limited and HSCF Edinburgh LP to provide the financial and management resources in support of the Group's ability to continue as a going concern and as such are satisfied that the Group is able to continue as a going concern for at least 12 months from the financial statement approval and issuance date.

For these reasons, the Company continues to adopt the going concern basis of accounting in preparing its annual financial statements.

Further details on the going concern treatment for the Company are outlined in Note 1 to the financial statements.

## **EDINBURGH ST JAMES HOTEL (GP) LIMITED**

### **REPORT OF THE DIRECTORS (continued)**

**For the year ended 31 December 2022**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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

Company law (the Companies Act 2006) requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that they have complied with these responsibilities.

By order of the Board

DocuSigned by:  
*Stephen Wicks*  
-----9F0D0D9D216D4BC-----

Stephen Wicks, Director

24 November 2023

# EDINBURGH ST JAMES HOTEL (GP) LIMITED

Company registration number: 10150687

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2022

	Note	2022	2021
		£	£
Administration expenses	2	-	-
Gain on revaluation of property under construction		-	-
Profit before taxation		-	-
Taxation	3	-	-
Profit for the financial year attributable to the parent		-	-

All activities derive from continuing operations. There are no items of other comprehensive income.

The notes on pages 10 to 16 form part of these financial statements.

**EDINBURGH ST JAMES HOTEL (GP) LIMITED**

Company registration number: 10150687

**CONSOLIDATED BALANCE SHEET**31 December 2022

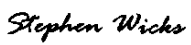
	Note	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Investments in subsidiaries	4		1		1
			-----		-----
<b>Current assets</b>					
Debtors	5	1		1	
Cash and short-term deposits		-		-	
		-----		-----	
<b>Creditors: amounts falling due within one year</b>	6	(114)		(114)	
		-----		-----	
<b>Net current liabilities</b>			(113)		(113)
			-----		-----
<b>Net Liabilities</b>			(112)		(112)
			=====		=====
<b>Capital and reserves</b>					
Share capital	7		1		1
Revaluation reserve			-		-
Profit and loss account			(113)		(113)
			-----		-----
Shareholders' deficit			(112)		(112)
			=====		=====

The consolidated financial statement have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Section 1A of FRS 102. For the year ending 31 December 2021, 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.

The notes on pages 10 to 16 form part of these financial statements.

The financial statements were approved by the Board of Directors on 24 November 2023.

Signed on behalf of the Board of Directors by

DocuSigned by:  
  
 9F0DD09D215D4B3C.....  
 Stephen Wicks, Director



**EDINBURGH ST JAMES HOTEL (GP) LIMITED**

Company registration number: 10150687

**COMPANY BALANCE SHEET**31 December 2022


	Note	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Investment in subsidiaries	4		1		1
			-----		-----
<b>Current assets</b>					
Debtors	5	1		1	
		-----		-----	
<b>Creditors: amounts falling due within one year</b>	6	(114)		(114)	
		-----		-----	
<b>Net current liabilities</b>			(113)		(113)
			-----		-----
<b>Net liabilities</b>			(112)		(112)
			=====		=====
<b>Capital and reserves</b>					
Share capital	7		1		1
Revaluation reserve			-		-
Profit and loss account			(113)		(113)
			-----		-----
Shareholders' funds			(112)		(112)
			=====		=====

The Company financial statement have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Section 1A of FRS 102. For the year ending 31 December 2021, 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.

The notes on pages 10 to 16 form part of these financial statements.

The financial statements were approved by the Board of Directors on 24 November 2023.

Signed on behalf of the Board of Directors by

DocuSigned by:  
  
 9F0D0D9D215D4BC .....  
 Stephen Wicks, Director

**EDINBURGH ST JAMES HOTEL (GP) LIMITED**

Company registration number: 10150687

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2022**

	<b>Share Capital £</b>	<b>Revaluation Reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
1 January 2021	1	-	(113)	(112)
Total Comprehensive Gain	-	-	-	-
31 December 2021	1	-	(113)	(112)
Total Comprehensive Gain	-	-	-	-
31 December 2022	1	-	(113)	(112)

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2022**

	<b>Share Capital £</b>	<b>Revaluation Reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
1 January 2021	1	-	(113)	(112)
Total Comprehensive Gain	-	-	-	-
31 December 2021	1	-	(113)	(112)
Total Comprehensive Gain	-	-	-	-
31 December 2022	1	-	(113)	(112)

The notes on pages 10 to 16 form part of these financial statements.

## **EDINBURGH ST JAMES HOTEL (GP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

#### **1. ACCOUNTING POLICIES**

The Company, Edinburgh St James Hotel (GP) Limited has its registered office at 201 Bishopsgate, London EC2M 3BN.

The financial statements are prepared for the financial year ended 31 December 2022.

The Consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1 unless otherwise stated.

The principal accounting policies adopted in these financial statements, which have been consistently applied, are set out below. Judgements made by the Directors, in the application of these accounting policies that have significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed in the respective sections of the accounting policies or notes to the financial statements.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings except for Edinburgh St James Hotel Limited Partnership as the Company only has a 0.1% interest in this limited partnership. A subsidiary is an entity that is controlled by the Company. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities.

## **EDINBURGH ST JAMES HOTEL (GP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **Going Concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group has letters of support from Albina Investments Holding and HSCF Edinburgh LP confirming that these entities will provide financial and management resources required to fund the operation of the Group for a period of not less than 12 months from the financial statement issuance date. These entities also confirm that they have both the financial ability and intent to provide the financial and management resources required and that there are no restrictions on them (or their subsidiaries) to provide such support. In the letters they confirm that they and their affiliates will not require the repayment of loans/advances or any portion thereof, including interest or any other loans/advances that they or their affiliates may provide to the Group during 2022, until subsequent to 12 months from the financial statement issuance date.

Based on the above, the directors believe that it remains appropriate to prepare Company's financial statements on a going concern basis. These financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The principal accounting policies adopted in these financial statements, which have been consistently applied, are set out below. Judgements made by the Directors, in the application of these accounting policies that have significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed in the respective sections of the accounting policies or notes to the financial statements.

##### **Cash flow statement**

The Company qualifies as a small company and so has an exemption from preparing the cash flow statement under section 1A of FRS 102.

##### **Investments**

Investments in subsidiaries are carried at cost less impairment.

##### **Expenses**

Expenses are recognised on an accruals basis.

## **EDINBURGH ST JAMES HOTEL (GP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **Basic financial instruments**

The Group has chosen to apply the provisions of both section 11 and 12 of FRS 102 in full.

##### **Trade and other debtors / creditors**

Trade and other debtors are recognised initially at the transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Trade and other debtors are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Trade and other creditors are recognised initially at transaction price less attributable transaction costs; and subsequently at amortised cost.

If an arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short term deposits.

##### **Other financial instruments**

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Statement of Comprehensive Income.

##### **Taxation**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## **EDINBURGH ST JAMES HOTEL (GP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2022**

#### **2. ADMINISTRATION EXPENSES**

The Directors did not receive any remuneration for services to the Group in the current year. The Group had no employees in the current year.

**EDINBURGH ST JAMES HOTEL (GP) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2022****3. TAXATION**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
(a) Tax charge		
Corporation tax for the year	-	-
Deferred tax charge	-	-
	-----	-----
Total tax	-	-
	=====	=====

**b) Factors affecting current tax charge.**

The tax assessed on the loss activities for the year uses the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Gain/(loss) before tax	-	-
	-----	-----
Profit multiplied by UK corporation tax rate	-	-
Effects of:		
Income disallowable for tax	-	-
Share of underlying income/(management expenses)	(29)	(27)
Unutilised losses carried forward	29	27
	-----	-----
Total current tax	-	-
	=====	=====

It was announced in the March 2021 Budget that the main rate of corporation tax would increase to 25% from 19% with effect from 1st April 2023. This change was enacted on 10th June 2021. As this increased rate was enacted at the balance sheet date, the 25% rate is potentially relevant in respect of the calculation of deferred tax. However, as no deferred tax assets have been recognised and there are no deferred tax liabilities, there is no impact on the tax balances at 31 December 2022.

**EDINBURGH ST JAMES HOTEL (GP) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2022****4. INVESTMENT IN SUBSIDIARIES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 January and 31 December	1	1
	=====	=====

The Company is the general partner to Edinburgh St James Limited Partnership and holds a 0.1% interest in this Partnership. The historical cost of the Company's investment at 31 December 2021 was £1 (2021: £1). The registered address of the subsidiary is 201 Bishopsgate, London EC2M 3BN.

**5. DEBTORS**

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Receivable from Edinburgh St James Limited Partnership	1	1	1	1
	-----	-----	-----	-----
	1	1	1	1
	=====	=====	=====	=====

Amounts due from related parties are interest free, unsecured and repayable on demand.

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

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due to subsidiary	1	1	1	1
Amounts due to Edinburgh St James Limited Partnership	113	113	113	113
	-----	-----	-----	-----
	114	114	114	114
	=====	=====	=====	=====

Amounts due to related parties are interest free, unsecured and repayable on demand.



**EDINBURGH ST JAMES HOTEL (GP) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2022**7. CALLED UP SHARE CAPITAL**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Called up, allotted and fully paid:		
1 share of £1 each	1	1
	=====	=====

Share capital of £nil (2021: £nil) was issued in the year.

**8. RELATED PARTIES**

Other than as disclosed in notes 5 and 6, there were no material related party transactions during the year.

**9. CONTROLLING PARTIES**

The ordinary share is owned by Edinburgh St James Limited Partnership.

The Company is included in the consolidated accounts of Edinburgh St James Limited Partnership. These consolidated accounts are available from the registered office.

The ultimate controlling parties are Zedra Jersey Trust Corporation Limited, in its capacity as Trustee of UK Shopping Centre Fund (as the ultimate parent of HSCF Edinburgh LP) and Stichting Depositary APG Strategic Real Estate Pool (as the ultimate parent of Albina Investments Holding Limited), due to the shareholdings of 25% and 75% respectively.

**10. SUBSEQUENT EVENTS**

On January 24th 2023 the Company opened the restaurant for trading.

Albina Investments Holding Limited and HSCF Edinburgh LP have provided the Group with letters of support dated 13 November 2023 confirming that the Directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP will not seek the repayment of amounts advanced to the Group including interest, for a period of at least 12 months from the financial statements issuance date and until adequate alternative financing has been secured by the Group.

The letters also confirm that Albina Investments Holding Limited and HSCF Edinburgh LP will provide financial support to the Group such that the Group is able to operate as a going concern and to settle its liabilities as they fall due, for a period of not less than 12 months from the financial statement issuance date as and when required. The Directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP have also confirmed that they have the financial ability and intent to provide the financial and management resources required and that there are no restrictions in providing such support.

Registered Number: LP017427

**EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**

**ANNUAL REPORT AND THE FINANCIAL STATEMENTS**

*For the year ended 31 December 2022*



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## **EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**

### **PARTNERSHIP INFORMATION**

#### **General Partner**

The General Partner is Edinburgh St James Hotel (GP) Limited a company registered in England & Wales.

#### **Registered Address of General Partner**

201 Bishopsgate  
London EC2M 3BN

#### **Independent Auditors**

PricewaterhouseCoopers CI LLP  
37 Esplanade  
St Helier  
Jersey, Channel Islands  
JE1 4XA

## EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP

### REPORT OF THE GENERAL PARTNER

For the year ended 31 December 2022

The General Partner submits its annual report and Edinburgh St James Hotel Limited Partnership ("the Partnership") financial statements for the year ended 31 December 2022.

The Partnership has not prepared group consolidated financial statements as it is exempt from the requirement to do so by Section 7 of The Partnerships (Accounts) Regulations 2008.

#### 1. BUSINESS OF THE PARTNERSHIP

Edinburgh St James Hotel Limited Partnership holds an investment in property under construction: the hotel element of the Edinburgh St James redevelopment. The Partnership was formed on 19 May 2016 under the terms of the Limited Partnership Agreement ('LPA'). The Partnership meets the definition of a qualifying limited partnership in accordance with the Partnerships (Accounts) Regulations 2008 and as such certain requirements of the Companies Act 2006 as applied to qualifying partnerships are also applicable.

The Partnership is the sole shareholder of Edinburgh St James Hotel Operating Company Limited. This subsidiary was dormant during the period.

Central bankers response to rising inflation has been progressive monetary tightening which has had economic consequences globally. Banks and insurance companies are suffering losses to the market values of their bond portfolios as interest rates have risen but there seems little risk of direct contagion from the collapse of Silicon Valley Bank and Signature Bank and the rescue-takeover of Credit Suisse by UBS. The financial system is well capitalised and more resilient following regulatory changes post-Global Financial Crisis (GFC). Any sharp rise in interest rates can have negative unanticipated consequences in the financial system but Policymakers may need to keep monetary policy tight as long as inflation remains high. The likely outcome is that monetary tightening in the US, EU and UK eases a little to give the financial sector more room to cope with any consequences.

Current volatility is expected to persist for some time and **the hospitality sector** will not be immune from this, however, The Partnership remains well positioned and the General Partner will continue to closely monitor developments in this area.

#### 2. RESULTS

The results of the Partnership's business for the period are shown in the results on page 11.

#### 3. PARTNERS

Edinburgh St James Hotel (GP) Limited acts as the General Partner. The Limited Partner (LP) is Edinburgh St James Hotel Property Unit Trust.

## **EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**

### **REPORT OF THE GENERAL PARTNER (continued)**

**For the year ended 31 December 2022**

**4. DISCLOSURE OF INFORMATION TO AUDITORS**

The directors of the General Partner who held office at the date of approval of this report of the General Partner confirm that, so far as they are aware, there is no relevant audit information of which the Partnership's auditors are not aware; and each director of the General Partner has taken all steps that ought to have taken as a director to make them aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

**5. INDEPENDENT AUDITORS**

PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed by the General Partner.

**6. STRATEGIC REPORT**

The Partnership has taken advantage of the exemption under s414b of the Companies Act 2006 as applied by Partnership (Accounts) Regulations 2008 not to prepare a strategic report.

**7. GOING CONCERN**

The directors of the General Partner have considered the ability of the Partnership to meet its obligations as they fall due for at least 12 months from the financial statement approval and issuance date.

As at 31 December 2022 the Partnership has net current liabilities of £100,545k which is mainly driven by loans due to Albina Investments Holding Limited and HSCF Edinburgh Limited Partnership amounting to £101,335k (2021: £46,034k) and £24,725k (2021: £15,345k) respectively. The Partnership also made a loss of £48,591k for the year ended 31 December 2022 (2021: 1,769k profit) and has £28,971k (2021: 341k) of cash reserves at the end of the year.

The directors of the General Partner have prepared cash flow forecasts for the Partnership's operations for the next 12 months and have identified significant contracted cash outflows in capital expenditure of £42,688k, in respect of the hotel under construction. It is the General Partners intention that these cash outflows will be met by the existing cash reserves of the Partnership as at the balance sheet date and further commitments from the Partnership's Partners, Albina Investment Holding Limited and HSCF Edinburgh LP.

## **EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**

### **REPORT OF THE GENERAL PARTNER (continued)**

For the year ended 31 December 2022

Albina Investments Holding Limited and HSCF Edinburgh LP have provided the Partnership with letters of support confirming that the directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP will not seek repayment of amounts advanced to the Partnership, including interest, for a period of at least 12 months from the financial statements issuance date and until adequate alternative financing has been secured by the Partnership. The letters also confirm that Albina Investments Holding Limited and HSCF Edinburgh LP will provide financial support to the Partnership such that the Partnership is able to operate as a going concern and to settle its liabilities as they fall due, for a period of not less than 12 months from the financial statement issuance date as and when required. The directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP have also confirmed that they have the financial ability and intent to provide the financial and management resources required and that there are no restrictions in providing such support.

The directors of the General Partner have considered and are satisfied with the ability of Albina Investments Holding Limited and HSCF Edinburgh LP to provide the financial and management resources in support of the Partnership's ability to continue as a going concern and as such are satisfied that the Partnership is able to continue in operational existence for at least 12 months from the financial statement approval and issuance date.

## EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP

### REPORT OF THE GENERAL PARTNER (continued) For the year ended 31 December 2022

#### **Statement of general partner's responsibilities in respect of the General Partner's Report and the financial statements**


The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the general partner to prepare partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the general partner has elected to prepare partnership financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law applicable to qualifying partnerships the general partner 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the general partner is required to:

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

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

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Stephen Wicks

For and on behalf of Edinburgh St James Hotel (GP) Limited as general partner of Edinburgh St James Hotel Limited Partnership  
16 November 2023



# Independent auditors' report to the partners of Edinburgh St James Hotel Limited Partnership

## Report on the audit of the financial statements

### Opinion

In our opinion, Edinburgh St James Hotel Limited Partnership's financial statements:

- give a true and fair view of the state of the partnership's affairs as at 31 December 2022 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report and the Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the statement of comprehensive income, the statement of changes in limited partners' funds and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 partnership'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.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the partnership's ability to continue as a going concern.

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

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Report of the General Partner, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 as applied to qualifying partnerships requires us also to report certain opinions and matters as described below.

### **Report of the General Partner**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the General Partner for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the General Partner.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the general partner for the financial statements**

As explained more fully in the statement of general partner's responsibilities in respect of the general partner's report and the financial statements, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the partnership'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 general partner either intends to liquidate the partnership or to cease operations, or has no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

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

Based on our understanding of the partnership and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the potential for management bias in accounting estimates and key judgements impacting the financial statements, specifically the valuation of property under construction. Audit procedures performed by the engagement team included:

- enquiring with the management and the directors of the general partner as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- checking the minutes of meetings of the board of directors of the general partner for matters relevant to the audit;
- testing the disclosures made in the financial statements, as well as in the report of the general partners, for compliance with the requirements of the Companies Act 2006 as applied to qualifying partnership;
- for the valuation of the partnership's property under construction, enquiring with management and management's appointed external expert to understand their assumptions and fair value assessment for the property under construction; engaging our auditors' internal valuation expert to critique and challenge the work performed and assumptions used by management and the general partner to determine fair value; testing the change in the determined fair value from the prior year to the current year and understanding unusual movements, when compared to market movements, our understanding of the property under construction and our industry knowledge; and testing a sample of valuation inputs to external supports;
- performing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing; and
- identifying and testing journal entries considered to be of higher fraud risk, and the evaluation of any business rationale for any significant or unusual transactions identified as being outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of general partner's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Entitlement to exemptions**

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, the general partner was not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Ian Tait (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Jersey, Channel Islands  
21 November 2023

**EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP****Registered Number: LP017427****STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2022**

	<b>Note</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Administration expenses	2	(160)	(140)
Operating loss		(160)	(140)
Interest received		8	-
(Loss)/Reversal of previous losses on revaluation of property under construction		(48,439)	1,909
(Loss)/Profit for the year before taxation		(48,591)	1,769
Taxation	3	-	-
(Loss)/Profit for the year after taxation		(48,591)	1,769
Total comprehensive (loss)/profit for the year		(48,591)	1,769

All activities derive from continuing operations. There are no items of other comprehensive income.

The notes on pages 15 to 23 form part of these financial statements.

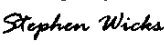
**EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP****Registered Number: LP017427****BALANCE SHEET****31 December 2022**

	Note	2022		2021	
		£'000	£'000	£'000	£'000
<b>Non Current Assets</b>					
Investment in Subsidiaries	4		-		-
Property under construction	5		43,595		55,067
			-----		-----
<b>Current assets</b>					
Debtors	6	894		81	
Cash and cash equivalents		28,971		341	
		-----		-----	
		29,865		422	
<b>Creditors: amounts falling due within one year</b>	7	(130,410)		(63,848)	
		-----		-----	
<b>Net current liabilities</b>			(100,545)		(63,426)
<b>Net liabilities attributable to partners</b>			-----		-----
			(56,950)		(8,359)
			=====		=====
<b>Partners' funds</b>					
Partners' capital accounts			1		1
Partners' current accounts			(56,951)		(8,360)
			-----		-----
			(56,950)		(8,359)
			=====		=====

The financial statements were approved by the General Partner on 16 November 2023.

The notes on pages 15 to 23 form part of these financial statements.

Signed on behalf of Edinburgh St James Hotel (GP) Limited as general partner of Edinburgh St James Hotel Limited Partnership

DocuSigned by:  
  
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Stephen Wicks

For and on behalf of Edinburgh St James Hotel (GP) Limited

**EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**  
**Registered Number: LP017427**

**STATEMENT OF CHANGES IN LIMITED PARTNERS' FUNDS**  
**For the year ended 31 December 2022**

	<b>Partners' Capital Accounts</b>	<b>Partners' Current Accounts</b>	<b>Total Funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 January 2021	1	(10,129)	(10,128)
Total Comprehensive Profit	-	1,769	1,769
At 31 December 2021	1	(8,360)	(8,359)
Total Comprehensive Loss	-	(48,591)	(48,591)
At 31 December 2022	1	(56,951)	(56,950)

The notes on pages 15 to 23 form part of these financial statements.

**EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**  
**Registered Number: LP017427**

**CASH FLOW STATEMENT**  
**For the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flow from operating activities</b>		
(Loss)/Profit for the year	(48,591)	1,769
<i>Adjustments for:</i>		
Interest received	(8)	-
Change in value of Property Under Construction	48,439	(1,909)
	-----	-----
	(160)	(140)
 (Increase)/decrease in trade and other debtors	(813)	215
(Decrease)/increase in trade and other creditors	(60)	43
	-----	-----
Net cash flow from operating activities	(873)	258
 <b>Cash flow from investing activities</b>		
Additions to Property Under Construction	(35,026)	(14,993)
	-----	-----
Net cash used in investing activities	(35,026)	(14,993)
 <b>Cash flow from financing activities</b>		
Interest received	8	-
Drawings from borrowings	64,681	14,385
	-----	-----
Net cash flow from financing activities	64,689	14,385
 Net (decrease)/increase in cash and cash equivalents	28,630	(490)
 Opening cash and cash equivalents	341	831
	-----	-----
Closing cash and cash equivalents	28,971	341
	=====	=====

The notes on pages 15 to 23 form part of these financial statements.



## **EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

#### **1. ACCOUNTING POLICIES**

##### Basis of accounting

Edinburgh St James Hotel Limited Partnership (the “Partnership”) has its registered office at 201 Bishopsgate London EC2M 3AE. The financial statements are prepared for the financial year ended 31 December 2022.

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) and the LPA. The Partnership is deemed a qualifying limited partnership in accordance with the Partnerships (Accounts) Regulations 2008 and therefore the Companies Act 2006 as applicable to qualifying limited partnerships also apply.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise stated.

The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of property.

The Partnership has not prepared group consolidated financial statements as it is exempt from the requirement to do so by Section 7 of The Partnerships (Accounts) Regulations 2008.

## **EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2022**

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### **Going concern**

The directors of the General Partner have considered the ability of the Partnership to meet its obligations as they fall due for at least 12 months from the financial statement approval and issuance date.

As at 31 December 2022 the Partnership has net current liabilities of £100,545k which is mainly driven by loans due to Albina Investments Holding Limited and HSCF Edinburgh Limited Partnership amounting to £101,335k (2021: £46,034k) and £24,725k (2021: £15,345k) respectively. The Partnership also made a loss of £48,591k for the year ended 31 December 2022 (2021: 1,769k profit) and has £28,971k (2021: 341k) of cash reserves at the end of the year.

The directors of the General Partner have prepared cash flow forecasts for the Partnership's operations for the next 12 months and have identified significant contracted cash outflows in capital expenditure of £42,688k, in respect of the hotel under construction. It is the General Partners intention that these cash outflows will be met by the existing cash reserves of the Partnership as at the balance sheet date and further commitments from the Partnership's Partners, Albina Investment Holding Limited and HSCF Edinburgh LP.

Albina Investments Holding Limited and HSCF Edinburgh LP have provided the Partnership with letters of support confirming that the directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP will not seek repayment of amounts advanced to the Partnership, including interest, for a period of at least 12 months from the financial statements issuance date and until adequate alternative financing has been secured by the Partnership. The letters also confirm that Albina Investments Holding Limited and HSCF Edinburgh LP will provide financial support to the Partnership such that the Partnership is able to operate as a going concern and to settle its liabilities as they fall due, for a period of not less than 12 months from the financial statement issuance date as and when required. The directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP have also confirmed that they have the financial ability and intent to provide the financial and management resources required and that there are no restrictions in providing such support.

The directors of the General Partner have considered and are satisfied with the ability of Albina Investments Holding Limited and HSCF Edinburgh LP to provide the financial and management resources in support of the Partnership's ability to continue as a going concern and as such are satisfied that the Partnership is able to continue in operational existence for at least 12 months from the financial statement approval and issuance date.

## **EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### Properties Under Construction

Properties Under Construction are properties which will be operated by the Partnership and therefore are not classified as investment property. The hotel site is considered to be property under construction.

The initial cost of a Property Under Construction consists of the purchase price, related legal fees, agents' costs, certain development costs and other directly attributable costs. The Property is thereafter measured using the revaluation model. If the Property's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity in the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

The decrease of an asset's carrying amount as a result of a revaluation shall be recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity under revaluation reserve, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity under revaluation reserve in respect of that asset, the excess shall be recognised in profit or loss.

Acquisitions and disposals of Properties Under Construction are considered to have taken place where, by the end of the accounting period, there is a legally binding, unconditional and irrevocable contract.

The Partnership's property under construction is stated at market value at 31 December 2022, valued by professionally qualified external valuers. The valuation has been prepared by CBRE Limited, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

##### Investment in subsidiaries

Investments in the equity of other entities are measured initially at transaction price plus attributable transaction costs. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the Statement of Comprehensive Income.

## EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### Key Judgements and Estimates - valuation of property under construction

The fair value of the Partnerships property under construction is the main area within the financial statements where there is significant estimation uncertainty. All of the Partnership's properties are externally valued on the basis of Market Value by external, professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards. Such valuations are carried out every month. Property valuations are inherently subjective, as they are made on the basis of assumptions made by the valuers which may not prove to be accurate when the properties are disposed. Valuations determined by the independent valuer are adjusted for recognition in the balance sheet for the impact of accrued income from lease incentives and/or finance lease liabilities on leasehold properties. Where a legally binding, unconditional and irrevocable purchase contract exists at the balance sheet date, but there has been insufficient time to arrange for an independent valuation to be carried out, the property is shown at cost unless, in the opinion of the Partnership, there may be a material difference between cost and valuation on payment of the purchase price. There are no other areas of significant accounting judgement and estimates in these financial statements.

The valuation has been prepared on the basis of "Fair Value" which for the purpose of financial reporting is effectively the same as "Market Value", which is defined as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

##### Basic financial instruments

The Partnership has chosen to apply the provisions of both section 11 and 12 of FRS 102 in full.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits.

##### Debtors / Creditors

Debtors are recognised initially at the transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Trade and other debtors are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Creditors are recognised initially at transaction price less attributable transaction costs; and subsequently at amortised cost.

If an arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

## EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the consolidated statement of total return.

##### Non-Financial Assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss.

##### Expenses

Expenses are recognised on an accruals basis.

# EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 2. ADMINISTRATION EXPENSES

The Directors of the General Partner did not receive any remuneration for services to the Partnership during the current financial period. The services of the directors are of a non-executive nature. Accordingly, no directors' emoluments are charged for the current financial year. The Partnership had no employees in the current year. Audit fees payable for the year were £9,800 (2021: £9,000).

### 3. TAXATION

The Partnership itself is not subject to UK corporation tax. Tax arising on the income of the Partnership is a charge on the partners themselves.

### 4. INVESTMENTS IN SUBSIDIARIES

	£
At 31 December 2021	1
Additions at cost	-
	-----
At 31 December 2022	1
	=====

The Partnership holds the only share in Edinburgh St James Hotel Operating Company limited. The historical cost of the Qualifying partnership's investment at 31 December 2022 was £1 (2021: £1). The registered address of the subsidiary is 201 Bishopsgate, London EC2M 3BN.

### 5. PROPERTY UNDER CONSTRUCTION

The movements in the year on the valuation of properties under construction were:

	£'000
Market value at 1 January 2022	55,067
Additions at cost	36,967
Losses on revaluation of property	(48,439)
	-----
Market value at 31 December 2022	43,595
	=====

## EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

#### 5. PROPERTY UNDER CONSTRUCTION (CONTINUED)

The Partnership's property is stated at market value at 31 December 2022, valued by professionally qualified external valuers. The valuation has been prepared by CBRE Limited, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

The valuation has been prepared on the basis of "Fair Value" which for the purpose of financial reporting is effectively the same as "Market Value", which is defined as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The historical cost of the Property Under Construction at 31 December 2022 was £99.5m (2021: £62.5m).

#### 6. DEBTORS

	2022 £'000	2021 £'000
VAT receivable	859	75
Other Debtors	35	6
	-----	-----
	894	81
	=====	=====

The amounts due above are unsecured, interest free and repayable on demand.

## EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

#### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Capital accruals	4,295	2,355
Other creditors and accruals	55	75
Loan due to Albina Investments Holding Limited	101,335	46,034
Loan due to HSCF Edinburgh LP	24,725	15,345
Amounts due to Edinburgh St James Limited Partnership	-	39
	-----	-----
	130,410	63,848
	=====	=====

Amounts are interest free, unsecured and repayable on demand.

Albina Investments Holding Limited and HSCF Edinburgh LP have provided the Partnership with letters of support dated 13 November 2023, confirming that they will not will not require the repayment of these loans due to them by the Partnership, or any portion thereof, including interest for a period of at least 12 months from the financial statements issuance date and until the Partnership has the financial ability to repay the loans. The letters also confirm that Albina Investments Holding Limited and HSCF Edinburgh LP will provide financial support to the Partnership such that the Partnership is able to operate as a going concern and to settle its liabilities as they fall due, for a period of not less than 12 months from the financial statement issuance date as and when required. The Directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP have also confirmed that they have the financial ability and intent to provide the financial and management resources required and that there are no restrictions in providing such support.

#### 8. RELATED PARTIES

Fees payable during the year to the asset manager, Nuveen Investment Management International Limited were £21,497.

Fees payable during the year to the development manager, Nuveen Investment Management International Limited were £9,450.

Other than the asset manager and development manager fees and items disclosed in notes 6 and 7 there were no other material related party balances during the year.



## **EDINBURGH ST JAMES HOTEL LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

#### **9. CONTROLLING PARTIES**

Edinburgh St James Hotel (GP) Limited acts as General Partner to the Partnership and is the immediate controlling party. At 31 December 2022 the limited partner was Aztec (Trustees No 1) Limited (as trustees of Edinburgh St James Hotel Property Unit Trust).

The results of the Partnership are consolidated into the accounts of Edinburgh St James Limited Partnership, of which the accounts are not publicly available.

The ultimate controlling parties are Zedra Jersey Trust Corporation Limited, in its capacity as Trustee of UK Shopping Centre Fund (as the ultimate parent of HSCF Edinburgh LP) and Stichting Depository APG Strategic Real Estate Pool (as the ultimate parent of Albina Investments Holding Limited), due to the shareholdings of 25% and 75% respectively.

#### **10. SUBSIDIARIES**

Edinburgh St James Hotel Operating Company Limited

#### **11. SUBSEQUENT EVENTS**

Albina Investments Holding Limited and HSCF Edinburgh LP have provided the Partnership with letters of support dated 13 November 2023, confirming that the Directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP will not require the repayment of these loans due to them by the Partnership, or any portion thereof, including interest for a period of at least 12 months from the financial statements issuance date and until the Partnership has the financial ability to repay the loans. The letters also confirm that Albina Investments Holding Limited and HSCF Edinburgh LP will provide financial support to the Partnership such that the Partnership is able to operate as a going concern and to settle its liabilities as they fall due, for a period of not less than 12 months from the financial statement issuance date as and when required. The Directors of Albina Investments Holding Limited and the General Partner of HSCF Edinburgh LP have also confirmed that they have the financial ability and intent to provide the financial and management resources required and that there are no restrictions in providing such support.