

St. James's Hotel (Winchester) Limited

UK Registered Number: 8904792

Report and Financial Statements

For the period ended 31 December 2017



St. James's Hotel (Winchester) Limited

Report and financial statements

Period ended 31 December 2017

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St. James's Hotel (Winchester) Limited

Corporate information

UK Registered Number: 8904792

Directors

S Robinson
Somerston Capital Limited

Independent auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Solicitors

ORRICK, HERRINGTON & SUTCLIFFE (EUROPE) LLP
107 Cheapside
London
EC2V 6DN

Registered office

2 Chapel Court
Holly Walk
Leamington Spa
CV32 4YS

St. James's Hotel (Winchester) Limited

Directors' report

The directors present their annual report and the audited financial statements of St. James's Hotel (Winchester) Limited (the "Company") for the 12 month period to 31 December 2017.

Directors of the Company

The directors in office at the date upon which the financial statements were approved are detailed on page 2.

Results

Turnover for the period was £2,889,000 (2016: £2,641,000) and EBITDA was a loss of £326,000 (2016: £205,000 loss). The loss after taxation was £429,000 (2016: loss £277,000). The audited financial statements for the period ended 31 December 2017 are set out on pages 8 to 18.

Dividends

The directors do not recommend the payment of a dividend in respect of the period ended 31 December 2017 (2016: £nil).

Introduction

The Company was incorporated in Great Britain on 20 February 2014 and acquired the Winchester Royal Hotel in Winchester on 7 March 2014. The Company's principal activity is the provision of hotel services to the domestic, corporate and business traveller market, supported by travel and leisure guests.

The Company has met the requirements of the Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report.

Going concern

The Company is funded by its parent group financing company, St. James's Hotel Financing Limited, which has indicated its willingness to provide the necessary financial resources to enable the Company to continue in business for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the report and financial statements.

Key performance indicators

The directors use a number of performance measures to monitor and manage the business as set out below.

Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA')

Calculated both before and after repairs and maintenance expenditure as the directors considered it essential to monitor the operating performance separately from the discretionary cost of repairs and maintenance. The strategy is to ensure repairs and maintenance expenditure, together with capital expenditure, is at the level of spend appropriate to maintain the quality of facilities. Within EBITDA a number of subsidiary KPI's were used including:-

- ADR (Average Daily Rate),
- Percentage Occupancy; and
- RevPAR (Revenue Per Available Room).

Principal risks and uncertainties facing the business

The directors continually monitor the key risks facing the Company together with assessing the controls used for managing these risks.

The principal risks and uncertainties facing the Company are as follows:

Continued support from parent company

The Company relies on debt finance advanced by its parent group financing company, St. James's Hotel Financing Limited. The Company's ultimate parent group has substantial financial resources and has indicated its intention not to withdraw its financing provided via St. James's Hotel Financing Limited in circumstances where the Company was otherwise able to continue trading.

St. James's Hotel (Winchester) Limited

Directors' report (*continued*)

Principal risks and uncertainties facing the business (*continued*)

The UK economy

Revenues across the UK hotel sector as a whole are significantly correlated to the health of the wider UK economy. An economic downturn would lead to reduced customer spend across the sector.

Competition

The UK hotel sector is highly competitive. New hotel product in competing locations may damage the Company's future earnings or necessitate additional investment to maintain the Company's competitive position.

Operations

The Company's ability to trade profitably will depend upon delivering a guest experience that sufficient customers judge to be better value than competing product and of more value to them than the cost incurred by the Company in delivering that experience.

Public and employee liability

The Company has various statutory responsibilities in relation to the health and wellbeing of its guests, employees and members of the general public on its hotel premises. In addition to any direct liability that may arise from any failing in this regard, the Company is subject to regulation by various public health authorities having the power to require hotel properties to suspend trading were they to determine that there were material failings.

Events since the balance sheet date

There have been no events since the balance sheet date up to the date of issuance of this report which the directors consider to be material to their report and financial statements.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

St. James's Hotel (Winchester) Limited

Directors' report (*continued*)

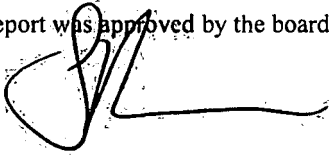
Disclosure of information to the auditors

So far as each director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors KPMG were deemed to be reappointed for the period.

This report was approved by the board of directors on 27 September 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'SR' followed by a long horizontal stroke.

Shaun Robinson

Director

2 Chapel Court, Holly Walk, Leamington Spa, CV32 4YS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. JAMES'S HOTEL (WINCHESTER) LIMITED (continued)

Opinion

We have audited the Financial Statements of St James's Hotel (Winchester) Limited ("the Company") for the 12 month period ended 31 December 2017 which comprise the Statement of comprehensive income, Statement of changes in equity, Statement of financial position, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. JAMES'S HOTEL (WINCHESTER) LIMITED

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

B. J. Stapleton

28 September 2018

Benjamin Stapleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

St. James's Hotel (Winchester) Limited

Statement of comprehensive income

for the 12 month period ended 31 December 2017

	Note	12 months ended 31 Dec 2017 £'000	12 months ended 25 Dec 2016 £'000
Turnover	3	2,889	2,641
Cost of sales		(1,408)	(1,293)
Gross profit		1,481	1,348
Distribution costs		(108)	(72)
Administration expenses		(1,776)	(1,531)
Operating loss on ordinary activities before interest and similar charges	4	(403)	(255)
Interest payable and similar charges	6	(26)	(22)
Loss on ordinary activities before taxation		(429)	(277)
Tax on loss on ordinary activities	7	-	-
Total comprehensive loss for the period		(429)	(277)

All amounts are derived from continuing operations.

St. James's Hotel (Winchester) Limited

Statement of changes in equity

for the period ended 31 December 2017

	Called-up share capital £'000	Profit and loss account £'000	Total equity £'000
At 27 December 2015	-	(74)	(74)
Total comprehensive loss for the 12 month period	-	(277)	(277)
At 25 December 2016	-	(351)	(351)
Total comprehensive loss for the 12 month period	-	(429)	(429)
At 31 December 2017	-	(780)	(780)

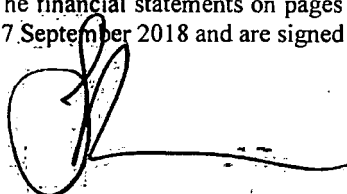
St. James's Hotel (Winchester) Limited

Statement of financial position

at 31 December 2017

	Note	As at 31 Dec 2017 £'000	As at 25 Dec 2016 £'000
Fixed assets			
Tangible fixed assets	8	<u>293</u>	<u>205</u>
		293	205
Current assets			
Stocks		13	13
Debtors: amounts falling due within one year	9	481	556
Cash	10	<u>2</u>	<u>2</u>
		496	571
Current liabilities			
Loan due to related party	11	(598)	(488)
Creditors: amounts falling due within one year	12	<u>(971)</u>	<u>(639)</u>
		(1,569)	(1,127)
Net current assets/(liabilities)		<u>(1,073)</u>	<u>(556)</u>
Net liabilities		<u>(780)</u>	<u>(351)</u>
Capital and reserves			
Share capital	13	-	-
Profit and loss account		<u>(780)</u>	<u>(351)</u>
		(780)	(351)

The financial statements on pages 8 to 18 were approved and authorised for issue by the Board of Directors on 27 September 2018 and are signed on their behalf by:



Shaun Robinson
Director

Company number: 8904792

St. James's Hotel (Winchester) Limited

Notes to the financial statements

for the period ended 31 December 2017

1. Accounting policies

Statement of compliance

St. James's Hotel (Winchester) Limited (the "Company"), is a company incorporated in Great Britain and registered in England and Wales, with registration number 8904792. The registered office is 2 Chapel Court, Holly Walk, Leamington Spa, CV32 4YS. The Company's principal activity is the provision of hotel services to the domestic, corporate and business traveller market, supported by travel and leisure guests.

The Company's financial statements have been prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as it applies to the financial statements of the Company for the period ended 31 December 2017.

Basis of preparation

The financial statements of the Company were approved for issue by the board of directors on 27 September 2018. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000 unless otherwise stated. The Company's financial year ends on the last Sunday before the 31 December each year.

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 balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset.

Impairment of non-financial assets

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its carrying amount. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in the reserves.

An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Property, fixtures, fittings and equipment

Property, fixtures, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

St. James's Hotel (Winchester) Limited

Notes to the financial statements

for the period ended 31 December 2017

1. Accounting policies (*continued*)

Property, fixtures, fittings and equipment (*continued*)

Depreciation is provided on all property, fixtures, fittings and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Buildings	- over 50 years
Leasehold property and improvements	- over the shorter of the lease term and 25 years
Fixtures and fittings	- over 5 years
Computer equipment	- over 3 years

The carrying value of property, fixtures, fittings and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Inventory

Stocks are stated at the lower of cost and net realisable value.

Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	Purchase cost on a first-in, first-out basis
Work in progress and finished goods	Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment of short-term debtors are recognised in the statement of comprehensive income in operating expenses.

Cash

Cash consists of cash at bank and in hand.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the lender (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment for amounts receivable. The effective interest rate amortisation is included in interest receivable / payable in the statement of comprehensive income.

Revenue recognition

Revenue is recognised over the period to which it relates and to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Revenue comprises the invoiced value of goods and services supplied and commissions earned. It also includes hotel room rental income, turnover from the sale of food and beverages, and the proceeds from the sale of under leases.

The following criteria must also be met before revenue is recognised:

Sale of goods and provision of services

Revenue from the sale of goods and provision of services is recognised when the significant risks and rewards of ownership of the goods or services have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

St. James's Hotel (Winchester) Limited

Notes to the financial statements

for the period ended 31 December 2017

1. Accounting policies (*continued*)

Revenue recognition (*continued*)

Interest income

Revenue is recognised as interest accrues using the effective interest method. Interest income is shown net after taxes levied at source.

Property sales

Profits or losses arising from the sale of tangible fixed assets are included in the statement of comprehensive income before operating profit as part of ordinary activities. Profits or losses are calculated by reference to the property's carrying value.

Operating lease agreements

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases, and are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. The costs of operating leaseholds and improvements thereon are treated as tangible fixed assets and written off in equal annual amounts over the period of the lease.

Expenses

Expenses are accrued and recognised in the period to which they relate.

Taxation

The Company is subject to UK corporate tax at 19%. The taxation charge is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that 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 assets are recognised only to the extent that it is more likely than not that they will be relieved against suitable taxable profits in the future.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The Company operates a defined contribution pension schemes for employees. Contributions to defined contribution schemes are recognised in the income account in the period in which they become payable. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Going concern

The Company is funded by a parent group financing company, St. James's Hotel Financing Limited, which has indicated its willingness to provide the necessary financial resources to enable the Company to continue in business for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the report and financial statements.

St. James's Hotel (Winchester) Limited

Notes to the financial statements

for the period ended 31 December 2017

2. Cash flow statement and other disclosures

The Company is a wholly-owned subsidiary of St. James's Hotel Group Limited and is included in that company's consolidated financial statements. The consolidated financial statements of St. James's Hotel Group Limited are available to the public and may be obtained from its registered office, 2 Chapel Court, Holly Walk, Leamington Spa, CV32 4YS. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company has taken advantage of the exemptions conferred by Financial Reporting Standard 102 section 33 and consequently has not disclosed details of transactions with fellow subsidiary entities.

3. Segmental analysis

The Company's turnover and loss before tax were attributable to its one principal activity – the operating of the Winchester Royal Hotel in Winchester.

The Company's turnover arose wholly within the United Kingdom and related to continuing operations.

4. Operating loss on ordinary activities before interest and similar charges

	Period ended 31 Dec 17 £'000	Period ended 25 Dec 16 £'000
This is stated after charging:		
Depreciation of owned assets (note 8)	77	50
Total depreciation charge	77	50
Operating lease rentals - land and buildings	678	659
- other	-	2
Auditor's remuneration for audit services	6	5
Non-recurring costs	4	-

Fees payable to KPMG LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company disclose such fees on a consolidated basis.

5. Staff costs

	Period ended 31 Dec 17 £'000	Period ended 25 Dec 16 £'000
Wages and salaries	905	749
Social security costs	57	52
Other pension costs	5	6
	967	807

St. James's Hotel (Winchester) Limited

Notes to the financial statements

for the period ended 31 December 2017

5. Staff costs (continued)

The average monthly number of employees during the period was made up as follows:

	Period ended 31 Dec 17	Period ended 25 Dec 16
	No.	No.
Sales	54	53
Distribution	3	-
Administration	5	4
	<u>62</u>	<u>57</u>

No emoluments were paid to any director of the Company during the period (2016: £nil), and no benefits accrued to any director under Company pension schemes (2016: £nil).

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £5,000 (2016: £6,000). There were contributions of £nil (2016: £2,000) outstanding at end of the financial year:

6. Interest payable and similar charges

	Period ended 31 Dec 17 £'000	Period ended 25 Dec 16 £'000
Interest on related party loan (note 11)	<u>26</u>	<u>22</u>
	<u>26</u>	<u>22</u>

7. Tax on loss on ordinary activities

The Company is subject to corporate tax at 19% per annum for the purposes of taxation in the United Kingdom. The tax charge for the period is made up as follows:

	Period ended 31 Dec 17 Pre-tax loss £'000	Period ended 31 Dec 17 Tax £'000	Period ended 25 Dec 16 Pre-tax loss £'000	Period ended 25 Dec 16 Tax £'000
a) Current tax				
Tax on PBT at standard rate:				
UK – 19.25% (2016: 20%)	<u>(429)</u>	<u>(83)</u>	<u>(277)</u>	<u>(55)</u>
Effect of:				
Non deductible expenses		3		4
Group relief surrendered/(claimed)		10		42
Other short-term timing differences		8		2
Deferred tax not recognised		<u>62</u>		<u>7</u>
Total current tax		<u>-</u>		<u>-</u>
b) Deferred tax				
		-		-
Tax charge / (credit)		<u>-</u>		<u>-</u>

St. James's Hotel (Winchester) Limited

Notes to the financial statements

for the period ended 31 December 2017

7. Tax on loss on ordinary activities (continued)

c) Factors that may affect future tax changes

Net deferred tax assets of £117,000 (2016: £56,000) have not been recognised due to a lack of visibility of future profits against which they might be relieved.

8. Tangible fixed assets

	Leasehold property £'000	Fixtures & fittings £'000	Computer Equipment £'000	Total £'000
Cost or valuation:				
At 25 December 2016	1	273	10	284
Additions	31	130	4	165
At 31 December 2017	32	403	14	449
Depreciation and impairment:				
At 25 December 2016	(1)	(75)	(3)	(79)
Charge for the period	-	(73)	(4)	(77)
At 31 December 2017	(1)	(148)	(7)	(156)
Carrying amount at 31 December 2017	31	255	7	293
Carrying amount at 25 December 2016	-	198	7	205

9. Debtors: amounts falling due within one year

	As at 31 Dec 17 £'000	As at 25 Dec 16 £'000
Trade debtors	71	58
Other debtors	-	6
Prepayments and accrued income	216	233
Security deposits	194	259
	481	556

10. Cash

All of the Company's cash held is in GBP.

11. Loan due to related party

	As at 31 Dec 17 £'000	As at 25 Dec 16 £'000
St. James's Hotel Financing Limited	598	488
	598	488

St. James's Hotel (Winchester) Limited

Notes to the financial statements

for the period ended 31 December 2017

11. Loan due to related party (continued)

The Company has a loan with St. James's Hotel Financing Limited, a related party, which accrues interest of 5% per annum. This loan does not carry fixed terms of repayment, but the parent group company has indicated its intention to provide the necessary financial resources to enable the Company to continue in business for the foreseeable future.

12. Creditors: amounts falling due within one year

	As at 31 Dec 17 £'000	As at 25 Dec 16 £'000
Amounts due to group undertakings	767	399
Trade creditors	43	43
Accruals and deferred income	102	114
Other creditors	59	83
	<u>971</u>	<u>639</u>

13. Share capital

	As at 31 Dec 17 £	As at 25 Dec 16 £
Authorised		
Ordinary share of £1 each	<u>1</u>	<u>1</u>
Issued and fully paid		
Ordinary share of £1 each	<u>1</u>	<u>1</u>

The Company incorporated on 20 February 2014 and 1 ordinary share was subscribed and issued to St. James's Hotel Properties Limited.

14. Obligations under leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at 31 Dec 17 Leasehold property £'000	As at 31 Dec 17 Other £'000	As at 25 Dec 16 Leasehold property £'000	As at 25 Dec 16 Other £'000
Within one Period	693	-	665	-
In two to five Periods	2,840	-	2,702	-
In over five Periods	362	-	1,743	-
	<u>3,895</u>	<u>-</u>	<u>5,110</u>	<u>-</u>

Leases of leasehold property are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

15. Financial commitments

As at the period end the Company had no capital commitments contracted for or provided for.

St. James's Hotel (Winchester) Limited

Notes to the financial statements

for the period ended 31 December 2017

16. Guarantee

As at the period end the Company had no guarantees.

17. Financial instruments

All of the Company's financial assets and liabilities are due in less than one year and in the absence of any impairment, are held at their original cost.

18. Events after the reporting period

There have been no events since the balance sheet date up to the date of issuance of this report which the directors consider to be material to their report and financial statements.

19. Ultimate parent company and controlling party

St. James's Hotel Properties Limited, a company incorporated in Great Britain, is the immediate parent company. St. James's Hotel Group Limited, a company incorporated in Great Britain, is the parent company of the smallest group of which the Company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from its registered office, 2 Chapel Court, Holly Walk, Leamington Spa, CV32 4YS.

St. James's Hotel Group Limited is owned by St. James's Hotel Group Holdings Limited, a company incorporated in Jersey, which is an indirect subsidiary of Carlton Investment Trust Limited ("CITL"). The shares in CITL are owned by Carlton Limited as trustee of the Diana Hudson Family Settlement whom the directors regard to be the Company's ultimate controlling party.