

**St. James's Hotel (Winchester)  
Limited**

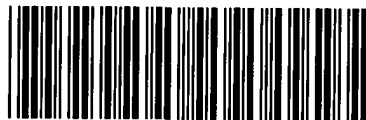
Directors' Report and Financial Statements

Year Ended

31 December 2018

Company Number 08904792

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## **St. James's Hotel (Winchester) Limited**

### **Company Information**

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|----------------------------|------------------------------------------------------------------------------------|
| <b>Directors</b>           | Somerston Capital Limited<br>C R Byrd                                              |
| <b>Registered number</b>   | 08904792                                                                           |
| <b>Registered office</b>   | 2 Chapel Court<br>Holly Walk<br>Leamington Spa<br>CV32 4YS                         |
| <b>Independent auditor</b> | BDO LLP<br>2 City Place<br>Beehive Ring Road<br>Gatwick<br>West Sussex<br>RH6 0PA  |
| <b>Solicitors</b>          | Orrick, Herrington & Sutcliffe (Europe) LLP<br>107 Cheapside<br>London<br>EC2V 6DN |

# **St. James's Hotel (Winchester) Limited**

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# **St. James's Hotel (Winchester) Limited**

## **Directors' Report For the Year Ended 31 December 2018**

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The directors present their report together with the audited financial statements for the year ended 31 December 2018.

### **Principal activity**

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.

### **Directors**

The directors who served during the year were:

Somerston Capital Limited  
S Robinson (resigned 29 March 2019)

C R Byrd was appointed on 17 January 2019.

### **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 at least twelve months from the date of signing these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the report and financial statements.

### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditor**

The auditor, BDO LLP, who was appointed in the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30 September 2019 and signed on its behalf.



**C R Byrd**  
Director

# **St. James's Hotel (Winchester) Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2018**

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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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **St. James's Hotel (Winchester) Limited**

## **Independent Auditors' Report to the Members of St. James's Hotel (Winchester) Limited**

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### **Opinion**

We have audited the financial statements of St. James's Hotel (Winchester) Limited ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

## **St. James's Hotel (Winchester) Limited**

### **Independent Auditors' Report to the Members of St. James's Hotel (Winchester) Limited (continued)**

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#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information [including and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

# **St. James's Hotel (Winchester) Limited**

## **Independent Auditors' Report to the Members of St. James's Hotel (Winchester) Limited (continued)**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

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



**James Fearon** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

**30 September 2019**

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

# St. James's Hotel (Winchester) Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2018

|                                              |      | Year ended<br>31 December<br>2018<br>£000 | Period ended<br>31 December<br>2017<br>£000 |
|----------------------------------------------|------|-------------------------------------------|---------------------------------------------|
|                                              | Note |                                           |                                             |
| Turnover                                     | 4    | 2,804                                     | 2,889                                       |
| Cost of sales                                |      | (1,406)                                   | (1,408)                                     |
| <b>Gross profit</b>                          |      | <b>1,398</b>                              | <b>1,481</b>                                |
| Distribution costs                           |      | (68)                                      | (108)                                       |
| Administrative expenses                      |      | (1,505)                                   | (1,776)                                     |
| <b>Operating loss</b>                        | 5    | <b>(175)</b>                              | <b>(403)</b>                                |
| Interest payable and similar charges         | 8    | -                                         | (26)                                        |
| <b>Loss before tax</b>                       |      | <b>(175)</b>                              | <b>(429)</b>                                |
| Tax on loss                                  |      | -                                         | -                                           |
| <b>Total comprehensive loss for the year</b> |      | <b>(175)</b>                              | <b>(429)</b>                                |

The notes on pages 9 to 19 form part of these financial statements.

# St. James's Hotel (Winchester) Limited

Registered number:08904792

## Statement of Financial Position As at 31 December 2018

|                                                | Note | 2018<br>£000 | 2018<br>£000 | 2017<br>£000 | 2017<br>£000 |
|------------------------------------------------|------|--------------|--------------|--------------|--------------|
| <b>Fixed assets</b>                            |      |              |              |              |              |
| Tangible assets                                | 10   |              | 291          |              | 293          |
| <b>Current assets</b>                          |      |              |              |              |              |
| Stocks                                         | 11   | 12           |              | 13           |              |
| Debtors: amounts falling due within one year   | 12   | 530          |              | 481          |              |
| Cash at bank and in hand                       |      | 2            |              | 2            |              |
|                                                |      | <u>544</u>   |              | <u>496</u>   |              |
| Creditors: amounts falling due within one year | 13   | (1,187)      |              | (971)        |              |
| Loans due to related parties                   | 14   | (603)        |              | (598)        |              |
| <b>Net current liabilities</b>                 |      |              | (1,246)      |              | (1,073)      |
| <b>Net liabilities</b>                         |      |              | <u>(955)</u> |              | <u>(780)</u> |
| <b>Capital and reserves</b>                    |      |              |              |              |              |
| Called up share capital                        | 15   |              | -            |              | -            |
| Profit and loss account                        | 16   |              | (955)        |              | (780)        |
| <b>Total equity</b>                            |      |              | <u>(955)</u> |              | <u>(780)</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 were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.



**C R Byrd**  
Director

The notes on pages 9 to 19 form part of these financial statements.

## St. James's Hotel (Winchester) Limited

### Statement of Changes in Equity For the Year Ended 31 December 2018

|                                                | Called up<br>share capital | Profit and<br>loss account | Total equity |
|------------------------------------------------|----------------------------|----------------------------|--------------|
|                                                | £000                       | £000                       | £000         |
| At 1 January 2018                              | -                          | (780)                      | (780)        |
| <b>Comprehensive income for the year</b>       |                            |                            |              |
| Loss for the year                              | -                          | (175)                      | (175)        |
| <b>Total comprehensive income for the year</b> | -                          | (175)                      | (175)        |
| <b>At 31 December 2018</b>                     | -                          | (955)                      | (955)        |

### Statement of Changes in Equity For the Period Ended 31 December 2017

|                                                | Called up<br>share capital | Profit and<br>loss account | Total equity |
|------------------------------------------------|----------------------------|----------------------------|--------------|
|                                                | £000                       | £000                       | £000         |
| At 26 December 2016                            | -                          | (351)                      | (351)        |
| <b>Comprehensive income for the year</b>       |                            |                            |              |
| Loss for the year                              | -                          | (429)                      | (429)        |
| <b>Total comprehensive income for the year</b> | -                          | (429)                      | (429)        |
| <b>At 31 December 2017</b>                     | -                          | (780)                      | (780)        |

The notes on pages 9 to 19 form part of these financial statements.

# St. James's Hotel (Winchester) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 1. General information

St. James's Hotel (Winchester) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

### 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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of St. James's Hotel Group Limited as at 31 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 2.3 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 for at least twelve months from the date of signing these financial statements. 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 Year Ended 31 December 2018**

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### **2. Accounting policies (continued)**

#### **2.4 Turnover**

Turnover 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. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover 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**

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

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company 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 company 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**

Turnover 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**

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

#### **2.6 Finance costs**

Finance costs are charged to the 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.

#### **2.7 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

# St. James's Hotel (Winchester) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.8 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.

#### 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, using the straight-line method.

Depreciation is provided on the following basis:

|                       |                                                   |
|-----------------------|---------------------------------------------------|
| Leasehold property    | - over the shorter of the lease term and 25 years |
| Fixtures and fittings | - over 5 years                                    |
| Computer equipment    | - over 3 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 the statement of comprehensive income.

#### 2.10 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. Stock consists of food and beverages for resale.

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.

#### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any 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.

# St. James's Hotel (Winchester) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

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### 2. Accounting policies (continued)

#### 2.13 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.

#### 2.14 Financial instruments

The company only enters into basic financial instrument 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, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

# **St. James's Hotel (Winchester) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2018**

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### **2. Accounting policies (continued)**

#### **2.15 Current and deferred taxation**

Tax is recognised in the statement of comprehensive income, 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. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgements:

#### **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 arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset.

### **4. Turnover**

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

## St. James's Hotel (Winchester) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 5. Operating loss

The operating loss is stated after charging:

|                                       | Year ended<br>31 December<br>2018<br>£000 | Period ended<br>31 December<br>2017<br>£000 |
|---------------------------------------|-------------------------------------------|---------------------------------------------|
| Depreciation of tangible fixed assets | 102                                       | 77                                          |
| Other operating lease rentals         | 706                                       | 678                                         |
| Non-recurring costs                   | -                                         | 4                                           |
|                                       | <u>          </u>                         | <u>          </u>                           |

#### 6. Employees

|                       | Year ended<br>31 December<br>2018<br>£000 | Period ended<br>31 December<br>2017<br>£000 |
|-----------------------|-------------------------------------------|---------------------------------------------|
| Wages and salaries    | 874                                       | 905                                         |
| Social security costs | 59                                        | 57                                          |
| Other pension costs   | 7                                         | 5                                           |
|                       | <u>          </u>                         | <u>          </u>                           |
|                       | <u>940</u>                                | <u>967</u>                                  |

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

|                | 2018<br>No.       | 2017<br>No.       |
|----------------|-------------------|-------------------|
| Sales          | 58                | 54                |
| Distribution   | 4                 | 3                 |
| Administration | 2                 | 5                 |
|                | <u>          </u> | <u>          </u> |
|                | <u>64</u>         | <u>62</u>         |

#### 7. Directors' remuneration

No emoluments were paid to any director of the company during the year (2017: £Nil), and no benefits accrued to any director under company pension schemes (2017: £Nil).

# St. James's Hotel (Winchester) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 8. Interest payable and similar charges

|                                          | Year ended<br>31 December<br>2018<br>£000 | Period ended<br>31 December<br>2017<br>£000 |
|------------------------------------------|-------------------------------------------|---------------------------------------------|
| Interest on related party loan (note 14) | -                                         | 26                                          |

### 9. Taxation

|  | Year ended<br>31 December<br>2018<br>£000 | Period ended<br>31 December<br>2017<br>£000 |
|--|-------------------------------------------|---------------------------------------------|
|--|-------------------------------------------|---------------------------------------------|

#### Corporation tax

|                                         |   |   |
|-----------------------------------------|---|---|
| Current tax on loss for the year        | - | - |
| Taxation on loss on ordinary activities | - | - |

#### Factors affecting tax charge for the year/period

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

|                                                                                                                | Year ended<br>31 December<br>2018<br>£000 | Period ended<br>31 December<br>2017<br>£000 |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------|
| Loss on ordinary activities before tax                                                                         | (175)                                     | (429)                                       |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%) | (33)                                      | (83)                                        |
| Effects of:                                                                                                    |                                           |                                             |
| Non-tax deductible expenses                                                                                    | 11                                        | 3                                           |
| Group relief surrendered/(claimed)                                                                             | -                                         | 10                                          |
| Other short-term timing differences                                                                            | -                                         | 8                                           |
| Deferred tax not recognised                                                                                    | 3                                         | 62                                          |
| Group relief                                                                                                   | 19                                        | -                                           |
| Total tax charge for the year/period                                                                           | -                                         | -                                           |

## St. James's Hotel (Winchester) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 9. Taxation (continued)

##### Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 19.00% to 17.00% (19.25% effective from 1 April 2017 and 17.00% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. Net deferred tax assets of £127,000 (2017 - £117,000) have not been recognised due to a lack of visibility of future profits against which they might be relieved.

#### 10. Tangible fixed assets

|                                     | Leasehold<br>property<br>£000 | Fixtures and<br>fittings<br>£000 | Computer<br>equipment<br>£000 | Total<br>£000 |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------------|---------------|
| <b>Cost</b>                         |                               |                                  |                               |               |
| At 1 January 2018                   | 32                            | 403                              | 14                            | 449           |
| Additions                           | -                             | 75                               | 25                            | 100           |
| At 31 December 2018                 | 32                            | 478                              | 39                            | 549           |
| <b>Depreciation</b>                 |                               |                                  |                               |               |
| At 1 January 2018                   | 1                             | 148                              | 7                             | 156           |
| Charge for the year on owned assets | -                             | 91                               | 11                            | 102           |
| At 31 December 2018                 | 1                             | 239                              | 18                            | 258           |
| <b>Net book value</b>               |                               |                                  |                               |               |
| At 31 December 2018                 | 31                            | 239                              | 21                            | 291           |
| At 31 December 2017                 | 31                            | 255                              | 7                             | 293           |

#### 11. Stocks

|                                     | 2018<br>£000 | 2017<br>£000 |
|-------------------------------------|--------------|--------------|
| Finished goods and goods for resale | 12           | 13           |

# St. James's Hotel (Winchester) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 12. Debtors: amounts falling due within one year

|                                | 2018<br>£000 | 2017<br>£000 |
|--------------------------------|--------------|--------------|
| Trade debtors                  | 102          | 71           |
| Other debtors                  | 1            | -            |
| Prepayments and accrued income | 233          | 216          |
| Security deposits              | 194          | 194          |
|                                | <u>530</u>   | <u>481</u>   |

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £2,000 (period ended 31 December 2017 - £Nil).

### 13. Creditors: amounts falling due within one year

|                                    | 2018<br>£000 | 2017<br>£000 |
|------------------------------------|--------------|--------------|
| Loans due to related parties       | 603          | 598          |
| Trade creditors                    | 46           | 43           |
| Amounts owed to group undertakings | 978          | 767          |
| Other creditors                    | 71           | 59           |
| Accruals and deferred income       | 92           | 102          |
|                                    | <u>1,790</u> | <u>1,569</u> |

### 14. Loans due to related parties

The company has a loan with St. James's Hotel Financing Limited, a parent group company, which accrues interest of 5% per annum and is repayable on demand. During the year interest due on the loan was waived and no interest was charged (2017: £26k). The parent group company has indicated its intention to provide the necessary financial resources to enable the company to continue in business for at least twelve months from the date of signing these financial statements and is repayable on demand.

### 15. Share capital

|                                    | 2018<br>£ | 2017<br>£ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid |           |           |
| 1 ordinary share of £1             | <u>1</u>  | <u>1</u>  |

# St. James's Hotel (Winchester) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 16. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the value of the shares issued

#### Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

### 17. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,000 (2017 - £5,000). Contributions totalling £71,000 (2017 - £59,000) were payable to the fund at the reporting date and are included in other creditors.

### 18. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

|                                              | 2018<br>£000 | 2017<br>£000 |
|----------------------------------------------|--------------|--------------|
| <b>Leasehold property</b>                    |              |              |
| Not later than 1 year                        | 715          | 693          |
| Later than 1 year and not later than 5 years | 2,560        | 2,840        |
| Later than 5 years                           | -            | 362          |
|                                              | <u>3,275</u> | <u>3,895</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.

### 19. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

## **St. James's Hotel (Winchester) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2018**

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#### **20. 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.