

RESIDENT HOTELS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	14,629	19,801
		<u>14,629</u>	<u>19,801</u>
Current assets			
Debtors: amounts falling due within one year	5	300,771	749,671
Cash at bank and in hand	6	970,706	76,348
		<u>1,271,477</u>	<u>826,019</u>
Creditors: amounts falling due within one year	7	(1,548,400)	(1,262,068)
Net current liabilities		<u>(276,923)</u>	<u>(436,049)</u>
Total assets less current liabilities		<u>(262,294)</u>	<u>(416,248)</u>
Creditors: amounts falling due after more than one year	8	(833,333)	-
Net liabilities		<u><u>(1,095,627)</u></u>	<u><u>(416,248)</u></u>
Capital and reserves			
Called up share capital		131	131
Share premium account		9,870	9,870
Profit and loss account		<u>(1,105,628)</u>	<u>(426,249)</u>
		<u><u>(1,095,627)</u></u>	<u><u>(416,248)</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

William Laxton
Director

Date: 23 December 2022

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	131	9,870	75,730	85,731
Loss for the year	-	-	(501,979)	(501,979)
At 1 January 2021	131	9,870	(426,249)	(416,248)
Loss for the year	-	-	(679,379)	(679,379)
At 31 December 2021	131	9,870	(1,105,628)	(1,095,627)

The notes on pages 3 to 9 form part of these financial statements.

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

1. General information

Resident Hotels Limited is a private company (registered number: 06250955), limited by shares, registered in England and Wales. The registered address is 112 Jermyn Street, London, SW1Y 6LS.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding net current liabilities of £276,923 as at 31 December 2021, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors note that the trading companies to whom the Company provides management services refinanced their commercial bank loans in November 2022 with National Westminster Bank Plc.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds, through this refinancing of the trading companies' existing commercial bank loan facility and continued funding from Western Heritable Limited, a company under common control which has confirmed that it does not intend to seek repayment of such funds for the period covered by the forecasts, to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Revenue

Turnover comprises revenue recognised by the Company in respect of management services provided to associated hotel trading companies, exclusive of Value Added Tax. The revenue is recognised in the period in which these management services are provided.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-
	2 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.9 Creditors

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

2.10 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102.

During the year the Company received grants totalling £270,623 (2020: £576,352) in relation to the Coronavirus Job Retention Scheme. These grants are recognised in the Statement of Comprehensive Income, within Other Operating Income, in the same period as the related staff costs expenditure. There are no unfulfilled conditions in relation to these grants.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

2. Accounting policies (continued)

2.12 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.13 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

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

2021 No.	2020 No.
<u>81</u>	<u>83</u>

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

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2021	42,418
Additions	7,087
At 31 December 2021	49,505
Depreciation	
At 1 January 2021	22,617
Charge for the year on owned assets	12,259
At 31 December 2021	34,876
Net book value	
At 31 December 2021	14,629
At 31 December 2020	19,801

5. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	201,775	-
Amounts owed by associates	-	705,010
Other debtors	145	4,159
Prepayments and accrued income	40,573	40,447
Deferred taxation	58,278	55
	<u>300,771</u>	<u>749,671</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>970,706</u>	<u>76,348</u>

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

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	166,667	-
Other loans	375,363	350,000
Trade creditors	62,555	129,041
Amounts owed to group undertakings	157,458	-
Corporation tax	-	16,361
Other taxation and social security	534,192	655,700
Other creditors	47,202	51,673
Accruals and deferred income	204,963	59,293
	<u>1,548,400</u>	<u>1,262,068</u>

Included within other creditors is an amount of £30,000 (2020: £30,000) owed to Western Heritable Limited, a company under common control.

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	833,333	-
	<u>833,333</u>	<u>-</u>

Shareholders loans are repayable at such times and in such amounts as the Company determines.

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

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	166,667	-
Other loans	375,363	350,000
Amounts falling due 1-2 years		
Bank loans	200,000	-
Amounts falling due 2-5 years		
Bank loans	600,000	-
Amounts falling due after more than 5 years		
Bank loans	33,334	-
	<u>1,375,364</u>	<u>350,000</u>

Other loans includes an unsecured loan of £375,363, which includes accrued interest of £25,363 (2020: £7,863), owed to Western Heritable Limited, a company under common control, that is repayable on demand. Interest is charged at 5% per annum.

Bank loans include a Coronavirus Business Interruption Loan ("CBILs") repayable in monthly instalments of £16,667 commencing March 2022. Interest is charged at 2.96% above base rate per annum. The balance on the CBILs bank loan as at 31 December 2021 is £1,000,000 (2020: £NIL).

10. Deferred taxation

	2021 £	2020 £
At beginning of year	55	(1,152)
Charged to profit or loss	58,223	1,207
At end of year	<u>58,278</u>	<u>55</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(3,657)	(3,675)
Short term timing differences	5,004	3,730
Losses	56,931	-
	<u>58,278</u>	<u>55</u>

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

11. Post balance sheet events

The Company signed a Hotel Management Agreement with Sleeperz Hotels Limited on 14 November 2022 to provide hotel management services to four hotels, Sleeperz Cardiff, Sleeperz Dundee, Sleeperz Newcastle and Cityroomz Edinburgh which gave effective control from 1 September 2022. This enables the Company to utilise its existing commercial and administration expertise to manage these businesses which are majority owned by its parent company, Mactaggart Hotel Holdings Limited, following a share acquisition on 18 May 2022.

12. Controlling party

The Company's immediate parent company is The Resident Soho Holdings Limited, which is registered in England and Wales. The Company's ultimate parent company and controlling party is Mactaggart Hotel Holdings Limited which is registered in England and Wales at 2 Babmaes Street, London, SW1Y 6HD. Mactaggart Hotel Holdings Limited produces consolidated financial statements that are available to the public, on payment of the appropriate fee, from the Registrar of Companies at Companies House, Crown Way, Cardiff, CF14 3UZ.

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 23 December 2022 by Gareth Ogden (Senior Statutory Auditor) on behalf of Haysmacintyre LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.