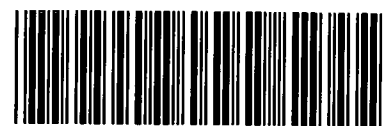


Company No: 00421257 (England and Wales)

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**Annual Report and Financial Statements  
For the financial year ended 30 April 2022**

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**IMPERIAL LONDON HOTELS LIMITED(THE)**

**Annual Report and Financial Statements**

**For the financial year ended 30 April 2022**

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**Contents**

Company Information	1
Strategic Report	2
Directors' Report	5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7
Profit and Loss Account	10
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15

# **IMPERIAL LONDON HOTELS LIMITED(THE)**

## **COMPANY INFORMATION**

**For the financial year ended 30 April 2022**

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### **DIRECTORS**

A H Walduck  
J A Walduck  
S H Walduck  
K T Waller  
C S Walton

### **REGISTERED OFFICE**

The Imperial Hotel  
61/66 Russell Square  
London  
WC1B 5BB  
United Kingdom

### **COMPANY NUMBER**

00421257 (England and Wales)

### **AUDITOR**

Dixon Wilson Audit Services LLP (Statutory Auditor)  
22 Chancery Lane  
London  
WC2A 1LS

# IMPERIAL LONDON HOTELS LIMITED(THE)

## STRATEGIC REPORT

For the financial year ended 30 April 2022

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The directors present their Strategic Report for the financial year ended 30 April 2022.

The principal activity of the company is that of management and operation of hotels in Bloomsbury, Central London.

### REVIEW OF THE BUSINESS

Operating in the London hotel market continued to present challenges throughout the year to April 2022 due to the continued disruption caused by the Covid-19 global pandemic. This impacted the company's occupancy and revenue in the period.

The priority for the company in the year continued to be to conserve cash, protect the hotels and keep employees safe and healthy.

The group slowly reopened its hotels during the year and continued to tightly control costs and manage its liquidity. The process of disposing of non-core assets continued in the early part of the year.

Against this background the company reported satisfactory results, remained solvent and sufficiently well capitalised to see it through to profitability as guests returned to London in 2022.

### OPERATING PERFORMANCE

Re-measurement gains on pension scheme assets and liabilities of £1.1m (2021 - £3.6m) were recognised in other comprehensive income. The movement arose from changes in actuarial assumptions.

The company made a loss on disposal before tax of non-core properties in the year of £0.6m. The company continued the accelerated improvement programmes whilst the hotels were closed, spending £6.3m (2021 - £8.1m). The retained earnings of the company at 30 April 2022 were £245,244,963 (2021 - £249,235,708).

### FUTURE DEVELOPMENTS

The directors remain confident in the future of the business as tourism has continued to return to London. The hotels and the company returned to profitability after the year end and the directors anticipate improved results in the year ended 30 April 2023.

### KEY PERFORMANCE INDICATORS ('KPIs')

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the following.

	2022	2021
	£	£
Turnover	33,839,000	1,175,000
Gross loss	(1,057,000)	(22,450,000)

	2022	2021
	%	%
Change in revenue per available room (RevPAR)	2,148.89	(98.58)

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the company relate to the level of tourism in London, and from competition from other hotels and Airbnb.

The principal financial risks arising from the company's activities and the company's policies to address these risks are set out below:

# **IMPERIAL LONDON HOTELS LIMITED(THE)**

## **STRATEGIC REPORT (continued)**

**For the financial year ended 30 April 2022**

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### **Liquidity risk**

The company seeks to manage financial risks by ensuring sufficient liquidity is available to meet foreseeable needs and invest cash assets safely and profitably in line with the detailed cash flow forecasts produced by the finance team. The company seeks to maintain cash deposits at a level which ensures it can meet its anticipated funding requirements for the foreseeable future.

### **Credit risk**

Credit risk is the financial exposure generated by the potential default of third parties in fulfilling their obligations. Credit risk arises for the company if it is unable to recover sums due from customers and it is mitigated by setting maximum levels of credit tolerance for more significant customers. All customers who wish to trade on credit terms are subject to credit verification procedures, receivables are monitored on an on-going basis and provision is made for doubtful debts where necessary. Overall for the company this risk is modest as trade receivables are a very small proportion of net assets.

### **Interest rate risk**

The company finances its operations primarily through the reinvestment of profits earned from its operations, and ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company manages borrowing to minimise its interest costs and the impact of any material adverse movement in rates.

### **Pension liability risk**

This is the risk of adverse movements in the net defined benefit pension liability due to factors outside of the company's control. Such movements are driven primarily by changes in actuarial assumptions including, amongst others, mortality rate and inflation estimates. The company mitigates the risk by engaging qualified actuarial consultants to provide advice, on the basis of which it sets appropriate terms for schemes, offered to an appropriate number of individuals. Contributions are also made on the basis of the professional advice received and benefits are curtailed where necessary, reasonable and lawful to mitigate unacceptable exposure.

## **DUTY TO PROMOTE THE SUCCESS OF THE COMPANY (SECTION 172 STATEMENT)**

The success of the company depends on the dealings with the company's various stakeholders and the directors remain aware of the long term impact for stakeholders of the decisions made during the year in particular in relation to the cost control measures that were necessarily introduced.

The directors have acted in a way that they consider to be in good faith and most likely to promote the long-term success of the company for the benefit of its stakeholders. The company engages with employee representatives and with suppliers to maintain and, where possible, strengthen key relationships.

## **ENGAGEMENT WITH EMPLOYEES**

The commitment and hard work of the company's employees is and will continue to be central to the company's success and the board were pleased to see recruitment and employee numbers grow during the year.

With the principal activity of the company being the operation of hotels, good communication is the essence of an efficient and productive business. This is most notably achieved by a "hands on" style of management where directors are visible, and communications can be established directly between them and all levels of staff.

## **EMPLOYMENT OF DISABLED PERSONS**

The company supports the employment of disabled people wherever possible in recruitment, retention of those who become disabled during their employment and through training and career development. The company complies with health and safety regulations and encourages the improvement of working conditions.

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**STRATEGIC REPORT (continued)**

**For the financial year ended 30 April 2022**

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**ENGAGING WITH BUSINESS PARTNERS AND OTHERS**

The company's priority is to build mutually beneficial long lasting relationships with suppliers and business partners.

The company endeavours to work closely with quality and diverse suppliers that share its ambitions and principles including environmental and social awareness through long term relationships and partnerships based on lawful and fair practices.

Guest and customer relations are crucial to the successful running of the company's businesses in pursuit of a high level of customer satisfaction and the company seeks regular and extensive feedback.

The company has a long standing commitment to improve the environment and local community, investing, sponsoring and donating accordingly.

Approved by the Board of Directors and signed on its behalf by:



C S Walton  
Director

Date: 12/12/2022

# **IMPERIAL LONDON HOTELS LIMITED(THE)**

## **DIRECTORS' REPORT**

**For the financial year ended 30 April 2022**

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The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the financial year ended 30 April 2022.

### **DIRECTORS**

The directors, who served during the financial year and to the date of this report except as noted, were as follows:

A H Walduck

J A Walduck

S H Walduck

K T Waller

C S Walton

### **Matters covered in the strategic report**

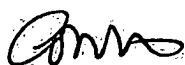
As permitted by paragraph 1A of schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted because they are covered in the Strategic Report on pages 2 - 4:

- Principal activities of the group;
- An indicator of the future developments in the business of the group;
- The financial risk management objectives and policies of the group;
- The exposure of the group to credit risk, liquidity risk, cash flow risk and pension liability risk.
- Employee equality, diversity and involvement.

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

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware.

Approved by the Board of Directors and signed on its behalf by:



C S Walton  
Director

Date: 12/12/2022

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**For the financial year ended 30 April 2022**

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The directors acknowledge their responsibilities for preparing the Annual 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMPERIAL LONDON HOTELS LIMITED(THE)**

**For the financial year ended 30 April 2022**

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## **Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of The Imperial London Hotels Limited (the 'company') for the year ended 30 April 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion the financial statements of The Imperial London Hotels Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2022 and of its profit for the financial year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

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).

### **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**

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMPERIAL LONDON HOTELS LIMITED(THE) (continued)**

**For the financial year ended 30 April 2022**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company by considering, amongst other things, the industry, sector, jurisdictions in which it operates, and considered the risk of acts by the company and the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, UK Company Law, UK tax legislation, and UK pensions legislation.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
IMPERIAL LONDON HOTELS LIMITED(THE) (continued)**

**For the financial year ended 30 April 2022**

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**Report on other legal and regulatory requirements**

**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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where 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.

We have nothing to report in respect of these matters.

**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.



Steven Wakefield (Senior Statutory Auditor)  
For and on behalf of Dixon Wilson Audit Services LLP (Statutory Auditor)

22 Chancery Lane  
London  
WC2A 1LS

Date: 21/12/2022

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**PROFIT AND LOSS ACCOUNT**

**For the financial year ended 30 April 2022**

	Note	2022 £	2021 £
Turnover	2	33,838,963	1,174,753
Cost of sales		(34,896,347)	(23,624,682)
<b>Gross loss</b>		<b>(1,057,384)</b>	<b>(22,449,929)</b>
Administrative expenses		(8,044,626)	(11,360,245)
Other operating income	3	1,983,217	20,686,615
<b>Operating loss</b>		<b>(7,118,793)</b>	<b>(13,123,559)</b>
Income from shares in a Group undertaking		300,000	3,850,000
Other non-operating income/(loss)		4,525,000	(5,912,471)
<b>Loss before interest and taxation</b>		<b>(2,293,793)</b>	<b>(15,186,030)</b>
Finance costs (net)	4	(502,161)	(397,527)
<b>Loss before taxation</b>		<b>(2,795,954)</b>	<b>(15,583,557)</b>
Tax on loss	7	(2,937,051)	4,144,984
<b>Loss for the financial year</b>		<b>(5,733,005)</b>	<b>(11,438,573)</b>

The above results were derived from continuing operations.

**IMPERIAL LONDON HOTELS LIMITED(THE)****STATEMENT OF COMPREHENSIVE INCOME****For the financial year ended 30 April 2022**

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	2022	2021
	£	£
Loss for the financial year	<u>(5,733,005)</u>	<u>(11,438,573)</u>
Remeasurement of net defined benefit liability	1,076,000	3,575,000
Tax relating to components of other comprehensive income	666,260	(679,250)
Other comprehensive income	<u>1,742,260</u>	<u>2,895,750</u>
Total comprehensive loss	<u>(3,990,745)</u>	<u>(8,542,823)</u>

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**BALANCE SHEET**

**As at 30 April 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	83,762,656	84,114,172
Investment property	11	39,575,000	47,175,000
Investments	12	1,705,659	1,705,659
		<u>125,043,315</u>	<u>132,994,831</u>
<b>Current assets</b>			
Stocks	13	802,920	836,262
Debtors	14	144,355,221	126,695,786
Cash at bank and in hand	15	28,000,058	31,448,787
		<u>173,158,199</u>	<u>158,980,835</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(24,465,448)	(12,519,646)
<b>Net current assets</b>		<u>148,692,751</u>	<u>146,461,189</u>
<b>Total assets less current liabilities</b>		<u>273,736,066</u>	<u>279,456,020</u>
Creditors: amounts falling due after more than one year	17	(8,000,000)	(12,000,000)
Provision for liabilities	18	(10,166,103)	(7,895,312)
<b>Net assets</b>		<u>255,569,963</u>	<u>259,560,708</u>
<b>Capital and reserves</b>	19		
Called-up share capital		37,502	37,502
Capital redemption reserve		287,498	287,498
Other reserves		10,000,000	10,000,000
Profit and loss account		245,244,963	249,235,708
<b>Total shareholders' funds</b>		<u>255,569,963</u>	<u>259,560,708</u>

The financial statements of IMPERIAL LONDON HOTELS LIMITED(THE) (registered number: 00421257) were approved and authorised for issue by the Board of Directors on 12/12/2022. They were signed on its behalf by:



C S Walton  
Director



A H Walduck  
Director

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**STATEMENT OF CHANGES IN EQUITY**

**For the financial year ended 30 April 2022**

	Called-up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total
	£	£	£	£	£
<b>At 01 May 2020</b>	<b>37,502</b>	<b>287,498</b>	<b>10,000,000</b>	<b>257,778,531</b>	<b>268,103,531</b>
Loss for the financial year	-	-	-	(11,438,573)	(11,438,573)
Other comprehensive income	-	-	-	2,895,750	2,895,750
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,542,823)</b>	<b>(8,542,823)</b>
<b>At 30 April 2021</b>	<b>37,502</b>	<b>287,498</b>	<b>10,000,000</b>	<b>249,235,708</b>	<b>259,560,708</b>
<b>At 01 May 2021</b>	<b>37,502</b>	<b>287,498</b>	<b>10,000,000</b>	<b>249,235,708</b>	<b>259,560,708</b>
Loss for the financial year	-	-	-	(5,733,005)	(5,733,005)
Other comprehensive income	-	-	-	409,740	409,740
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,323,265)</b>	<b>(5,323,265)</b>
<b>At 30 April 2022</b>	<b>37,502</b>	<b>287,498</b>	<b>10,000,000</b>	<b>245,244,963</b>	<b>255,569,963</b>

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**STATEMENT OF CASH FLOWS**

**For the financial year ended 30 April 2022**

	2022	2021
	£	£
<b>Net cash flows from operating activities (note 20)</b>	<b>(3,604,538)</b>	<b>(18,989,771)</b>
<b>Cash flows from investing activities</b>		
Interest received	9,252	7,490
Acquisitions of tangible assets	(792,166)	(5,945,840)
Proceeds from the sale of tangible assets	11,523,836	19,829,135
Advances of loans	(13,885,406)	(11,895,523)
Dividend income	300,000	3,850,000
<b>Net cash flows from investing activities</b>	<b>(2,844,484)</b>	<b>5,845,262</b>
<b>Cash flows from financing activities</b>		
Interest paid	(511,413)	(372,017)
Repayment of other borrowings	(4,653,958)	(4,630,122)
Proceeds from other borrowing	8,169,677	-
<b>Net cash flows from financing activities</b>	<b>3,004,306</b>	<b>(5,002,139)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(3,444,716)</b>	<b>(18,146,648)</b>
Cash and cash equivalents at beginning of year	31,423,731	49,570,379
<b>Cash and cash equivalents at end of year</b>	<b>27,979,015</b>	<b>31,423,731</b>
<b>Reconciliation to cash at bank and in hand:</b>		
Cash at bank and in hand at end of year	27,979,015	31,423,731
<b>Cash and cash equivalents at end of year</b>	<b>27,979,015</b>	<b>31,423,731</b>



# IMPERIAL LONDON HOTELS LIMITED(THE)

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 April 2022

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### 1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### General information and basis of accounting

The Company is a private company limited by share capital and incorporated in England and Wales.

The address of its registered office is:

The Imperial Hotel  
61/66 Russell Square  
London  
WC1B 5BB

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable legislation as set out in the Companies Act 2006.

The financial statements have been prepared under the historical cost convention except as disclosed below certain items have been shown at fair value.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

#### Group accounts

The Company has taken advantage of the exemption from preparing group accounts on the basis that its results are included in the consolidated accounts for a larger group whose accounts are filed at Companies House.

#### Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### Key sources of estimation uncertainty

Pension and other post-employment benefits.

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details on the assumptions can be seen in note 24. The carrying amount of the defined benefit pension liability in the Balance Sheet at the reporting date is £Nil (2021 - £Nil).

#### Revenue recognition

Hotel operating income is recognised at the point a guest occupies a room or is charged for a no-show.

Rental income and provision of services is brought into account on an accruals basis. Income is matched to the days in the period.

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

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**Redundancy costs**

Redundancy costs are recognised as an expense in the profit and loss account in the period in which the employment is terminated.

**Other operating income**

Other operating income includes furlough grants received. The income is recognised in profit and loss in the same period in which the related expense is incurred.

**Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

**Tax**

Tax represents the sum of the tax currently payable and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable surplus.

**Tangible fixed assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Land and buildings 50 years straight line

Plant and machinery 10 - 25 % reducing balance

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life .

**Investment property**

Investment property is carried at fair value. Revaluation surpluses and deficits are recognised in the Profit and Loss account. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

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**Fixed asset investments**

Investments are stated at cost less any provision for impairment.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

**Trade and other debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade and other creditors**

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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

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**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Defined benefit pension obligation**

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The pension scheme interest amount is calculated by multiplying the gross defined benefit liability by the discount rate and is recognised in the profit and loss account under interest payable and similar expenses.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

The Company pays contributions to the schemes on an annual basis based upon the shortfall in funding of each scheme and the funds available.

No asset has been recognised in the financial statements in respect of the surplus on the staff defined benefit pension scheme. This is because the directors consider that no material future economic benefits are expected to be realised as a result of this, either through reductions in future contributions to or refunds from the scheme.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

**2. Turnover**

**Breakdown business class:**

An analysis of the Company's turnover by class of business is set out below.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Hotel operating	<u>33,838,963</u>	<u>1,174,753</u>

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

**3. Other operating income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rent receivable	2,553,404	3,012,584
(Loss)/profit on disposal of fixed assets	(617,149)	12,959,031
Furlough grants	16,962	4,685,000
Management fee income	30,000	30,000
	<b><u>1,983,217</u></b>	<b><u>20,686,615</u></b>

**4. Finance costs (net)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest receivable and similar income	9,252	7,490
Interest payable and similar expenses	(511,413)	(405,017)
	<b><u>(502,161)</u></b>	<b><u>(397,527)</u></b>

**Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank interest	<b><u>9,252</u></b>	<b><u>7,490</u></b>

**Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	(194,036)	(54,046)
Other interest payable and similar expense	(317,377)	(350,971)
	<b><u>(511,413)</u></b>	<b><u>(405,017)</u></b>

**5. Staff number and costs**

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
The average monthly number of employees (including directors) was:		
Hotel Operations	133	338
Administration	174	152
	<b><u>307</u></b>	<b><u>490</u></b>

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	11,671,557	21,571,212
Social security costs	1,435,869	2,104,797
Other retirement benefit costs	1,251,082	949,444
	<b>14,358,508</b>	<b>24,625,453</b>

**6. Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Emoluments	4,750,943	8,410,446

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Are members of a defined benefit pension scheme	5	6

**Remuneration of the highest paid director**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration	2,225,472	3,081,969

**7. Tax on loss**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax on loss</b>		
UK corporation tax	-	(2,474,497)
<b>Total current tax</b>	-	<b>(2,474,497)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,845,135	(1,670,487)
Effect of increase in tax rate on opening liability	2,493,256	-
Effect of revaluation of investment property	(1,401,340)	-
<b>Total deferred tax</b>	<b>2,937,051</b>	<b>(1,670,487)</b>
<b>Total tax on loss</b>	<b>2,937,051</b>	<b>(4,144,984)</b>

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the financial year ended 30 April 2022**

**Tax reconciliation**

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

	2022	2021
	£	£
<b>Loss before taxation</b>	<b>(2,795,954)</b>	<b>(15,583,557)</b>
Tax on loss at standard UK corporation tax rate of 19.00% (2021: 19.00%)	(531,231)	(2,960,876)
Effects of:		
Corporation tax at standard rate	-	-
Effect of expense not deductible in determining taxable profit	338,676	1,287,387
Tax decrease from effect of capital allowances and depreciation	(181,186)	(255,841)
Tax (decrease)/increase from other short-term timing differences	1,845,135	(1,670,487)
Tax decrease from effect of dividends from UK companies	(57,000)	(731,500)
Other tax effects for reconciliation between accounting profit and taxable profit	430,741	186,333
UK deferred tax expense relating to changes in tax rates or laws	2,493,256	-
Effect of revaluation of investment property	(1,401,340)	-
<b>Total tax charge/(credit) for year</b>	<b>2,937,051</b>	<b>(4,144,984)</b>

At 30 April 2022 deferred tax assets amounted to £Nil, deferred tax liabilities amounted to £10,166,103 (2021: deferred tax assets £Nil, deferred tax liability £7,895,312).

**8. Operating loss**

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation of owned assets	1,127,697	1,298,500
Property revaluation in period	(4,525,000)	(4,830,000)
Foreign exchange losses/(gains)	34,488	9,020
Defined benefit pension service costs	1,076,000	644,000

**9. Auditor's remuneration**

	2022	2021
	£	£
Audit of the financial statements	81,500	66,000

**Other fees to auditors**

	2022	2021
	£	£
Auditor's remuneration - Other services provided to the Executive Pension Scheme	3,300	3,100
Auditor's remuneration - Tax services	28,200	26,100
Auditor's remuneration - Other services	135,848	125,883
Auditor's remuneration - Audit of staff pension scheme	12,400	11,500
	<b>179,748</b>	<b>166,583</b>

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

**10. Tangible assets**

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 01 May 2021	82,669,694	15,181,191	97,850,885
Additions	391,771	400,395	792,166
Disposals	-	(56,136)	(56,136)
<b>At 30 April 2022</b>	<b>83,061,465</b>	<b>15,525,450</b>	<b>98,586,915</b>
<b>Accumulated depreciation</b>			
At 01 May 2021	4,764,492	8,972,221	13,736,713
Charge for the financial year	407,575	720,122	1,127,697
Disposals	-	(40,151)	(40,151)
<b>At 30 April 2022</b>	<b>5,172,067</b>	<b>9,652,192</b>	<b>14,824,259</b>
<b>Net book value</b>			
<b>At 30 April 2022</b>	<b>77,889,398</b>	<b>5,873,258</b>	<b>83,762,656</b>
At 30 April 2021	77,905,202	6,208,970	84,114,172

**11. Investment property**

	Investment property £
<b>Valuation</b>	
As at 01 May 2021	47,175,000
Fair value movement	4,525,000
Disposals	(12,125,000)
<b>As at 30 April 2022</b>	<b>39,575,000</b>

The investment properties were valued on 30 April 2022 by Colliers International Valuation UK LLP, professionally qualified external valuers, in accordance with the RICS Valuation Professional Standards published by the Royal Institution of Chartered Surveyors. The open market value of the properties is £39,575,000 (2021 - £47,175,000) and the historical cost of the properties is £4,565,354 (2021 - £6,559,932).



**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

**12. Fixed asset investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Subsidiary undertakings	1,105,614	1,105,614
Participating interests	600,045	600,045
	<u><b>1,705,659</b></u>	<u><b>1,705,659</b></u>

**Investments in subsidiaries**

	<b>2022</b>
	<b>£</b>
<b>Cost</b>	
At 01 May 2021	1,627,273
At 30 April 2022	<u><b>1,627,273</b></u>
<b>Provisions for impairment</b>	
At 01 May 2021	521,659
At 30 April 2022	<u><b>521,659</b></u>
<b>Carrying value at 30 April 2022</b>	<u><b>1,105,614</b></u>
Carrying value at 30 April 2021	<u><b>1,105,614</b></u>

	<b>Investments in associates</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Carrying value before impairment</b>		
At 01 May 2021	3,518,421	3,518,421
At 30 April 2022	<u><b>3,518,421</b></u>	<u><b>3,518,421</b></u>
<b>Provisions for impairment</b>		
At 01 May 2021	2,918,376	2,918,376
At 30 April 2022	<u><b>2,918,376</b></u>	<u><b>2,918,376</b></u>
<b>Carrying value at 30 April 2022</b>	<u><b>600,045</b></u>	<u><b>600,045</b></u>
Carrying value at 30 April 2021	<u><b>600,045</b></u>	<u><b>600,045</b></u>

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the financial year ended 30 April 2022**

**Investments in shares**

<b>Name of entity</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Class of shares</b>	<b>Ownership 30.04.2022</b>	<b>Ownership 30.04.2021</b>
Walduck Properties Limited	United Kingdom	Property company	Ordinary	100.00%	100.00%
Brownlow Developments Limited	United Kingdom	Property company	Ordinary	100.00%	100.00%
C C Parking Limited	United Kingdom	Car park operator	Ordinary	100.00%	100.00%
Hatfield Farms Limited	United Kingdom	Agriculture	Ordinary	100.00%	100.00%
Travellers Check-In Limited	United Kingdom	Ticket agent and coach sightseeing operator	Ordinary	100.00%	100.00%
Brownlow Pty Limited (*)	Australia	Property company	Ordinary	100.00%	100.00%
Bloomsbury Leisure Holdings Limited	United Kingdom	Holding company	Ordinary	22.50%	22.50%
Oakgrange Limited	United Kingdom	Non-trading company	Ordinary	22.70%	22.70%

(\*) Owned by Brownlow Developments Limited

Of the above investments Walduck Properties Limited, Brownlow Developments Limited, C C Parking Limited, Hatfield Farms Limited, Travellers Check-In Limited and Brownlow Pty Limited are all subsidiary undertakings whereas Bloomsbury Leisure Holdings Limited and Oakgrange Limited are both associates.

**13. Stocks**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Stocks	<u>802,920</u>	<u>836,262</u>

Stocks relates to finished goods and goods for resale.

**14. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,099,352	650,891
Amounts owed by Group undertakings	134,086,188	120,200,782
Corporation tax	4,851,731	5,276,569
Other debtors	55,216	211,182
Prepayments	<u>2,262,734</u>	<u>356,362</u>
	<u><b>144,355,221</b></u>	<u><b>126,695,786</b></u>

**IMPERIAL LONDON HOTELS LIMITED(THE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the financial year ended 30 April 2022**

**15. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	28,000,058	31,448,787
Less: Bank overdrafts	(21,043)	(25,056)
	<b><u>27,979,015</u></b>	<b><u>31,423,731</u></b>

**16. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	21,043	25,056
Other loans	4,116,502	4,116,502
Trade creditors	2,357,737	1,860,386
Amounts owed to Group undertakings	11,020,195	2,850,518
Amounts owed to related parties	501,159	1,155,117
Accruals	2,329,423	1,170,888
Other creditors	4,119,389	1,341,179
	<b><u>24,465,448</u></b>	<b><u>12,519,646</u></b>

**17. Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other loans	<b><u>8,000,000</u></b>	<b><u>12,000,000</u></b>

**18. Provision for liabilities**

	<b>Deferred taxation</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>At 01 May 2021</b>	<b>7,895,312</b>	<b>7,895,312</b>
Charged to the Profit and Loss Account	2,937,051	2,937,051
Credited to the Statement of Comprehensive Income	(666,260)	(666,260)
<b>At 30 April 2022</b>	<b><u>10,166,103</u></b>	<b><u>10,166,103</u></b>

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

**19. Called-up share capital and reserves**

	2022	2021
	£	£
<b>Allotted, called-up and fully-paid</b>		
37,502 Ordinary shares of £1.00 each	<u>37,502</u>	<u>37,502</u>

**Presented as follows:**

Called-up share capital presented as equity	<u>37,502</u>	<u>37,502</u>
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**Share capital**

This reserve represents the nominal value of the shares that have been issued.

**Capital redemption reserve**

This reserve arose on the historic acquisition and consolidation of subsidiary companies.

**Other reserves**

This is a hotel redevelopment reserve.

**Retained earnings**

This reserve includes all current and prior period retained profits and losses.

**20. Statement of Cash Flows**

	2022	2021
	£	£
<b>Operating loss</b>	(7,118,793)	(13,123,559)
<i>Adjustment for:</i>		
Depreciation and amortisation	1,127,697	1,298,500
Decrease in provisions	-	(125,000)
(Profit)/loss on disposal of tangible assets	617,149	(12,959,031)
Increase in retirement benefit obligation net of actuarial changes	1,076,000	644,000
<b>Operating cash flows before movement in working capital</b>	<u>(4,297,947)</u>	<u>(24,265,090)</u>
Decrease in stocks	33,342	300,584
(Increase)/decrease in debtors	(3,774,029)	4,432,248
Increase in creditors	4,434,096	542,487
<b>Cash generated by operations</b>	<u>(3,604,538)</u>	<u>(18,989,771)</u>
<b>Net cash flows from operating activities</b>	<u>(3,604,538)</u>	<u>(18,989,771)</u>

**21. Loans and Borrowings**

**Non-current loans and borrowings**

	2022	2021
	£	£
Other borrowings	<u>8,000,000</u>	<u>12,000,000</u>

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

**Current loans and borrowings**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	21,043	25,056
Other loans	4,116,502	4,116,502
Loans from related parties	501,159	1,155,117
	<b>4,638,704</b>	<b>5,296,675</b>

**Other borrowings**

The company has a loan from the Imperial London Hotels Limited Executive Pension Fund. The company pays interest on the principal amount of the loan at 2.6% per annum and the loan is due for repayment in five equal annual instalments, with the final instalment on 17 December 2024. During the year, interest of £317,337 (2021 - £317,337) was recognised. £4,317,337 of the loan and interest was repaid during the year. The carrying amount of the loan at the year end is £12,116,502 (2021 - £16,116,502), with £4,116,502 (2021 - £4,116,502) held within current other borrowings and £8,000,000 (2021 - £12,000,000) included within non-current other borrowings.

A first legal charge in respect of this loan is held over one of the company's hotels at Russell Square, London, WC1N 1DB.

**22. Related party transactions**

**Key management compensations**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries and other short term employee benefits	4,750,943	8,410,446
Post employment benefits	25,000	25,000
	<b>4,775,943</b>	<b>8,435,446</b>

**Summary of transactions with associates**

During the year, the Company purchased services totalling £nil (2021 - £1,355,272) from associates, of which £nil was expensed through profit and loss (2021 - £973,890) and £nil included in fixed asset additions (2021 - £381,382). The amount owed to associates at the year end was £nil (2021 - £5,549).

**Summary of transactions with other related parties**

The company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other members of the group.

**Loans from related parties**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At the start of the period	1,155,117	329,114
Advanced	(653,958)	826,003
	<b>501,159</b>	<b>1,155,117</b>

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

**23. Financial instruments**

Categorisation of financial instruments

	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost	126,220,561	116,788,112
Financial assets that are equity instruments measured at cost less impairment	1,705,659	1,705,659
	<u>127,926,220</u>	<u>118,493,771</u>
	2022	2021
	£	£
Financial liabilities measured at amortised cost	<u>31,469,619</u>	<u>21,216,746</u>

**24. Pension and other schemes**

**Defined benefit pension scheme**

**Executive schemes**

The scheme is administered by trustees and is independent of the group's finances, being invested in an approved self-administered scheme. Pension costs are measured in accordance with the advice of qualified actuaries.

The 2022 figures are based on a comprehensive actuarial valuation as at the reporting date, 30 April 2022.

The total cost relating to the defined benefit scheme for the year recognised in profit or loss as an expense was £950,000 (2021- £85,000).

**Reconciliation of scheme assets and liabilities to assets and liabilities recognised**

The amounts recognised in the statement of financial position are as follows:

	2022	2021
	£	£
Fair value of scheme assets	54,900,000	54,600,000
Present value of defined benefit obligation	(43,120,000)	(50,371,000)
Other amounts not recognised in statement of financial position	(11,780,000)	(4,229,000)
	<u>-</u>	<u>-</u>

**Defined benefit obligation**

Changes in the defined benefit obligation are as follows:

	2022
	£
Present value at start of year	50,371,000
Current service cost	51,000
Interest costs	991,000
Benefits paid	(1,673,000)
Changes to actuarial assumptions	(6,620,000)
	<u>43,120,000</u>

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

**Fair value of scheme assets**

Changes in fair value of scheme assets are as follows:

	<b>2022</b>
	<b>£</b>
Fair value at start of the year	54,600,000
Interest income	1,075,000
Return on plan assets, excluding amounts included in interest income/(expense)	898,000
Benefits paid	(1,673,000)
	<u><b>54,900,000</b></u>

**Analysis of assets**

The major categories of scheme assets are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Property	15,600,000	3,220,000
Equities, commodities, other	-	14,380,000
Index linked gilts	-	5,000,000
Investment funds	26,600,000	-
Cash, loan and net current assets	12,700,000	32,000,000
	<u><b>54,900,000</b></u>	<u><b>54,600,000</b></u>

**Return on scheme assets**

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Return on scheme assets	4	12

**Principal actuarial assumptions**

The principle actuarial assumptions at the statement of financial position date are as follows:

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Discount rate	3.15	2.00
Future salary increases	3.25	2.70
Future pension increases	3.50	3.20
Inflation	3.70	3.30

**Post retirement mortality assumptions**

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Current UK pensioners at retirement age - male	23	24
Current UK pensioners at retirement age - female	25	25
Future UK pensioners at retirement age - male	24	25
Future UK pensioners at retirement age - female	27	26

**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

**Staff scheme**

The scheme is administered by trustees and is independent of the group's finances, being invested in a managed fund. Pension costs are measured in accordance with the advice of qualified actuaries.

The date of the most recent comprehensive actuarial valuation was 31 March 2018. The 2022 figures have been based on an approximate update of the valuation calculations, carried out by a qualified independent actuary as at 30 April 2022.

The total cost relating to the defined benefit scheme for the year recognised in profit or loss as an expense was £126,000 (2021 - £592,000)

**Reconciliation of scheme assets and liabilities to assets and liabilities**

	2022	2021
	£	£
Fair value of scheme assets	41,370,000	45,362,000
Present value of defined benefit obligations	(28,035,000)	(35,364,000)
Other amounts not recognised in the statement of financial position	(13,335,000)	(9,998,000)
	<u>-</u>	<u>-</u>

**Defined benefit obligation**

Changes in the defined benefit obligation are as follows:

	2022
	£
Present value at start of year	35,364,000
Current service cost	144,000
Interest cost	698,000
Benefits paid	(950,000)
Changes to actuarial assumptions	(7,221,000)
	<u>28,035,000</u>

**Fair value of scheme assets**

Changes in the fair value of scheme assets are as follows:

	2022
	£
Fair value at start of year	45,362,000
Interest income	898,000
Return on plan assets, excluding amounts included in interest income/(expense)	(3,940,000)
Benefits paid	(950,000)
	<u>41,370,000</u>

**Analysis of assets**

The major categories of scheme assets are as follows:

	2022	2021
	£	£
Cash and cash equivalents	715,000	399,000
Investment funds	40,422,000	44,703,000
Insured pensions	233,000	260,000
	<u>41,370,000</u>	<u>45,362,000</u>



**IMPERIAL LONDON HOTELS LIMITED(THE)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the financial year ended 30 April 2022**

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**Return on scheme assets**

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Return on scheme assets	(7)	15

**Principal actuarial assumptions**

The principal actuarial assumptions at the statement of financial position date are as follows:

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Discount rate	3.15	2.00
Future salary increases	3.25	2.50
Future pension increases	3.10	2.50
Inflation	3.70	3.30

**Post retirement mortality assumptions**

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Current UK pensioners at retirement age - male	22	22
Current UK pensioners at retirement age - female	24	24
Future UK pensioners at retirement age - male	24	24
Future UK pensioners at retirement age - female	26	26

**25. Controlling party**

The ultimate parent company is Imperial London Hotels Group Limited (61/66 Russell Square, London, WC1B 5BB) which is the parent company of the group of which The Imperial London Hotels Ltd is a member for which consolidated accounts are drawn up. The ultimate controlling party is the directors.