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**London Britannia Hotel Limited**

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**Unaudited**

**Annual report and financial statements**

**For the Year Ended 31 December 2021**

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**London Britannia Hotel Limited**

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**Company Information**

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**Directors** Copthorne Hotels Limited  
Kwek Eik Sheng

**Company secretary** Copthorne Hotels Limited

**Registered number** 0744379

**Registered office** Corporate Headquarters  
Scarsdale Place  
Kensington  
London  
W8 5SY

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**London Britannia Hotel Limited**

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## London Britannia Hotel Limited

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### Strategic report For the Year Ended 31 December 2021

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#### Business review

London Britannia Hotel Limited ('the Company') is an indirect subsidiary of Millennium & Copthorne Hotels Limited ('the Group'). The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Ltd.

As a result of Covid-19 and the closure of the hotel throughout the year turnover for the year was £9,320,000 (2020: £2,361,000) and the loss on ordinary activities before taxation for the year was £2,144,000 (2020: loss before taxation £6,826,000). The profit for the year after taxation amounted to £1,514,000 (2020: loss after taxation £7,579,000).

#### Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks which impacts the recoverable amount of the Company's assets. The key business risks and uncertainties affecting the Company are considered to relate to the competition from hotels in London. Further discussion of these risks and uncertainties, and others including the impact of the COVID-19 pandemic, in context of the Millennium & Copthorne Hotels Limited group ('the Group') as a whole, is provided on pages 10 to 16 of the Group's annual report for the year ended 31 December 2021 which does not form part of this report. These risks and uncertainties are still applicable at the date of signing these financial statements.

#### Financial key performance indicators

The Directors measure four main KPIs specific to the Company in their evaluation of the performance of the Company. These are set out in the table below:

	2021	2020
RevPAR	£59.09	£15.19
Average Room Rate	£409.75	£375.02
Occupancy %	14.4%	4.1%
Gross Loss	£5.0m	£0.6m

#### Method of calculating KPIs

RevPAR is occupancy multiplied by average room rate.

Average room rate is room revenue divided by rooms sold.

Occupancy % is rooms sold divided by rooms available.

#### Directors' statement of compliance with duty to promote the success of the Company

The Directors understand their duties under Section 172 of the Companies Act 2006 and more specifically, their duty to "act in the way each director considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to -

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The Group's 2021 annual report on pages 3-5 discusses in more detail how the Company, operating as part of the Group, has met these requirements.

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**London Britannia Hotel Limited**

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**Strategic report (continued)**  
**For the Year Ended 31 December 2021**

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



**Copthorne Hotels Limited, acting by David Hassan**

Director

Date: 23-09-2022

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**London Britannia Hotel Limited**

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**Directors' report  
For the Year Ended 31 December 2021**

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The Directors present their report and the financial statements for the year ended 31 December 2021.

**Principal activity**

The principal activity of the Company is the ownership of The Biltmore, Mayfair - LXR Hotels & Resorts.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,514,000 (2020 - loss £7,579,000).

No dividend was paid or declared in the current or preceding year.

**Directors**

The Directors who served during the year were:

Copthorne Hotels Limited  
Kwek Eik Sheng

**Going concern**

The Directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out in Note 1.3 to the financial statements. Accordingly, the Directors have prepared the financial statements on a going concern basis.

**Engagement with suppliers, customers and others**

The Company engages with its suppliers, customers and others at standards and practises set at Group level, further details of which are set out in the Group's annual report for the year ended 31 December 2021 on page 23.

**Post balance sheet events**

There have been no events since the reporting date and the approval of these financial statements that require disclosure in these financial statements.

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



**Copthorne Hotels Limited, acting by David Hassan**

Director

Date:

23-09-2022

Corporate Headquarters

Scarsdale Place

Kensington

London

W8 5SY

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**London Britannia Hotel Limited**

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**Directors' responsibilities statement  
For the Year Ended 31 December 2021**

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The Directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments 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;
- 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 to 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.

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London Britannia Hotel Limited

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**Statement of comprehensive income**  
**For the Year Ended 31 December 2021**

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	Note	2021 £000	2020 £000
Turnover	3	9,320	2,361
Cost of sales		(4,364)	(2,944)
<b>Gross profit/(loss)</b>		<b>4,956</b>	<b>(583)</b>
Administrative expenses		(7,069)	(7,463)
Other operating expenses		-	1,251
<b>Operating loss</b>	4	<b>(2,113)</b>	<b>(6,795)</b>
Interest payable and similar expenses	7	(31)	(31)
<b>Loss before tax</b>		<b>(2,144)</b>	<b>(6,826)</b>
Tax on loss	8	3,658	(753)
<b>Profit/(loss) for the financial year</b>		<b>1,514</b>	<b>(7,579)</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£000NIL).

The notes on pages 9 to 23 form part of these financial statements.



**London Britannia Hotel Limited**  
**Registered number: 0744379**

**Statement of financial position**  
**As at 31 December 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	9	134,145	132,451
		<u>134,145</u>	<u>132,451</u>
<b>Current assets</b>			
Stocks		434	438
Debtors: amounts falling due within one year	10	21,652	6,070
Cash at bank and in hand	11	160	2,519
		<u>22,246</u>	<u>9,027</u>
Creditors: amounts falling due within one year	12	(96,010)	(83,362)
<b>Net current liabilities</b>		(73,764)	(74,335)
Creditors: amounts falling due after more than one year	16	(873)	(875)
<b>Provisions for liabilities</b>			
Deferred taxation	14	(2,891)	(2,138)
<b>Net assets</b>		<u><u>56,617</u></u>	<u><u>55,103</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Share premium account		62,629	62,629
Other reserves		12,244	12,244
Profit and loss account		(18,257)	(19,771)
		<u><u>56,617</u></u>	<u><u>55,103</u></u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

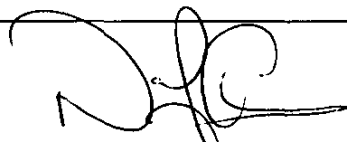
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**London Britannia Hotel Limited**  
**Registered number: 0744379**

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**Statement of financial position (continued)**  
**As at 31 December 2021**

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**Copthorne Hotels Limited, acting by David Hassan**

Director

Date: 23-09-2022

The notes on pages 9 to 23 form part of these financial statements.

**London Britannia Hotel Limited**

**Statement of changes in equity  
For the Year Ended 31 December 2021**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2021	1	62,629	12,244	(19,771)	55,103
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,514	1,514
<b>Total comprehensive income for the year</b>	-	-	-	1,514	1,514
<b>At 31 December 2021</b>	<b>1</b>	<b>62,629</b>	<b>12,244</b>	<b>(18,257)</b>	<b>56,617</b>

**Statement of changes in equity  
For the Year Ended 31 December 2020**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2020	1	62,629	12,244	(12,192)	62,682
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(7,579)	(7,579)
<b>Total comprehensive loss for the year</b>	-	-	-	(7,579)	(7,579)
<b>At 31 December 2020</b>	<b>1</b>	<b>62,629</b>	<b>12,244</b>	<b>(19,771)</b>	<b>55,103</b>

The notes on pages 9 to 23 form part of these financial statements.

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## London Britannia Hotel Limited

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### Notes to the financial statements For the Year Ended 31 December 2021

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

##### 1.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

**Notes to the financial statements  
For the Year Ended 31 December 2021**

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**1. Accounting policies (continued)**

**1.3 Going concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 3 to 16. Note 20 of the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

While the ongoing pandemic situation remains fluid and the emergence of the Omicron variant has led to subsequent waves of infections globally, the market sentiments and outlook remain positive.

The measures adopted by the directors in 2021 and 2022 in order to further reduce costs and optimise the group's cash flow and liquidity have enabled the group to offset the impact of rising inflation. These mitigating actions include reducing capital expenditure through postponing or pausing refurbishment and property development activities, tight monitoring of manpower planning, monitoring of controllable variable expenses and negotiation of discounts with suppliers. These initiatives will continue to support the Group's recovery.

It is noted that the Group has a limited fixed cost based due to owning the majority of its hotel properties which is a major advantage in this industry.

Despite the uncertainty caused by the evolution of the COVID-19 crisis and associated risks, the Group continues to prepare its accounts on a going concern basis given that trading has improved significantly in recent months across the global estates with many hotels returning to pre-pandemic levels.

Cashflow forecasts have been prepared for a period of eighteen months from the date of approval of the financial statements. The directors continue to review and adapt these cashflow forecasts in the light of the changing circumstances associated with the evolution of the COVID-19 pandemic and other business risks. These forecasts include downside scenario assumptions such as restrictions on the renewal of loan facilities during the period or failure to dispose of assets held for sale whilst still incurring significant capital improvement costs.

Having reviewed the forecasts and the available committed debt facilities, the Directors have a reasonable expectation that the Group and Company have adequate resources including external credit facilities to continue in operational existence up to at least 31 December 2023. Accordingly, they continue to adopt the going concern basis in preparing the financial statements of the Group and the Company.

**1.4 Revenue**

Revenue represents amounts derived in the United Kingdom from the ownership and operation of the hotel.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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London Britannia Hotel Limited

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Notes to the financial statements  
For the Year Ended 31 December 2021

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1. Accounting policies (continued)

1.5 Operating leases: the Company as lessee

Effective 1 January 2019, the Group, and therefore the Company, adopted IFRS 16 'Leases' using the modified retrospective approach allowed under which the cumulative effect of initial application is recognised in accumulated profits as at 1 January 2019. Comparative information presented for 2018 is not restated and continues to be reported under IAS 17 'Leases' and IFRIC 4 'Determining Whether an Arrangement Contains a Lease'. The details of the current and prior years accounting policies are disclosed separately below. Further information on the adoption and initial application of IFRS 16 can be found in Note 18.

At the commencement of a lease, the Company recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the applicable incremental borrowing rate (single discount rate applied to a portfolio of leases with similar characteristics). The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Company is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is remeasured either when the Company changes its assessment of whether it will exercise an extension or termination option (if expected to be terminated early then any applicable penalties due will also be factored in the remeasurement) or if there is a change in the Company's estimate of the amount expected to be payable under the residual value guarantee.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

The Company has elected to apply exemptions for short-term leases (less than 12 months) and leases for which the underlying asset is of low value (£5,000 or less). For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease.

Right-of-use assets are presented within non-current assets on the face of the balance sheet, and lease liabilities are shown separately on the balance sheet in current liabilities and non-current liabilities depending on the length of the lease term.

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is initially recorded at the lower of fair value and the present value of minimum lease

1.6 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Statement of financial position and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

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**London Britannia Hotel Limited**

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**Notes to the financial statements  
For the Year Ended 31 December 2021**

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**1. Accounting policies (continued)**

**1.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**1.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**1.9 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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London Britannia Hotel Limited

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**Notes to the financial statements**  
**For the Year Ended 31 December 2021**

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**1. Accounting policies (continued)**

**1.9 Tangible fixed assets (continued)**

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.

The estimated useful lives range as follows:

Freehold property	-
Building core	- 50 years or lease term if shorter
Building surface, finishes and services	- 30 years or lease term if shorter
Plant & machinery	- 20 years
Fixtures & fittings	- 10 years
Computer equipment	- 5 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 profit or loss.

Capital expenditure on major projects is recorded separately within fixed assets as capital work in progress. Once the project is completed the balance is transferred to the appropriate fixed asset categories. Capital work in progress is not depreciated.

Where applicable, borrowing costs directly attributable to assets under construction which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset.

*Calculation of recoverable amount*

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment.

*Reversal of impairment*

Where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



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**London Britannia Hotel Limited**

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**Notes to the financial statements  
For the Year Ended 31 December 2021**

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**1. Accounting policies (continued)**

**1.10 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. Work in progress and finished goods include labour and attributable overheads.

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

**1.11 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.

**1.12 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.

**1.13 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**1.14 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Impairment of financial assets**

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London Britannia Hotel Limited

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Notes to the financial statements  
For the Year Ended 31 December 2021

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1. Accounting policies (continued)

1.14 Financial instruments (continued)

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**Financial liabilities**

**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

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**London Britannia Hotel Limited**

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**Notes to the financial statements  
For the Year Ended 31 December 2021**

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**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies and the reported amount of revenue and expenses during the year. The Company evaluates its estimates and assumptions on an ongoing basis. Such estimates and judgements are based upon historical experience and other factors it believes to be reasonable under the circumstances, which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

Key estimates and judgements have been made in the following area:

**Asset carrying values**

Management performs an assessment at each balance sheet date of assets where risk of impairment has been identified. Key judgement areas include the carrying values of property, plant and equipment. The recovery of these assets is dependent on future cash flows receivable and the provision of future services or goods by third parties.

Where risk of impairment has been identified an impairment review has been performed and where appropriate, external evaluations have been undertaken.

**3. Turnover**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	<b>9,320</b>	<b>2,361</b>
	<b>9,320</b>	<b>2,361</b>

Of the total revenue of £9,320,000 (2020: £2,361,000), room and F&B revenue is £9,157,562 (2020: £2,144,394,000).

**4. Operating loss**

The operating loss is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>510</b>	<b>4,032</b>
	<b>-</b>	<b>-</b>

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London Britannia Hotel Limited

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Notes to the financial statements  
For the Year Ended 31 December 2021

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**5. Auditors' remuneration**

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>15</b>	<b>15</b>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**6. Employees**

Staff costs were as follows:

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Wages and salaries	<b>3,177</b>	<b>2,993</b>
Social security costs	<b>362</b>	<b>548</b>
Other staff costs	<b>263</b>	<b>376</b>
	<b>3,802</b>	<b>3,917</b>

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2021</b> <b>No.</b>	<b>2020</b> <b>No.</b>
Operational staff	<b>81</b>	<b>79</b>
Administration staff	<b>8</b>	<b>8</b>
Maintenance staff	<b>5</b>	<b>5</b>
Sales staff	<b>5</b>	<b>5</b>
	<b>99</b>	<b>97</b>

**7. Interest payable and similar expenses**

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Finance leases and hire purchase contracts	<b>31</b>	<b>31</b>
	<b>31</b>	<b>31</b>

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**Notes to the financial statements  
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**8. Taxation**

	<b>2021 £000</b>	<b>2020 £000</b>
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(3,658)</u>	<u>753</u>
<b>Total deferred tax</b>	<u>(3,658)</u>	<u>753</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(3,658)</u>	<u>753</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - *the same as*) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%) as set out below:

	<b>2021 £000</b>	<b>2020 £000</b>
Profit on ordinary activities before tax	<u>(2,144)</u>	<u>(6,826)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	<u>(407)</u>	<u>(1,297)</u>
<b>Effects of:</b>		
Permanent differences	-	5
Unrelieved tax losses carried forward	<u>(3,251)</u>	<u>2,045</u>
<b>Total tax charge for the year</b>	<u>(3,658)</u>	<u>753</u>

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**London Britannia Hotel Limited**

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**Notes to the financial statements  
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**8. Taxation (continued)**

**Factors that may affect future tax charges**

The standard rate of corporation tax applicable to the Company for the year ended 31 December 2020 was 19.0%. The Government has indicated that the rate of corporation tax may be increased to 25% with effect from 1 April 2023. Should legislation increasing the rate to 25% be substantively enacted, any timing differences which exist at that point would reverse at 25% rather than 19% and deferred tax balances would be revalued accordingly.

**9. Tangible fixed assets**

	L/Term Leasehold Property £000	Plant & machinery £000	Fixtures & fittings £000	Computer equipment £000	Right-of-use asset asset £000
<b>Cost or valuation</b>					
At 1 January 2021	121,589	2,864	17,097	1,033	882
Additions	2,180	-	29	-	-
Transfers between classes	-	(5)	-	-	-
At 31 December 2021	<u>123,769</u>	<u>2,859</u>	<u>17,126</u>	<u>1,033</u>	<u>882</u>
<b>Depreciation</b>					
At 1 January 2021	7,867	285	2,673	167	22
Charge for the year on owned assets	74	79	424	(90)	23
At 31 December 2021	<u>7,941</u>	<u>364</u>	<u>3,097</u>	<u>77</u>	<u>45</u>
<b>Net book value</b>					
At 31 December 2021	<u>115,828</u>	<u>2,495</u>	<u>14,029</u>	<u>956</u>	<u>837</u>
At 31 December 2020	<u>113,722</u>	<u>2,579</u>	<u>14,424</u>	<u>866</u>	<u>860</u>

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9. Tangible fixed assets (continued)

	Total £000
<b>Cost or valuation</b>	
At 1 January 2021	143,465
Additions	2,209
Transfers between classes	(5)
At 31 December 2021	<u>145,669</u>
<b>Depreciation</b>	
At 1 January 2021	11,014
Charge for the year on owned assets	510
At 31 December 2021	<u>11,524</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>134,145</u></u>
At 31 December 2020	<u><u>132,451</u></u>

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Notes to the financial statements  
For the Year Ended 31 December 2021

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**10. Debtors**

	2021 £000	2020 £000
Trade debtors	504	-
Amounts owed by group undertakings	1,787	1,787
Other debtors	18,075	4,199
Prepayments and accrued income	1,286	84
	<u>21,652</u>	<u>6,070</u>

**11. Cash and cash equivalents**

	2021 £000	2020 £000
Cash at bank and in hand	160	2,519
	<u>160</u>	<u>2,519</u>

**12. Creditors: Amounts falling due within one year**

	2021 £000	2020 £000
Bank overdrafts	2,261	-
Bank loans	728	728
Trade creditors	2,569	3,171
Amounts owed to group undertakings	79,244	72,490
Other creditors	1,216	1,493
Accruals and deferred income	9,992	5,480
	<u>96,010</u>	<u>83,362</u>

\*Other creditors includes £4k (2020: £2k) current portion of the lease liability recognised under IFRS 16 'Leases'.



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**13. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>160</b>	<b>2,519</b>
Financial assets that are debt instruments measured at amortised cost	<b>20,366</b>	<b>20,366</b>
	<b>20,526</b>	<b>22,885</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(95,971)</b>	<b>(76,389)</b>

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors and amounts owed to group undertakings.

**14. Deferred taxation**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	<b>(2,138)</b>	<b>(1,385)</b>
(Charged)/Credited to profit or loss	<b>(753)</b>	<b>(753)</b>
<b>At end of year</b>	<b>(2,891)</b>	<b>(2,138)</b>

The provision for deferred taxation is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Difference between accumulated depreciation and capital allowances	<b>(2,891)</b>	<b>(2,138)</b>
	<b>(2,891)</b>	<b>(2,138)</b>

**15. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
1,000 (2020 - 1,000) ordinary shares of £1.00 each	<b>1</b>	<b>1</b>

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**Notes to the financial statements  
For the Year Ended 31 December 2021**

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**16. Lease Liability**

	<b>2021 £000</b>	<b>2020 £000</b>
Current	<b>2</b>	<b>2</b>
Non Current	<b>873</b>	<b>875</b>
<b>Total</b>	<b>875</b>	<b>877</b>

**17. Post balance sheet events**

There have been no events since the reporting date and the approval of these financial statements that require disclosure in these financial statements.

**18. Controlling party**

The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Ltd incorporated in the Republic of Singapore. The accounts of the ultimate holding company, which heads the largest group in which the results of the Company are consolidated, are available to the public at The Accounting and Corporate Regulatory Authority, 10 Anson Road # 05 01/15, International Plaza, Singapore 079903.

The immediate holding and controlling company is Millennium Hotels Limited, a company registered in England and Wales. The smallest group in which the results of the Company are consolidated is headed by Millennium & Copthorne Hotels Limited, a company registered in England and Wales.