Registered number: 03214521

BANKSIDE HOTELS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

BANKSIDE HOTELS LIMITED
REGISTERED NUMBER: 03214521

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	5		6,078,405		6,240,449
Investment property	7		45,200,000		45,200,000
			51,278,405		51,440,449
Current assets					
Stocks		6,873		7,631	
Debtors: amounts falling due within one year	8	5,606,642		5,783,007	
Cash at bank and in hand		3,335,597		2,544,064	
		8,949,112		8,334,702	
Creditors: amounts falling due within one year	9	(9,613,001)		(2,587,155)	
Net current (liabilities)/assets			(663,889)		5,747,547
Total assets less current liabilities			50,614,516		57,187,996
Creditors: amounts falling due after more than one year	10		(21,000,000)		(28,871,791)
Provisions for liabilities					
Deferred taxation	12	(3,054,910)		(3,039,082)	
			(3,054,910)		(3,039,082)
Net assets			26,559,606		25,277,123
Capital and reserves					
Called up share capital			100		100
Investment property reserve			21,636,385		21,636,385
Profit and loss account			5,014,508		3,756,194
Equity attributable to owners of the parent company			26,650,993		25,392,679
Non-controlling interests			(91,387)		(115,556)
			26,559,606		25,277,123

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 consolidated 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:

.....
N J Gourgey
Director

Date: 27 January 2021

The notes on pages 7 to 23 form part of these financial statements.

BANKSIDE HOTELS LIMITED
REGISTERED NUMBER: 03214521

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	5		364,723		405,248
Investments	6		21		21
Investment property	7		35,000,000		35,000,000
			35,364,744		35,405,269
Current assets					
Debtors: amounts falling due within one year	8	3,822,425		4,031,562	
Cash at bank and in hand		1,986,558		1,240,346	
		5,808,983		5,271,908	
Creditors: amounts falling due within one year	9	(998,084)		(929,741)	
Net current assets			4,810,899		4,342,167
Total assets less current liabilities			40,175,643		39,747,436
Creditors: amounts falling due after more than one year	10		(15,000,000)		(15,000,000)
Provisions for liabilities					
Deferred taxation	12	(3,073,910)		(3,128,693)	
			(3,073,910)		(3,128,693)
Net assets			22,101,733		21,618,743
Capital and reserves					
Called up share capital			100		100
Investment property reserve			21,536,385		21,536,385
Profit and loss account			565,248		82,258
			22,101,733		21,618,743

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 consolidated 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:

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N J Gourgey
Director

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Investment property evaluation reserve	Profit and loss account	Equity attributable to owners of parent company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 January 2018	100	21,588,388	4,209,920	25,798,408	(147,185)	25,651,223
Loss for the year	-	-	(405,729)	(405,729)	31,629	(374,100)
Deferred tax adjustment	-	(154,292)	154,292	-	-	-
Fair value gain on investment properties transferred to investment properties revaluation reserve	-	202,289	(202,289)	-	-	-
At 1 January 2019	100	21,636,385	3,756,194	25,392,679	(115,556)	25,277,123
Profit for the year	-	-	1,258,314	1,258,314	24,169	1,282,483
At 31 December 2019	100	21,636,385	5,014,508	26,650,993	(91,387)	26,559,606

The notes on pages 7 to 23 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Investment property revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2018	100	21,588,388	(263,803)	21,324,685
Profit for the year	-	-	294,058	294,058
Deferred tax movement	-	(154,292)	154,292	-
Fair value gain on investment properties transferred to investment properties revaluation reserve	-	102,289	(102,289)	-
At 1 January 2019	100	21,536,385	82,258	21,618,743
Profit for the year	-	-	482,990	482,990
At 31 December 2019	100	21,536,385	565,248	22,101,733

The notes on pages 7 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The principal activity of Bankside Hotels Ltd ("the Company") is that of a lessor of hotels. The Group carries out activities in relation to the operating and managing of hotels.

The company is a private company limited by shares and is incorporated in England and Wales.

The address of its registered office is 35 Ballards Lane, London, N3 1XW.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland FRS 102 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2016.

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will continue to trade for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. The directors believe that the Group currently generates sufficient cash surplus to allow the outgoings of the Group to be serviced at current levels. In addition, the directors have confirmed that the Group will receive continued support from its related parties and the directors believe that the Group's bankers will continue to provide the necessary facilities for a period of at least 12 months from the date of signing of these financial statements.

On 22 December 2020 the directors agreed an extension of the term of a loan facility in a subsidiary company amounting to £7,871,791 that was due to expire in December 2020 until June 2021. The directors believe that the facility will be extended for a further six months at that date.

In light of the global Coronavirus pandemic, the Group has made several crucial changes to the business including; reviewing headcount and making redundancies or furloughing employees where appropriate. The Group has taken advantage of HMRC's time to pay arrangements and has spoken with shareholders and bankers to secure credit lines should they be required.

The directors have reviewed and revised forecasts and budgets in light of the above changes and are confident of the Group's ability to continue trading as a going concern for the foreseeable future.

The Group temporarily closed its hotels in March 2020 to reduce costs. They subsequently reopened and continued trading with restricted capacity when the further lockdown restrictions were enforced by the government.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 33% reducing balance
Fixtures and fittings	- 15% reducing balance
Office equipment	- 33% reducing balance

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 the Statement of Comprehensive Income.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.10 Financial instruments

The Company and Group only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to and from related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company and Group's's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

2.12 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

2.13 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2. Accounting policies (continued)

2.16 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.18 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies 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 balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no judgments (apart from those involving estimates) that have had a significant effect on amounts recognised in the financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 27 (2018 - 28).

5. Tangible fixed assets

Group

	Freehold property	Plant and machinery	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2019	5,634,939	2,810,786	1,784,874	46,816	10,277,415
Additions	-	39,336	83,553	12,404	135,293
Disposals	-	-	(61,136)	(746)	(61,882)
At 31 December 2019	5,634,939	2,850,122	1,807,291	58,474	10,350,826
Depreciation					
At 1 January 2019	596,400	2,455,462	954,755	30,349	4,036,966
Charge for the year on owned assets	84,899	55,892	129,724	11,382	281,897
Disposals	-	-	(45,727)	(715)	(46,442)
At 31 December 2019	681,299	2,511,354	1,038,752	41,016	4,272,421
Net book value					
At 31 December 2019	4,953,640	338,768	768,539	17,458	6,078,405
At 31 December 2018	5,038,539	355,324	830,120	16,466	6,240,449

5. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2019	2018
	£	£
Freehold	4,953,640	5,038,539

Company

	Plant and machinery	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 January 2019	2,622,000	612,329	3,234,329
At 31 December 2019	2,622,000	612,329	3,234,329
Depreciation			
At 1 January 2019	2,295,144	533,937	2,829,081
Charge for the year on owned assets	32,686	7,839	40,525
At 31 December 2019	2,327,830	541,776	2,869,606
Net book value			
At 31 December 2019	294,170	70,553	364,723
At 31 December 2018	326,856	78,392	405,248

6. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 January 2019	21
At 31 December 2019	21

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Riverbank Hotels Ltd	35 Ballards Lane, London, N3 1XW	Ordinary	100 %
Pedersen (Temple Quay) Ltd	35 Ballards Lane, London, N3 1XW	A Ordinary	95 %
Pedersen (Newport) Ltd - Indirect shareholding	35 Ballards Lane, London, N3 1XW	A Ordinary	95 %
Pedersen (Swansea) Ltd - Indirect shareholding	35 Ballards Lane, London, N3 1XW	A Ordinary	95 %
Pearl Hotels (Swansea) Ltd - Indirect shareholding	35 Ballards Lane, London, N3 1XW	Ordinary	95 %

7. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2019	45,200,000
At 31 December 2019	45,200,000

The 2019 valuations were made by the directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	23,563,615	23,563,615

Company

	Freehold investment property £
Valuation	
At 1 January 2019	35,000,000
At 31 December 2019	35,000,000

The 2019 valuations were made by the directors, on an open market value for existing use basis.

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If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows

	2019 £	2018 £
Historic cost	13,463,615	13,463,615

8. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts owed by group undertakings	-	-	1,752,183	1,691,151
Other debtors	5,295,139	5,220,761	1,807,103	1,850,441
Prepayments and accrued income	311,503	562,246	263,139	489,970
	5,606,642	5,783,007	3,822,425	4,031,562

9. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans (Secured - see below)	7,870,583	-	-	-
Trade creditors	75,960	208,180	-	-
Amounts owed to group undertakings	-	-	80,000	85,000
Other taxation and social security	311,874	183,464	221,178	100,022
Other creditors	405,832	1,250,156	73,325	117,920
Accruals and deferred income	948,752	945,355	623,581	626,799
	9,613,001	2,587,155	998,084	929,741

The bank loan is secured by:

(i) A first legal charge over Pedersen (Temple Quay) Ltd's freehold property.

(ii) A mortgage debenture giving a fixed and floating charge over the assets of Pedersen (Temple Quay) Ltd.

(iii) A charge over the Agreement to Lease between Pedersen (Temple Quay) Ltd and the tenant of it's freehold property.

(iv) An interest guarantee provided by Bankside Hotels Ltd.

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	21,000,000	28,871,791	15,000,000	15,000,000

The bank loans are secured by a legal charge over the company's freehold property and the freehold properties of Pedersen (Newport) Ltd and Pedersen (Swansea) Ltd. In addition there is a composite cross-company arrangement as detailed in note 18.

11. Loans

Analysis of the maturity of loans is give below:

	Group 2019 **£**	Group 2018 £	**Company** 2019 **£**	Company 2018 £
Amounts falling due within one year				
Bank loans	7,870,583	-	-	-
Amounts falling due 2-5 years				
Bank loans	21,000,000	28,871,791	15,000,000	15,000,000
	28,870,583	28,871,791	15,000,000	15,000,000

12. Deferred taxation

Group

	2019 £
At beginning of year	(3,039,082)
Charged to profit or loss	(15,828)
At end of year	(3,054,910)

Company

	2019 £
At beginning of year	(3,128,693)
Charged to profit or loss	54,783
At end of year	(3,073,910)

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	**Company** 2019 £	Company 2018 £
Revaluation of investment property	(3,634,181)	(3,306,389)	(3,408,567)	(3,306,389)
Utilisation of tax losses in the future	579,271	267,307	334,657	177,696
	(3,054,910)	(3,039,082)	(3,073,910)	(3,128,693)

13. Contingent liabilities

On 24 July 2018, the group entered into a cross-company arrangement with the group's lender to guarantee and indemnify the liabilities of the related group entities Bankside Hotels Limited, Pedersen (Swansea) Limited and Pedersen (Newport) Limited which amounted to £21,000,000 at the balance sheet date.

The bank has registered a fixed and floating charge against the assets of the group.

14. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions totalling £Nil (2018 - £Nil) were payable to the fund at the reporting date and are included in creditors.

15. Directors' personal guarantees

The bank loan included in Note 13 of these financial statements is secured by way of a personal guarantee from the directors amounting to £3,750,000.

16. Related party transactions

Group and Company

Where possible, the Group has taken advantage of the exemption conferred by Section 33.1A of Financial Reporting Standard 102: Related Party Disclosures, from the requirement to disclose transactions with wholly-owned group undertakings.

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Shown below are the transactions during the year and the balances at the year end with other related parties:

	Other debtors 2019 £	Other creditors 2019 £	Management fees 2019 £	Interest receivable 2019 £
Balances with companies with common shareholders	7,688,277	96,920	1,119,000	148,787
Provisions made against above balances	(2,348,622)	-	-	-
Balances with directors	-	65,883	-	-
Balance with shareholder	1,232	-	-	-
	5,340,887	162,803	1,119,000	148,787

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	Other debtors 2018	Other creditors 2018	Management fees 2018	Interest receivable 2018
	£	£	£	£
Balances with companies with common shareholders	8,039,882	893,199	926,000	162,064
Provisions made against above balances	(2,848,471)	-	-	-
Balances with directors	-	110,477	-	-
Balance with shareholder	1,232	-	-	-
	5,192,643	1,003,676	926,000	162,064

. **Company**

	Other debtors 2019	Other creditors 2019	Management fees 2019	Interest receivable 2019
	£	£	£	£
Balances with subsidiaries	3,207,304	-	-	66,720
Provisions made against above balances	(1,455,121)	-	-	-
Balances with companies with common shareholders	3,250,271	7,442	760,000	29,389
Provisions made against above balances	(1,385,632)	-	-	-
Balance with directors	-	65,883	-	-
Balance with a shareholder	1,232	-	-	-
	3,618,054	73,325	760,000	96,109

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	Other debtors 2018	Other creditors 2018	Management fees 2018	Interest receivable 2018
	£	£	£	£
Balances with subsidiaries	3,146,271	-	-	30,503
Provisions made against above balances	(1,455,121)	-	-	-
Balances with companies with common shareholders	3,733,449	7,442	710,000	47,325
Provisions made against above balances	(1,885,471)	-	-	-
Balances with directors	-	110,477	-	-
Balance with shareholder	1,232	-	-	-
	3,540,360	117,919	710,000	77,828

17. Post balance sheet events

Since the year end, the entire hotel industry has been significantly impacted by the global pandemic and the associated economic issues. As detailed in note 2.3 the Directors believe that the Company and Group will continue as a going concern for at least 12 months from the date of signing of the financial statements.

On 22 September 2020 the directors agreed an extension of their facility agreement with the bank for an additional £10,000,000. The terms of the loan agreement involve the provision of additional security.

On 22 December 2020 the directors agreed an extension of the term of a loan facility in a subsidiary company amounting to £7,871,791 that was due to expire in December 2020 until June 2021. The directors believe that the facility will be extended for a further six months at that date.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to note 2.3 in the financial statements, which indicates the conditions identified that may cast significant doubt on the Company's ability to continue as a going concern. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 27 January 2021 by Ian Saunderson FCA (Senior Statutory Auditor) on behalf of Berg Kaprow Lewis 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.