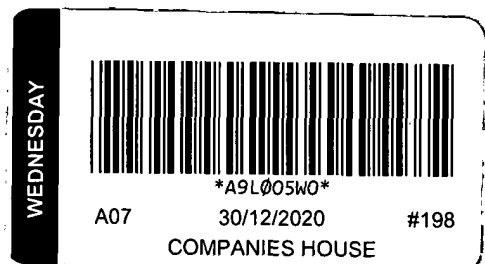


# **Queensgate Gem FH Bidco Limited**

(Company Registration No. 11742974)

## **Annual Report and Audited Financial Statements**

**For the period from incorporation on 28 December 2018 to 31 March 2020**



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**GENERAL INFORMATION**

Directors	Jueane Thiessen Jason Hann Jeic Kow
Registered Office	8 Hill Street London W1J 5NG
Solicitors	Macfarlanes 20 Cursitor Street Holborn London EC4A 1LT
Independent Auditor	BDO LLP 55 Baker Street Marylebone London W1U 7EU

## **STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

The Directors present their Strategic Report for the Company for the period ended 31 March 2020.

### **Results for the period**

The results for the year are set out in the Directors' Report

The Company recorded a total comprehensive income for the period ended 31 March 2020 of £88,726,000

The net asset value of the Company as at 31 March 2020 is £88,726,000. These financial statements cover the Company's first period of trading, a 15 month period from incorporation on 28th December 2018. The Company has performed well during this period, in line with expectations.

### **Principal Activities of the Company**

The principal activity of the Company is act as a holding Company for its subsidiaries.

The ultimate Parent of the UK Group is Queensgate Gem LLH Bidco Limited. Any reference to the Group hereafter relates to Queensgate Gem LLH Bidco Limited and its subsidiaries.

### **Principal Risks and Uncertainties of the Company**

#### **COVID-19 and Resulting Economic Downturn**

The COVID-19 pandemic has led to an economic downturn in the UK. The Company continues to monitor the ongoing development of the COVID-19 pandemic and, to date, the Company has not experienced any material adverse impact to its operations as a holding Company. The Directors are continuing to monitor the ongoing situation.

### **Section 172 Statement**

In accordance with section 172 of the UK Companies Act 2006, in its decision making the Board considers the interests of the Company's various stakeholders. The Board understands the importance of taking into account the views of all stakeholders and considers the impact of the Company's activities on the communities in which the Company operates, the environment and the Company's reputation. In its decision making, the Board also considers what is most likely to promote the success of the Company for its stakeholders in the long term.

When making decisions, the Board also takes into consideration the long-term consequences for both the Company and its stakeholders, ensuring the Company conducts its business fairly, protecting its reputation and external relationships.

**STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2020 (continued)**

**Supplier Engagement**

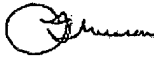
The Company actively works to ensure that suppliers are paid on time every time. Due diligence is taken on new suppliers and wherever possible green accreditation status will be taken into consideration. Waste reduction is actively discussed with key suppliers to ensure the overall waste is minimised.

**Investor Engagement**

The board is committed to ensuring there is continued, sufficient and effective communication and engagement between the Company and its investors through various different means throughout the year, including:

- Regular updates on key performance
- Distribution of annual audited accounts
- Regular updates on future developments.

For and on behalf of Queensgate Gem FH Bidco Limited



Jueane Thiessen

Director

Date:

24 November 2020

**DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

The Directors present their report and audited financial statements of Queensgate GEM LLH Bidco Limited (the "Company") for the period ended 31 March 2020. The Company was incorporated on 28 December 2018.

**Directors**

The Directors that served the Company during the period ended 31 March 2020 and up to the date of signing the financial statements were as follows:

Jueane Thiessen (appointed 28 December 2018)

Jonathan James Millet (appointed 28 December 2018, resigned 23 October 2020)

Jason Hann Jeic Kow (appointed 23 October 2020)

**Results and Dividends**

The Company recorded a profit before taxation of £88,726,000

The Directors do not propose a dividend for the period.

**Going Concern**

The Company continues to monitor the ongoing development of the COVID-19 pandemic and, to date, the Company has not experienced any material adverse impact to operations. The Company continues to actively monitor the situation and has considered and assessed the impact of the outbreak on the Company's future trading under a range of different scenarios. The Company is run on minimal operating costs, and as such it is expected that the outbreak will not have a material impact on the Company.

Furthermore, the Company is in a net current asset position, and has no material commitments. As such, the Directors consider that there is no material uncertainty around the Company continuing as a going concern for the foreseeable future and it remains appropriate for the financial statements to be prepared on a going concern basis.

**Subsequent Events**

There have been no material subsequent events up to the date of signing these financial statements.

The Company continues to actively monitor the ongoing COVID-19 pandemic.

**Political Contributions**

The Company has not made any political donations or incurred any political expenditure during the period.

**Disclosure of information to Auditors**

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

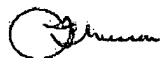
**Indemnity Provision for Directors**

Qualifying third party indemnity provision for the benefit of the Directors was in force at all times during the financial year.

**Independent Auditors**

On 3 August 2020 BDO LLP were appointed as auditor. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP have indicated their willingness to continue in office.

For and on behalf of Queensgate Gem FH Bidco Limited



Jueane Thiessen

Director

Date:

24 November 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEENSGATE GEM FH BIDCO LIMITED**

**Opinion**

We have audited the financial statements of Queensgate Gem FH Bidco Limited ("the Company") for the period from incorporation on 28 December 2018 to 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEENSGATE GEM FH BIDCO LIMITED**  
(continued)

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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 Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.

**BDO LLP**

**Justin Chait (Senior Statutory Auditor)**

For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
24 November 2020

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

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2020**

	Note	Period from 28 December 2018 to 31 March 2020 £000
<b>Turnover</b>		63
Cost of sales		-
<b>Gross Profit</b>		<u>63</u>
Administrative expenses		(23,799)
<b>Operating loss</b>	5	<u>(23,736)</u>
Valuation movement in subsidiary	9	3,209
Dividend income	9	109,253
<b>Profit before tax</b>		<u>88,726</u>
Tax on profit	7	-
<b>Profit for the period</b>		<u><u>88,726</u></u>
Other comprehensive income		-
<b>Total comprehensive income for the period</b>		<u><u>88,726</u></u>

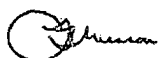
The accompanying notes to the financial statements on pages 13 to 19 form an integral part of these financial statements.  
Turnover and operating loss derive wholly from continuing operations within the United Kingdom.

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	Note	As at 31 March 2020 £'000
<b>Non-current assets</b>		
Intangible assets	8	5,601
Investment in subsidiary	9	17,094
		<u>22,695</u>
<b>Current assets</b>		
Intercompany debtors falling due within one year	10	68,882
Other debtors	10	11
<b>Total current assets</b>		<u>68,893</u>
<b>Current liabilities</b>		
Intercompany creditors falling due within one year	11	(2,854)
Accruals and deferred income	11	(8)
<b>Total current liabilities</b>		<u>(2,862)</u>
<b>Net current assets</b>		<u>66,031</u>
<b>Total assets less current liabilities</b>		<u>88,726</u>
<b>Net assets</b>		<u>88,726</u>
<b>Equity</b>		
Share capital	12	-
Retained earnings		88,726
<b>Total equity</b>		<u>88,726</u>

The accompanying notes to the financial statements on pages 13 to 19 form an integral part of these financial statements.

The financial statements on pages 10 to 19 were approved and authorised for issue by the Board of Directors on 24 November 2020 and were signed on its behalf by:



Jueane Thiessen  
Director  
Date:  
24 November 2020

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 28 DECEMBER 2018 TO 31 MARCH 2020**

	<b>Called up share capital £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
<b>As at incorporation on 28 December 2018</b>	-	-	-
Issued share capital	-	-	-
Total comprehensive income for the period	-	88,726	88,726
<b>As at 31 March 2020</b>	-	<b>88,726</b>	<b>88,726</b>

Issued share capital was £1 as disclosed within Note 12. This is shown as nil above due to rounding.

The accompanying notes to the financial statements on pages 13 to 19 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 28 DECEMBER 2018 TO 31 MARCH 2020**

**1 CORPORATE INFORMATION**

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The registered number is 11742974 and the registered office is located at 8 Hill Street, London, W1J 5NG. The Company was incorporated and commenced trading on 28 December 2018. The Company's operations are included in the Strategic Report on page 4.

**2 BASIS OF PREPARATION**

**Preparation of the Financial Statements**

These financial statements are the first to be produced for the Company and cover the 15 month period from 28 December 2018 to 31 March 2020. They have been prepared on a going concern basis, applying the historical cost convention in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102")

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

In these financial statements, the Company is considered to be a qualifying entity (under FRS 102) and has applied the exemptions available under FRS 102 paragraph 1.12b and paragraph 1.12e in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key management personnel compensation.

Under FRS 102 Section 33 - Related Parties, the Company is exempt from disclosure of transactions entered into between members of the Gem Bidco LP Group, provided that any subsidiary which is a party to the transaction is wholly owned by a member of the Gem Bidco LP Group

Judgements made by the Directors that may have a significant effect on the financial statements are discussed in note 4.

**Going Concern**

The Company continues to monitor the ongoing development of the COVID-19 pandemic and, to date, the Company has not experienced any material adverse impact to operations. The Company continues to actively monitor the situation and has considered and assessed the impact of the outbreak on the Company's future trading under a range of different scenarios. The Company is run on minimal operating costs, and as such it is expected that the outbreak will not have a material impact on the Company.

Furthermore, the Company is in a net current asset position, and has no material commitments. As such, the Directors consider that there is no material uncertainty around the Company continuing as a going concern for the foreseeable future and it remains appropriate for the financial statements to be prepared on a going concern basis.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basic financial instruments**

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances at bank and in hand.

*Interest-bearing loans classified as basic financial instruments*

Interest-bearing loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 28 DECEMBER 2018 TO 31 MARCH 2020 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basic financial instruments (continued)

*Trade and other debtors*

Trade and other debtors are recognised initially at 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 classified as current assets if receipt is due within one year or less. If not, they are presented as non-current assets.

*Trade and other creditors*

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are recognised initially at transaction price less attributable transaction costs. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

b) Investments in subsidiary

Investments are initially recognised at cost including the expenses incidental thereto. Subsequent to initial recognition, the Company's investments are stated at fair value based on underlying net asset value of the subsidiary and the changes in the fair value is recognised in the Statement of Comprehensive Income.

Investment valuations are assessed for impairment or appreciation on an annual basis, with any changes in fair value being recorded in the Statement of Comprehensive Income. All estimates of the fair market value of the Company's investments will be based on the fair value of the underlying net assets of the investment entities.

c) Dividend income

Dividend income relates to dividends received from subsidiary undertakings. Dividend income is recognised when the right to receive payment is established.

d) Turnover

Turnover is management fee income exclusive of VAT and is recognised in the Statement of Comprehensive Income as it accrues.

e) Accruals

The Company recognises a liability for services that have been provided by suppliers to the Company but have not yet been invoiced.

f) Prepayments and accrued income

The Company recognises a prepayment where payment has been made in advance of services yet to be received, if it is probable that the costs will be recovered. Likewise, the Company recognises an asset if services have been provided in advance of payment.

g) Taxation

Tax on the profit or loss for the period is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in Equity or Other Comprehensive Income, in which case it is recognised directly in Equity or Other Comprehensive Income.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 28 DECEMBER 2018 TO 31 MARCH 2020 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Statement of Financial Position date. For non-depreciable assets that are measured using the revaluation model deferred tax is charged through the Statement of Changes in Equity for tangible assets on the inherent gain and through the Statement of Comprehensive Income for capital allowances in excess of depreciation.

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

h) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. The Company assesses at each reporting date whether intangible assets are impaired.

Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of intangible assets. The estimated useful lives are as follows:

Asset Class	Amortisation Rate
Capitalised fees	4 years

Amortisation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

4 SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the Statement of Financial Position and the amounts reported for revenue and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Company has identified the following areas where significant judgements, estimates and assumptions are required.

(i) Fair value of investment in subsidiaries

The Company is the immediate Parent Company of Grange St. Paul's Limited, Grange City Hotel Limited, Grange Holborn Limited and Grange Tower Bridge Limited. In measuring the fair value of the investment in subsidiaries, the Net Asset Value (NAV) of the financial position of each of these subsidiaries as at the reporting date is used as an approximation of fair value. Investments are assessed for fair value on an annual basis, with any changes in fair value being recorded in the Statement of Comprehensive Income in the period.

5 OPERATING LOSS

Operating loss for the period is stated after charging the following expenses:

	Period ended 31 March 2020
	£000
Acquisition expenses	21,704
Amortisation of intangible assets (see note 11)	1,972
Audit fees	8

Auditors remuneration of £8,000 was incurred during the period.

6 STAFF COSTS AND DIRECTORS' REMUNERATION

The average number of persons employed by the Company (including Directors) during the period was two.

Directors' remuneration during the period amounted to £nil. The Directors are remunerated through other Queensgate group companies.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 28 DECEMBER 2018 TO 31 MARCH 2020 (continued)**

**7 TAXATION**

	Period ended 31 March 2020 £000
<b>Tax on profit on ordinary activities</b>	
<b>Current tax</b>	
UK corporation tax	-
<b>Total tax charge on profit on ordinary activities</b>	<u>-</u>

Factors affecting tax charge for the period

The tax on profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19%.

	Period ended 31 March 2020 £000
Profit on ordinary activities before tax	88,726
Corporation tax standard rate 19%	<u>16,858</u>
<b>Effects of:</b>	
Disallowable expenditure	4,520
Income not taxable	(21,374)
Effects of group relief/other reliefs	<u>(4)</u>
<b>Total tax charge for the period</b>	<u>-</u>

**8 INTANGIBLE ASSETS**

	Capitalised fees £000	Total £000
<b>Cost</b>		
Balance at 28 December 2018	-	-
Additions	<u>7,573</u>	<u>7,573</u>
<b>Balance at 31 March 2020</b>	<u>7,573</u>	<u>7,573</u>
<b>Accumulated amortisation</b>		
Balance at 28 December 2018	-	-
Amortisation charge for the period	<u>1,972</u>	<u>1,972</u>
<b>Balance at 31 March 2020</b>	<u>1,972</u>	<u>1,972</u>
<b>Net book value</b>		
As at 31 March 2020	<u>5,601</u>	<u>5,601</u>
As at 28 December 2018	<u>-</u>	<u>-</u>

Intangible assets are made up of capitalised fees relating to the acquisition of the four hotels and the establishment of the group structure.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 28 DECEMBER 2018 TO 31 MARCH 2020 (continued)**

9 INVESTMENTS IN SUBSIDIARY	Total
	£000
Cost	9,222
Additions	4,664
Revaluation of investment	3,209
Balance at 31 March 2020	<u>17,095</u>

The above investment relates to equity in the Company's subsidiary undertakings. The entire issued share capital of the subsidiary entities were acquired on 15 March 2019 for a total of £9.2m, being the net asset value of the companies' assets and liabilities on acquisition. No goodwill was recognised on acquisition. The additions relate to amounts paid to the hotel operating company in consideration of transfer of negative net working capital from the subsidiary entities. The gain in the period reflects the increase in combined net asset value of the subsidiaries as at the year end.

**Subsidiary undertakings**

The following entities are immediate subsidiary undertakings of the Company:

Name	Country of incorporation	Registered office address	Class of shares	Holding
Grange St. Pauls Limited <sup>1</sup>	England	10 Godliman street, London, EC4V 5AJ	Ordinary	100%
Grange City Hotel Limited <sup>2</sup>	England	8-14 Cooper's Row, London, EC3N 2BQ	Ordinary	100%
Grange Holborn Limited <sup>3</sup>	England	50-60 Southampton Row, London, WC1B 4AR	Ordinary	100%
Grange Tower Bridge Limited <sup>4</sup>	England	45 Prescott Street, London, E1 8GP	Ordinary	100%

<sup>1</sup> The principal activity during the period after acquisition on 15 March 2019 was that of the sale of the freehold and leasehold of Grange St. Paul's Hotel based in London, UK.

<sup>2</sup> The principal activity during the period after acquisition on 15 March 2019 was that of the sale of the freehold and leasehold of Grange City Hotel based in London, UK.

<sup>3</sup> The principal activity during the period after acquisition on 15 March 2019 was that of the sale of the freehold and leasehold of Grange Holborn Hotel based in London, UK.

<sup>4</sup> The principal activity during the period after acquisition on 15 March 2019 was that of the sale of the leasehold of Grange Tower Bridge Hotel based in London, UK.

**Dividends from subsidiaries**

During the period the Company received dividend income of £109,253k from its direct subsidiaries. Dividend income is recognised when the right to receive dividends is established.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 28 DECEMBER 2018 TO 31 MARCH 2020 (continued)**

**10 DEBTORS**

	As at 31 March 2020 £000
Prepayments	1
VAT Control account	10
Amounts owed by group undertakings	68,882
	<u>68,893</u>

Amounts owed by group undertaking are interest free and repayable on demand.

**11 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	As at 31 March 2020 £000
Accruals and deferred income	8
Amounts owed to group undertaking	2,854
	<u>2,862</u>

Amounts falling due within one year owed to group undertaking are interest free and repayable on demand.

There is no security given over these liabilities.

**12 SHARE CAPITAL**

	As at 31 March 2020 £
Allotted, called up and fully paid 1 ordinary share of £1	1
<b>Total share capital</b>	<u>1</u>

The holder of the ordinary share is entitled to receive dividends as declared from time to time and is entitled to 1 vote per share at meetings of the Company.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 28 DECEMBER 2018 TO 31 MARCH 2020 (continued)**

**13 SUBSEQUENT EVENTS**

After the year end, the COVID-19 pandemic outbreak has had a significant impact on the operations of the Company and its subsidiaries. It is currently too early to tell what the long term impact of this will be, but the Directors are closely monitoring the evolving situation. Please see note 2 to the financial statements for the measures being undertaken by the Directors of the Company to manage this risk.

**14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY**

The Company is a direct subsidiary undertaking of Queensgate Gem UK Holdco Limited. The ultimate parent company and controlling party is Gem Bidco LP, a Private Fund Limited Partnership incorporated in the United Kingdom. The largest group in which the results of the Company are consolidated is that headed by Gem Jersey Midco 2 Limited. The smallest group in which they are consolidated is that headed by Queensgate Gem UK Midco Limited. The consolidated financial statements of Queensgate Gem UK Midco Limited are available to the public and may be obtained from 8 Hill Street, London, W1J 5NG

**15 CONTINGENCIES AND COMMITMENTS**

The Company has no commitments or contingencies.

**16 RELATED PARTIES**

The Parent of the Company is Queensgate Gem UK Holdco Limited. The Company has taken advantage of the exemption in FRS 102 from disclosing transactions with other members of the Group on the basis that the Company is a wholly owned subsidiary.