

Registered Number: 10150691

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020



EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Directors

S. Wicks
A. J. Rippingale
M. B. White

Secretary and registered office

Nuveen Corporate Secretarial Services Limited
201 Bishopsgate
London EC2M 3BN

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2020

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

Principal activities and future prospects

The Company was incorporated on 27 April 2016 as an investment holding company and holds a minority interest in Edinburgh St James Hotel Property Unit Trust, which itself acts as Limited Partner for Edinburgh St James Hotel Limited Partnership.

Results and dividends

The Company made a profit of £nil (2019: £nil) for the year. The Directors do not recommend the payment of a dividend.

Directors

The Directors of the Company are set out on page 1, which includes those who held office throughout the period and any appointments, resignations and cessations since the period 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 HOLDING COMPANY NO.2 LIMITED

REPORT OF THE DIRECTORS (continued) **For the year ended 31 December 2020**

Disclosure of information to auditor

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Auditor

The directors have decided not to reappoint KPMG as the auditors for the next financial year.

Going Concern

The Board of directors has also considered the impact of the COVID-19 global pandemic, which has resulted in unprecedented risks and significant levels of volatility and reduced asset prices in global equity and bond markets. The Board of directors consider that, as explained in note 1, a material uncertainty exists in relation to going concern.

By order of the Board

DocuSigned by:

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Andrew Rippingale, Director

21 December 2021

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED

Opinion

We have audited the financial statements of Edinburgh St James Hotel Holding company No.2 Limited ("the company") for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, Company Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that the company's ability to continue as a going concern is dependent on continued financial support from the ultimate parent entities and one of them has reported a potential breach of loan covenant that could mean that parents loans become repayable. These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors of whether they are aware of fraud and of the company's high-level policies and procedures to prevent and detect fraud;
- Reading board minutes;
- Considering remuneration incentive schemes and performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because the property is in development with no revenue yet earned.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the company's fraud risk management controls.

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation;
- evaluating the business purpose of significant unusual transactions, if any.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: landlord and tenant legislation, property laws and building legislation, recognising the nature of the company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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

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

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

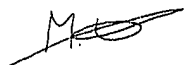
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Williams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
Date: 21 December 2021

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2020**

	Note	2020	2019
		£	£
Administration expenses	2	-	-
Net loss on investment in subsidiaries		-	-
		-----	-----
Loss before taxation		-	-
Taxation	3	-	-
		-----	-----
Profit for the financial year		-	-
		=====	=====

There were no items of comprehensive income other than those in profit or loss.

All activities derive from continuing operations.

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED

Company registration number: 10150691

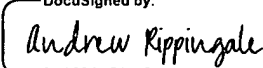
COMPANY BALANCE SHEET31 December 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Investment in subsidiaries	4		1		1
			-----		-----
Current assets					
Debtors	5	100		100	
		-----		-----	
Creditors: amounts falling due within one year	6	(108)		(108)	
		-----		-----	
Net current liabilities			(8)		(8)
			-----		-----
Net liabilities			(7)		(7)
			=====		=====
Capital and reserves					
Share capital	7	100		100	
Profit and loss account		(107)		(107)	
Equity attributable to owners of the parent					
			-----		-----
			(7)		(7)
			=====		=====

The 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.

The financial statements were approved by the Board of Directors on 21 December 2021

Signed on behalf of the Board of Directors by

DocuSigned by:

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 Andrew Rippingale, Director

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES

The Company, Edinburgh St James Hotel Holding Company No.2 Limited has its registered office at 201 Bishopsgate, London EC2M 3BN. The financial statements are prepared for the financial year ended 31 December 2020.

The financial statements have been prepared under the historical cost convention 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.

Going Concern

The Directors note that one of the ultimate parent entities, UK Shopping Centre Fund, has reported potential breaches of loan covenants that mean that their loans could become repayable and that their Manager is therefore currently in negotiations with those lenders to amend the loan facilities.

Because this company is partly reliant on financing ultimately from UK Shopping Centre Fund, those circumstances represent a material uncertainty that may cast significant doubt upon this company's ability to continue as a going concern and therefore to continue realising its assets and discharging its liabilities in the normal course of business.

However, the Director also notes that in respect of the UK Shopping Centre Fund:

- Based on the negotiation progress to date, their Manager believes that the outcome of the negotiations with the Lenders will be positive.
- The Lenders are currently allowing access to restricted funds to fund operating and capital expenses not covered by operating income.
- The Fund has suspended distributions paid to its members to reduce cash outflows.

Based on the above, the Director believes that it remains appropriate to prepare this 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

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

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.

Cashflow 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 and are exempt from property consolidated accounts.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at the transaction price less 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 plus 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.

2. ADMINISTRATION EXPENSES

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

The audit fee for the Company for the year was £2,900 (2019: £2,471). This was paid by Edinburgh St James Limited Partnership. There were £nil non-audit fees payable to the Auditor during the year (2019: £nil).

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2020****3. TAXATION**

	2020£	2019 £
(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 for the period uses the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2020 £	2019 £
Loss on ordinary activities before tax	-	-
	-----	-----
Profit multiplied by UK corporation tax rate of 19%		
Effects of:	-	-
Income disallowable for tax	-	-
	-----	-----
Total tax	-	-
	=====	=====

4. INVESTMENT IN SUBSIDIARIES

	2020 £	2019 £
As at 1 January	1	1
Additions at cost	-	-
Impairment	-	-
	-----	-----
As at 31 December	1	1
	=====	=====

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2020**4. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

The Company holds a 0.1% interest in the Edinburgh St James Hotel Property Unit Trust registered address at 11-15 Seaton Place, St Helier Jersey JE4 0QH. The historical cost of the Company's investment at 31 December 2020 was £1 (2019: £1).

5. DEBTORS

	2020	2019
	£	£
Due from Edinburgh St James Limited Partnership	100	100
	-----	-----
	100	100
	=====	=====

Amounts are interest free, unsecured and repayable on demand.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Due to Edinburgh St James Limited Partnership	(107)	(107)
Due to Edinburgh St James Hotel Property Unit Trust	(1)	(1)
	-----	-----
	(108)	(108)
	=====	=====

Amounts are interest free, unsecured and repayable on demand.

7. CALLED UP SHARE CAPITAL

	2020	2019
	£	£
Called up, allotted and fully paid: 100 share of £1 each	100	100
	=====	=====

Share capital of £nil (2019: £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.

EDINBURGH ST JAMES HOTEL HOLDING COMPANY NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

9. CONTROLLING PARTIES

The ordinary shares are owned by Edinburgh St James Limited Partnership which is the immediate controlling party.

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 Stichting Depositary APG Strategic Real Estate Pool and BNP Paribas Jersey Trust Corporation Limited, in its capacity as Trustee of UK Shopping Centre Fund in the proportions 75% and 25% respectively.