Registered number: 03214521

BANKSIDE HOTELS LTD

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2023

BANKSIDE HOTELS LTD
REGISTERED NUMBER: 03214521

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	4		**239,295**		265,883
Investments	5		**21**		21
Investment property	6		**40,500,000**		40,500,000
			40,739,316		40,765,904
Current assets					
Debtors: amounts falling due within one year	7	**16,320,052**		16,057,091	
Bank and cash balances		**1,433,886**		1,792,787	
		17,753,938		17,849,878	
Creditors: amounts falling due within one year	8	**(27,710,960)**		(1,259,743)	
Net current (liabilities)/assets			**(9,957,022)**		16,590,135
Total assets less current liabilities			**30,782,294**		57,356,039
Creditors: amounts falling due after more than one year	9		**-**		(26,503,705)
Provisions for liabilities					
Deferred tax	11	**(6,056,735)**		(6,074,087)	
			(6,056,735)		(6,074,087)
Net assets			**24,725,559**		24,778,247
Capital and reserves					
Called up share capital	12		**67**		67
Capital redemption reserve	13		**33**		33
Investment property reserve	13		**24,477,355**		24,462,927
Profit and loss account	13		**248,104**		315,220
			24,725,559		24,778,247

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2023

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 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 on 17 March 2025.

N J Gourgey
Director

The notes on pages 4 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Capital redemption reserve £	Investment property revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2022	**80**	**20**	**22,620,520**	**334,887**	**22,955,507**
Profit for the year	-	-	-	**4,554,515**	**4,554,515**
Purchase of own shares	-	**13**	-	**(2,731,775)**	**(2,731,762)**
Shares cancelled during the year	**(13)**	-	-	-	**(13)**
Fair value gains on investment properties	-	-	**2,500,000**	**(2,500,000)**	-
Transfer of deferred tax on investment property revaluation	-	-	**(657,593)**	**657,593**	-
At 1 January 2023	**67**	**33**	**24,462,927**	**315,220**	**24,778,247**
Loss for the year	-	-	-	**(52,688)**	**(52,688)**
Transfer of deferred tax on investment property revaluation	-	-	**14,428**	**(14,428)**	-
At 31 December 2023	**67**	**33**	**24,477,355**	**248,104**	**24,725,559**

The notes on pages 4 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The principal activity of Bankside Hotels Limited ('the company') is that of leasing 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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company 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 company is currently in breach of its loan covenants and as a result the full amount payable to the loan provider is payable on demand and is therefore classified as falling due within one year. In addition the existing loan agreement with the current lender is set to expire in October 2025 and as of the date of this report the company has not yet secured an agreement with any new funding sources. Net current liabilities at 31 December 2023 amount to £9,957,022. However, at the date of this report, the current lender has not taken any steps to enforce its rights following the breach of bank covenants.

The directors are confident that the bank will not demand payment of the loan because of this breach and has assessed that the company is still a going concern.

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 Company 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:

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 Company 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 Interest income

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

2.6 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.

2.7 Borrowing costs

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

2. Accounting policies (continued)

2.8 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 reporting 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.

2.9 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.

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:

Plant and machinery	-	33%	reducing balance
Fixtures and fittings	-	15%	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 profit or loss.

2. Accounting policies (continued)

2.10 Investment property

Investment property is carried at fair value determined by the directors 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.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 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.

2.13 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2. Accounting policies (continued)

2.14 Financial instruments

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The Company and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2022 - 2).

4. Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 January 2023	**2,622,000**	**612,329**	**3,234,329**
At 31 December 2023	**2,622,000**	**612,329**	**3,234,329**
Depreciation			
At 1 January 2023	**2,407,550**	**560,896**	**2,968,446**
Charge for the year on owned assets	**21,445**	**5,143**	**26,588**
At 31 December 2023	**2,428,995**	**566,039**	**2,995,034**
Net book value			
At 31 December 2023	**193,005**	**46,290**	**239,295**
At 31 December 2022	214,450	51,433	265,883

5. Fixed asset investments

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 January 2023	**21**
At 31 December 2023	**21**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Riverbank Hotels Ltd	England & Wales	Ordinary	100%
Pedersen (Temple Quay) Ltd	England & Wales	A Ordinary	95%
Pedersen (Newport) Ltd - indirect holding	England & Wales	A Ordinary	95%
Pedersen (Swansea) Ltd - indirect holding	England & Wales	A Ordinary	95%
Pearl Hotels (Swansea) Ltd - indirect holding	England & Wales	Ordinary	95%

6. Investment property

	Freehold investment property
	£
Valuation	
At 1 January 2023	**40,500,000**
At 31 December 2023	**40,500,000**

The 2023 valuations were made by the directors, on an open market value for existing use basis.

The directors deem there to be no material movement to the investment property holding value as at year end.

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

	2023	2022
	£	£
Historic cost	**13,463,615**	13,463,615
	13,463,615	13,463,615

7. Debtors

	2023	2022
	£	£
Amounts owed by group undertakings	**4,399,435**	4,328,133
Other debtors	**11,832,483**	11,578,884
Prepayments and accrued income	**88,134**	150,074
	16,320,052	16,057,091

8. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loans (secured)	**26,503,705**	520,000
Other taxation and social security	**195,219**	102,041
Other creditors	**344,591**	173,122
Accruals and deferred income	**667,445**	464,580
	27,710,960	1,259,743

The Company breached its covenants with the bank at year end. This has classified the loan as payable on demand at the balance sheet date.

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

	2023	2022
	£	£
Bank loans	**-**	26,503,705
	-	26,503,705

The bank loans are secured as follows:

The loan is secured by a legal charge over the company's freehold property. In addition there is a composite cross-company arrangement as detailed in note 16.

The remaining bank loan balance is secured by:

(i) A charge over all the bank accounts within the group.

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

10. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	**26,503,705**	520,000
	26,503,705	520,000
Amounts falling due 1-2 years		
Bank loans	**-**	1,040,000
Amounts falling due 2-5 years		
Bank loans	**-**	2,080,000
Amounts falling due after more than 5 years		
Bank loans	**-**	23,383,705
	26,503,705	27,023,705

11. Deferred taxation

	2023 £
At beginning of year	**(6,074,087)**
Charged to the profit or loss	**17,352**
At end of year	**(6,056,735)**

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Timing differences on fixed assets	**(43,741)**	(46,665)
Future tax on revaluation of property	**(6,012,994)**	(6,027,422)
	(6,056,735)	(6,074,087)

12. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
67 (2022 - 67) Ordinary shares of £1.00 each	**67**	67

13. Reserves

Capital redemption reserve

The capital redemption reserve represents the nominal value of the ordinary shares repurchased.

Investment property revaluation reserve

The property revaluation reserve includes cumulative revaluations on investment property and deferred tax movement on such revaluations.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

14. Contingent liabilities

On 24 July 2018, the Company entered into a cross-company arrangement with the group's lender to guarantee and indemnify the liabilities of the Company and related group entities Pedersen (Swansea) Limited and Pedersen (Newport) Limited which amounted to £27m at the balance sheet date.

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

15. Directors' personal guarantees

The bank loan included in Notes 10 and 11 of these financial statements is secured by way of a personal guarantee from the directors amounting to £3,750,000.

16. Related party transactions

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

Included within other debtors within amounts due within one year are amounts totaling £11,734,414 (2022: £11,578,884) owed by companies with common shareholders. At the year-end a provision of £1,300,174 (2022: £849,105) had been provided against any balances that were deemed irrecoverable.

Included within other creditors due within one year, is a balance of £344,591 (2022: £120,301) due to a company with common shareholders.

Interest of £161,941 (2022: £133,781) had been received on these balances.

During the year a net provision of £Nil (2022: £124,498) against amounts owed from companies under common control was released to the profit and loss account.

Management fees of £180,000 (2022: £300,000) have been charged to the company by companies with common shareholders.

Included within other creditors are amounts totaling £Nil (2022: £52,821) owed to directors.

17. Controlling party

There is no ultimate controlling party.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2023 was unqualified.

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

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the Company is currently in breach of its loan covenant, and the existing loan agreement with the current lender is set to expire in October 2025. As of the date of this report, the Company has not secured an agreement with any new funding sources. As state 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 Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors'

assessment of the Company's ability to continue to adopt the going concern basis of accounting included that, to date, the bank has not recalled the loan.

The audit report was signed on 17 March 2025 by Ian Saunderson FCA (Senior statutory auditor) on behalf of BKL Audit 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.