

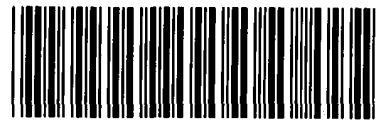
REGISTERED NUMBER: 01343600 (England and Wales)

Britannia Hotels Limited

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 March 2021

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Britannia Hotels Limited

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for the Year Ended 31 March 2021**

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Britannia Hotels Limited

Company Information
for the Year Ended 31 March 2021

Directors:	R Ferrari A Langsam
Secretary:	R Ferrari
Registered office:	Halecroft 253 Hale Road Hale Altrincham Cheshire WA15 8RE
Registered number:	01343600 (England and Wales)
Auditors:	BDO LLP, Statutory Auditor 3 Hardman Street Manchester M3 3AT
Bankers:	Royal Bank of Scotland St Ann Square (B) PO Box 320 St. Ann Street Manchester M60 2SS

Britannia Hotels Limited

Group Strategic Report for the Year Ended 31 March 2021

The directors present their strategic report of the company and the group for the year ended 31 March 2021.

Strategy

The group aims to offer increasing levels of comfort and service whilst maintaining its highly competitive prices and reputation for good value.

Review of business

Turnover

Turnover is monitored in overall terms reflecting a mix of occupancy levels and average room rate.

Sales have reduced 68% (2020: 4% growth) for the year. This reflects the impact Covid 19 has had on performance and the trading conditions throughout the economy in 2021.

Gross profit

The gross margin achieved for the year equated to 47.4% (2020: 61.9%). Again this significant drop in margin reflects the trading conditions since the onset of the Covid 19 pandemic. Our priority continually remains to maintain occupancy levels and manage operating costs so that the business is well placed to exploit further investment in new properties.

Operating costs

The Group's policy is to increase profitability via tightly controlled management of costs.

Principal risks and uncertainties

The hotel industry in the UK is becoming increasingly competitive and this brings an increased risk of losing major sales accounts to competitors. The Company manages to control this risk by adding improved services whilst retaining highly competitive prices and maintaining good customer relationships. The Company has no overseas operations.

Demand for hotel services can be affected by the general economic conditions in the country as well as the impact of the Covid 19 pandemic. We ensure that we retain the necessary flexibility not only on our prices in order to respond to market conditions but also to allow us to adapt and overcome the ever evolving challenges of operating hotels in the current socio-economic environment. In addition, we employ tight controls on our costs, particularly labour costs, in order to ensure that the Company maintains its competitive position.

Key performance indicators

The directors manage the group's operations by monitoring the above KPI's of turnover, gross profit and operating costs. It is believed that these KPI's are those most applicable in understanding the group as a whole's reported performance.

Future outlook

The directors remain confident that the Company is in a good position to meet the challenges and opportunities of the future. The hotels have managed to maintain their competitive edge through the economic downturn and continue to take steps designed to attract new business and improve market share going forward. The directors have carefully considered the availability of working capital and likely levels of trading over the next 12 months. They are confident that the business is well placed to meet the challenges including the current geopolitical uncertainty, cost of living crisis and the continuing impact of the Covid 19 pandemic.

Financial risk management objectives and policies

The financial instruments used by the group include bank loans and overdrafts, cash and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main risks arising from the group's financial instruments are interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The group finances its operations through a mixture of retained profit, amounts owed to related parties and bank borrowings. It is the group's policy to undertake borrowings on variable interest rate facilities. The directors are confident that the overall resources of the organisation and its shareholders are sufficient to enable us to easily absorb any potential changes in interest rates.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Short-term flexibility is achieved by overdraft facilities.

The maturity of borrowings is set out in note 16 to the financial statements.

Credit risk

The group's principal financial assets are cash and trade debtors. The principal credit risk arises from the group's trade debtors. To manage credit risk, the directors enforce a rigorous system of third party credit references, constantly reviewed credit limits and uncompromising debt collection.

Section 172 Statement

As with all businesses over the past few years the directors have continued to spend a substantial amount of their time considering and putting into action strategies to adapt the organisation to the impact of the Covid 19 virus. Trading restrictions necessary to stem the tide of the virus have limited opportunities to generate revenue industry wide and lead to difficulties in predicting the levels of business. As restrictions on trading are now lifted we hope to see a return to some level of stability, though current events in Europe will inevitably impact the industry and lead to new challenges. The ability to adapt processes and operations quickly has been key and the directors have responded by engaging with stakeholders at all levels to meet the demand for accommodation whilst ensuring a safe environment for employees and customers.

The director's strategy continues to be one of maintaining occupancy levels and minimizing costs whilst delivering highly competitive prices to the consumer. This year's focus has largely been on creating a set of measures to maintain the safety of our guests and staff. The flexibility of the organisation to meet changing demands for accommodation as well as its ability to employ tight controls on our costs will be key to the long-term success of the business and benefit of its members as a whole.

The directors are responsible for the group strategy as well as monitoring and managing risk and internal controls throughout the organisation. The organisation has in place a robust standard of corporate governance further details of which are contained within the Report of the Directors.

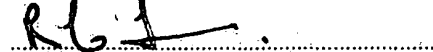
As is stated in the report of the Directors the organisation strives to engage and consult with employees to provide a safe, equal opportunity working environment where they can thrive. Following the onset of the Covid 19 pandemic and the impact on the group and the wider economic environment, the directors agreed to take advantage of the government schemes available to them including placing staff on Furlough as well as available grants. These actions helped to reduce costs to the business whilst minimising the impact on affected staff. During the current Covid 19 pandemic the safety of staff members across the organisation has been of increased importance especially with more staff returning to the offices. Additional staff training has been provided focused on measures designed to keep the hotels a safe and risk-free environment.

Britannia Hotels Limited

Group Strategic Report
for the Year Ended 31 March 2021

Another challenge for the year ahead is the predicted increase in fuel costs of over 30% but this challenge in itself presents an opportunity for improvement. We have already set up new systems and monitoring in order to reduce consumption of utilities across all sites which will both enable costs savings and reduce our carbon consumption. Our Energy and sustainability team focuses on reducing both water and energy consumption with initiatives like replacing existing lighting with low energy LEDs and remotely monitoring consumption of water, electricity and gas across all the sites. The Directors recognise that as a large company it must not only consider the needs of direct stakeholders such as employees, customers and suppliers but also its impact on the environment and society as a whole.

On behalf of the board:



R Ferrari - Director

Date: 22/04/2022

Britannia Hotels Limited

Report of the Directors
for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2021.

The accounts are made up to the business year end date of 27 March 2021 (2020: 28 March 2020).

Results

The audited financial statements for the year ended 31 March 2021 are set out on pages 11 to 35. Total comprehensive income for the year was a loss of £9,010,000 (2020: £10,202,000 profit).

Dividends

No dividends will be distributed for the year ended 31 March 2021.

Directors

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

R Ferrari
A Langsam

Employees

Details of employees and related costs can be found in note 4 to the financial statements.

The group's policies and practices are laid out in employees' contracts of employment. Regular meetings are held within the individual hotels with heads of departments and the resulting information is passed to all employees. The group makes every effort to provide the same opportunities to disabled persons as to others and does not discriminate between employees on the grounds of race, ethnic origin or sex. Equal opportunity is given to all job applicants.

Briefing and consultative procedures exist throughout the group to inform employees on all matters of concern to them and to provide opportunities for comment and discussion.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of any members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Going concern

The directors consider that the application of going concern is appropriate having regard to confirmation of shareholder support received and the fact that the company operates in the wider context of the entities detailed in note 23. The directors perform an annual review of the entity's ability to continue to operate as a going concern, taking into account expected cashflows and the ability to source funding from other group companies, controlling parties and external parties. On this basis the directors consider it appropriate to adopt the going concern basis.

In the period the company took steps to minimise risks and preserve cash by maintaining our usual tightly controlled management of costs alongside introducing various cash saving actions such as delaying capital expenditure and cutting all non-essential operating expenditure.

The company has sufficient headroom on our banking facilities for at least the next 12 months from the date of approval of the balance sheet.

As a UK short stay operator the company is well-placed to benefit from the 2022 summer period due to the reluctance people may have to travel abroad.

Britannia Hotels Limited has taken into account the future economic uncertainty posed by events in the Ukraine, cost of living crisis and rising energy costs as well as the ongoing Covid 19 pandemic in the next financial year and at least 12 months from the date of approval of these financial statements.

Britannia Hotels Limited

Report of the Directors
for the Year Ended 31 March 2021

Streamlined energy and carbon reporting

The companies greenhouse gas emissions and energy consumption are as follows:

	31/03/2021 KWH (000'S)
Scope 1 emissions (direct) emissions resulting from activities for which the Group is responsible involving natural gas and vehicle fleet	49,319,563
Scope 2 emissions (indirect) emissions resulting from activities for which the Group is responsible involving electricity	16,096,912

Methodology

In calculating our figures we have used the methodology in the GHG Protocol Corporate Accounting and Reporting Standard. We have followed the 2013 UK Government Environmental Reporting Guideline (updated 2019). We have used the 2021 UK Government Conversion Factors for company reporting.

Intensity ratio

To use a volume based metric would not be representative of the sector due to the variety in size and age of properties within the industry. It was therefore decided to use total £m sales revenue as our metric.

The intensity ratio for the year was 325 tonnes of CO₂e per £m sales revenue

Efficiency

The main source of CO₂ emissions within the company is natural gas used for heating the properties. We continue to seek opportunities for reducing our energy consumption including closely monitoring consumption, replacing broken plant with modern equivalents and use of LED lights throughout the portfolio.

Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Britannia Hotels Limited

Report of the Directors
for the Year Ended 31 March 2021

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

On behalf of the board:



R Ferrari - Director

Date: 22/04/2022

Independent auditor's report to the members of Britannia Hotels Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Britannia Hotels Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

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

Report of the Independent Auditors to the Members of
Britannia Hotels Limited

Other Companies Act 2006 reporting

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.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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

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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Based on our understanding and accumulated knowledge of the Group and Company and the sector in which it operates we considered the risk of acts by the Group and Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group and Company's accounting policies, those that relate to the payment of employees; and industry related such as compliance with Health & Safety regulations. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;

Report of the Independent Auditors to the Members of
Britannia Hotels Limited

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the expected useful economic life and residual value of tangible fixed assets
- Identifying and testing journal entries, in particular any journal entries posted to revenue including specific keywords;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Gary Harding

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Gary Harding (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
3 Hardman Street
Manchester
M3 3AT

22 April 2022
Date:

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

Britannia Hotels Limited

Consolidated Statement of Comprehensive Income
for the Year Ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Turnover	3	38,311	120,460
Cost of sales		<u>(20,149)</u>	<u>(45,877)</u>
Gross profit		18,162	74,583
Administrative expenses		<u>(33,968)</u>	<u>(60,736)</u>
		(15,806)	13,847
Other operating income		<u>6,192</u>	<u>-</u>
Operating (loss)/profit	5	(9,614)	13,847
Interest receivable and similar income		<u>97</u>	<u>184</u>
		(9,517)	14,031
Interest payable and similar expenses	6	<u>(32)</u>	<u>(265)</u>
(Loss)/profit before taxation		(9,549)	13,766
Tax on (loss)/profit	7	<u>539</u>	<u>(3,564)</u>
(Loss)/profit for the financial year		(9,010)	10,202
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(9,010)</u>	<u>10,202</u>
(Loss)/profit attributable to: Owners of the parent		<u>(9,010)</u>	<u>10,202</u>
Total comprehensive income attributable to: Owners of the parent		<u>(9,010)</u>	<u>10,202</u>

The notes on pages 17 to 35 form part of these financial statements

Consolidated Statement of Financial Position

31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	9	7,989	9,078
Tangible assets	10	232,014	232,036
Investments	11	-	-
		<u>240,003</u>	<u>241,114</u>
Current assets			
Stocks	12	3,399	3,415
Debtors	13	17,393	8,795
Cash at bank and in hand		<u>17,332</u>	<u>35,193</u>
		38,124	47,403
Creditors			
Amounts falling due within one year	14	<u>(28,658)</u>	<u>(30,936)</u>
Net current assets		<u>9,466</u>	<u>16,467</u>
Total assets less current liabilities		249,469	257,581
Creditors			
Amounts falling due after more than one year	15	(35,876)	(36,927)
Provisions for liabilities	20	<u>(35,617)</u>	<u>(33,668)</u>
Net assets		<u>177,976</u>	<u>186,986</u>
Capital and reserves			
Called up share capital	21	30	30
Revaluation reserve	22	12,770	12,770
Other reserves	22	7,064	7,064
Retained earnings	22	<u>158,112</u>	<u>167,122</u>
Shareholders' funds		<u>177,976</u>	<u>186,986</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22/04/2022 and were signed on its behalf by:



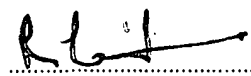
R Ferrari - Director

The notes on pages 17 to 35 form part of these financial statements

Company Statement of Financial Position
31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	9	33	33
Tangible assets	10	193,121	193,145
Investments	11	<u>15,941</u>	<u>15,941</u>
		<u>209,095</u>	<u>209,119</u>
Current assets			
Stocks	12	3,120	3,138
Debtors	13	53,613	46,236
Cash at bank and in hand		<u>14,399</u>	<u>29,916</u>
		71,132	79,290
Creditors			
Amounts falling due within one year	14	<u>(61,684)</u>	<u>(63,921)</u>
Net current assets		<u>9,448</u>	<u>15,369</u>
Total assets less current liabilities		218,543	224,488
Creditors			
Amounts falling due after more than one year	15	(35,875)	(36,926)
Provisions for liabilities	20	<u>(35,097)</u>	<u>(33,938)</u>
Net assets		<u>147,571</u>	<u>153,624</u>
Capital and reserves			
Called up share capital	21	30	30
Revaluation reserve	22	15,910	15,910
Retained earnings	22	<u>131,631</u>	<u>137,684</u>
Shareholders' funds		<u>147,571</u>	<u>153,624</u>
Company's (loss)/profit for the financial year		<u>(6,053)</u>	<u>11,774</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22/04/2022 and were signed on its behalf by:


.....
R Ferrari - Director

The notes on pages 17 to 35 form part of these financial statements

Britannia Hotels Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £'000	Retained earnings £'000	Revaluation reserve £'000	Other reserves £'000	Total equity £'000
Balance at 1 April 2019	30	156,920	12,770	7,064	176,784
Changes in equity					
Total comprehensive income	-	10,202	-	-	10,202
Balance at 31 March 2020	<u>30</u>	<u>167,122</u>	<u>12,770</u>	<u>7,064</u>	<u>186,986</u>
Changes in equity					
Total comprehensive income	-	(9,010)	-	-	(9,010)
Balance at 31 March 2021	<u>30</u>	<u>158,112</u>	<u>12,770</u>	<u>7,064</u>	<u>177,976</u>

The notes on pages 17 to 35 form part of these financial statements

Britannia Hotels Limited

Company Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £'000	Retained earnings £'000	Revaluation reserve £'000	Total equity £'000
Balance at 1 April 2019	30	125,910	15,910	141,850
Changes in equity				
Total comprehensive income	-	11,774	-	11,774
Balance at 31 March 2020	30	137,684	15,910	153,624
Changes in equity				
Total comprehensive income	-	(6,053)	-	(6,053)
Balance at 31 March 2021	30	131,631	15,910	147,571

The notes on pages 17 to 35 form part of these financial statements

Britannia Hotels Limited

**Consolidated Statement of Cash Flows
for the Year Ended 31 March 2021**

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	25	(15,461)	7,056
Tax paid		<u>3</u>	<u>(3,227)</u>
Net cash from operating activities		<u>(15,458)</u>	<u>3,829</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(17)	(267)
Interest received		<u>97</u>	<u>184</u>
Net cash from investing activities		<u>80</u>	<u>(83)</u>
Cash flows from financing activities			
Loan repayments in year		(6,650)	(963)
Interest paid		(32)	(265)
Amount introduced by directors		4,199	-
Amount withdrawn by directors		<u>-</u>	<u>(11)</u>
Net cash from financing activities		<u>(2,483)</u>	<u>(1,239)</u>
(Decrease)/increase in cash and cash equivalents		<u>(17,861)</u>	<u>2,507</u>
Cash and cash equivalents at beginning of year	26	<u>35,193</u>	<u>32,686</u>
Cash and cash equivalents at end of year	26	<u><u>17,332</u></u>	<u><u>35,193</u></u>

The notes on pages 17 to 35 form part of these financial statements

1. STATUTORY INFORMATION

Britannia Hotels Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The group and company's principal activities continue to be the operating of hotels and property development in the UK. It also sells conference room hire, banqueting functions and health club membership.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Basis of consolidation

The group financial statements consolidate the financial statements of Britannia Hotels Limited and its material subsidiary undertakings drawn up to the end of March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Going concern

The directors consider that the application of going concern is appropriate having regard to confirmation of shareholder support received and the fact that the company operates in the wider context of the entities detailed in note 23. The directors perform an annual review of the entity's ability to continue to operate as a going concern, taking into account expected cashflows and the ability to source funding from other group companies, controlling parties and external parties. On this basis the directors consider it appropriate to adopt the going concern basis.

In the period the company took steps to minimise risks and preserve cash by maintaining our usual tightly controlled management of costs alongside introducing various cash saving actions such as delaying capital expenditure and cutting all non-essential operating expenditure.

The company has sufficient headroom on our banking facilities for at least the next 12 months from the date of approval of the balance sheet.

As a UK short stay operator the company is well-placed to benefit from the 2022 summer period due to the reluctance people may have to travel abroad.

Britannia Hotels Limited has taken into account the future economic uncertainty posed by events in the Ukraine, cost of living crisis and rising energy costs as well as the ongoing Covid 19 pandemic in the next financial year and at least 12 months from the date of approval of these financial statements.

Significant judgements and estimates

Preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where there are estimates and judgements made include:

- Insurance provisions - based on directors' best estimate
- Onerous lease provision - based on directors' best estimate
- Asbestos provision - based on estimates provided by third party contractors
- Useful economic lives and residual values of tangible fixed assets for depreciation

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover in respect of accommodation is recognised overnight during each night the customer stays whilst other sales, including bar sales, food sales, conference room hire and banqueting functions, are recognised at the point of purchase. Rental income, Health Club Membership and Management Service income are recognised in the period in which they are earned.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2019, is being amortised evenly over its estimated useful life of ten years.

The goodwill in the group accounts arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired has been capitalised and written off on a straight line basis over ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Tangible fixed assets are stated at cost or valuation net of depreciation and any provisions for impairment.

No depreciation is provided on freehold hotel properties or hotel properties with leases of twenty years or more to run at the balance sheet date or plant, machinery, fixtures and fittings. It is the group's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly the directors consider that the lives of these assets are so long, and residual values (based on prices prevailing at the time of acquisition or subsequent valuation) are so high, that their depreciation is insignificant. Moreover, whilst the initial costs incurred on extensive repair and refurbishment programmes are capitalised, those in respect of items subsequently replaced are written off to the profit and loss account as incurred.

Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of assets over their expected useful lives as follows:

Motor vehicles	- 25% per annum reducing balance basis
Equipment	- 33% per annum straight line basis
Leasehold property	- straight line basis over the lease term.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Stocks

Stocks including development properties held for resale, are stated at the lower of cost and net realisable value.

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Chief rents

Chief rents created are capitalised on the basis of 3 - 5 times the annual amounts receivable. No amortisation is provided on chief rents capitalised, as the amount involved would not be significant.

2. ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Long-term provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The present value of long-term provisions are determined by discounting the expected future cash flows at an appropriate pre-tax rate that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using effective interest method.

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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2. ACCOUNTING POLICIES - continued

Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. TURNOVER

The turnover and loss (2020 - profit) before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2021	2020
	£'000	£'000
Hoteliers	36,363	110,467
Hotel management services	1,828	9,810
Rental income	120	183
	<u>38,311</u>	<u>120,460</u>

Britannia Hotels Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£'000	£'000
Wages and salaries	21,376	35,566
Social security costs	1,086	2,041
Other pension costs	294	487
	<u>22,756</u>	<u>38,094</u>

The average number of employees during the year was as follows:

	2021	2020
Directors	2	2
Office and management	201	263
Direct workers	<u>1,562</u>	<u>2,475</u>
	<u>1,765</u>	<u>2,740</u>

	2021	2020
	£	£
Directors' remuneration	<u>254,662</u>	<u>230,658</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	<u>254,662</u>	<u>230,658</u>

Directors' emoluments represents the Directors' salary for the period, no pension payments were made in either financial year.

Included in other operating income are furlough receipts totalling £5,396,810.

5. OPERATING (LOSS)/PROFIT

The operating loss (2020 - operating profit) is stated after charging:

	2021	2020
	£'000	£'000
Depreciation - owned assets	39	44
Goodwill amortisation	1,089	1,090
Auditors remuneration - for audit of these financial statements	66	65
Auditors remuneration - for audit of subsidiary financial statements	<u>16</u>	<u>10</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£'000	£'000
Bank loan interest	32	157
Interest payable	<u>-</u>	<u>108</u>
	<u>32</u>	<u>265</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	-	2,208
Adjustment in respect of previous periods	<u>14</u>	<u>-</u>
Total current tax	<u>14</u>	<u>2,208</u>
Deferred tax:		
Origination and reversal of timing differences	(539)	1,602
Adjustment in respect of previous periods	-	(245)
Effect of changes in tax rates	<u>(14)</u>	<u>(1)</u>
Total deferred tax	<u>(553)</u>	<u>1,356</u>
Tax on (loss)/profit	<u>(539)</u>	<u>3,564</u>

UK corporation tax was charged at 19% in 2020.

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
(Loss)/profit before tax	<u>(9,549)</u>	<u>13,766</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,814)	2,616
Effects of:		
Expenses not deductible for tax purposes	335	242
Adjustments to tax charge in respect of previous periods	-	(233)
Tax rate changes	3	939
Movement in deferred tax not recognised	<u>937</u>	<u>-</u>
Total tax (credit)/charge	<u>(539)</u>	<u>3,564</u>

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and was substantively enacted on 24 May 2021.

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

The Loss for the parent company was £6,053,761 (2020: £11,774,000 profit).

Britannia Hotels Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021**

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Chief rents capitalised £'000	Totals £'000
Cost			
At 1 April 2020 and 31 March 2021	<u>10,896</u>	<u>33</u>	<u>10,929</u>
Amortisation			
At 1 April 2020	1,851	-	1,851
Amortisation for year	<u>1,089</u>	<u>-</u>	<u>1,089</u>
At 31 March 2021	<u>2,940</u>	<u>-</u>	<u>2,940</u>
Net book value			
At 31 March 2021	<u>7,956</u>	<u>33</u>	<u>7,989</u>
At 31 March 2020	<u>9,045</u>	<u>33</u>	<u>9,078</u>

Company

	Chief rents capitalised £'000
Cost	
At 1 April 2020 and 31 March 2021	<u>33</u>
Net book value	
At 31 March 2021	<u>33</u>
At 31 March 2020	<u>33</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

10. TANGIBLE FIXED ASSETS

Group

	Freehold land and buildings £'000	Leasehold improvements £'000	Long leasehold land and buildings £'000	Plant and machinery £'000
Cost				
At 1 April 2020	130,414	358	55,208	25,125
Additions	-	-	-	-
At 31 March 2021	<u>130,414</u>	<u>358</u>	<u>55,208</u>	<u>25,125</u>
Depreciation				
At 1 April 2020	9,040	-	27	-
Charge for year	-	-	9	-
At 31 March 2021	<u>9,040</u>	<u>-</u>	<u>36</u>	<u>-</u>
Net book value				
At 31 March 2021	<u>121,374</u>	<u>358</u>	<u>55,172</u>	<u>25,125</u>
At 31 March 2020	<u>121,374</u>	<u>358</u>	<u>55,181</u>	<u>25,125</u>
	Fixtures and fittings £'000	Motor vehicles £'000	Equipment £'000	Totals £'000
Cost				
At 1 April 2020	30,215	117	85	241,522
Additions	17	-	-	17
At 31 March 2021	<u>30,232</u>	<u>117</u>	<u>85</u>	<u>241,539</u>
Depreciation				
At 1 April 2020	289	81	49	9,486
Charge for year	-	9	21	39
At 31 March 2021	<u>289</u>	<u>90</u>	<u>70</u>	<u>9,525</u>
Net book value				
At 31 March 2021	<u>29,943</u>	<u>27</u>	<u>15</u>	<u>232,014</u>
At 31 March 2020	<u>29,926</u>	<u>36</u>	<u>36</u>	<u>232,036</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Plant and machinery £'000
Cost			
At 1 April 2020 and 31 March 2021	<u>98,614</u>	<u>53,502</u>	<u>20,384</u>
Depreciation			
At 1 April 2020	4,000	-	-
Charge for year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>4,000</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 2021	<u>94,614</u>	<u>53,502</u>	<u>20,384</u>
At 31 March 2020	<u>94,614</u>	<u>53,502</u>	<u>20,384</u>

	Fixtures and fittings £'000	Motor vehicles £'000	Equipment £'000	Totals £'000
Cost				
At 1 April 2020 and 31 March 2021	<u>24,591</u>	<u>97</u>	<u>78</u>	<u>197,266</u>
Depreciation				
At 1 April 2020	-	75	46	4,121
Charge for year	<u>-</u>	<u>5</u>	<u>19</u>	<u>24</u>
At 31 March 2021	<u>-</u>	<u>80</u>	<u>65</u>	<u>4,145</u>
Net book value				
At 31 March 2021	<u>24,591</u>	<u>17</u>	<u>13</u>	<u>193,121</u>
At 31 March 2020	<u>24,591</u>	<u>22</u>	<u>32</u>	<u>193,145</u>

11. FIXED ASSET INVESTMENTS

Company

	Investments £'000
Cost	
At 1 April 2020 and 31 March 2021	<u>15,941</u>
Net book value	
At 31 March 2021	<u>15,941</u>
At 31 March 2020	<u>15,941</u>

11. FIXED ASSET INVESTMENTS - continued

The parent company has investments in the following subsidiary undertakings which principally affected the results or net assets of the group.

	Country of incorporation or principal business address	Principal activity	Holding of ordinary shares %
Ambassador Hotels (Bournemouth) Limited	England and Wales	Holding company	100
Ambassador (East Cliff) Limited	England and Wales	Hoteliers	100
Britannia Centre Limited	England and Wales	Dormant	100
Britannia Adelphi Hotel Limited	England and Wales	Dormant	100
Gold Diamond D Hollins Hall 2005 Ltd	British Virgin Island	Hoteliers	100
Gold Diamond D Newcastle Gosforth Park 2005 Ltd	British Virgin Island	Hoteliers	100
Gold Diamond D Meon Valley 2005 Ltd	British Virgin Island	Hoteliers	100
Gold Diamond D Sprowston Manor 2005 Ltd	British Virgin Island	Hoteliers	100
Gold Diamond D Sunderland 2005 Ltd	British Virgin Island	Hoteliers	100

All of the subsidiaries are directly owned by Britannia Hotels Limited, apart from Ambassador (East Cliff) Limited. Britannia Hotels Limited has a direct holding of 5% in Ambassador (East Cliff) Limited and an indirect holding of 100% by virtue of the fact that Ambassador Hotels (Bournemouth) Limited holds the other 95%. The registered address for these subsidiaries is: 253 Hale Road, Hale, Altrincham, WA15 8RE

12. STOCKS

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Development properties	2,572	2,572	2,572	2,572
Wet stocks	532	541	410	428
Food stocks	182	189	138	138
Other	113	113	-	-
	<u>3,399</u>	<u>3,415</u>	<u>3,120</u>	<u>3,138</u>

Stock recognised in group cost of sales during the year as an expense was £9,335,000 (2019: £10,590,000). An impairment loss of £nil (2019: £nil) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

13. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	62	658	47	499
Amounts owed by group undertakings	-	-	16,568	16,475
Other debtors	16,144	7,104	15,598	6,470
VAT	501	-	501	-
Called up share capital not paid	5	5	4	4
Prepayments and accrued income	681	1,028	595	832
	<u>17,393</u>	<u>8,795</u>	<u>33,313</u>	<u>24,280</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	20,300	21,956
Aggregate amounts	<u>17,393</u>	<u>8,795</u>	<u>53,613</u>	<u>46,236</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 16)	-	1,400	1,875	1,400
Trade creditors	1,261	914	948	597
Amounts owed to group undertakings	-	-	37,989	37,989
Tax	(93)	(112)	(14)	(34)
Social security and other taxes	726	781	479	617
VAT	-	1,270	-	1,270
Other creditors	14,652	13,001	9,192	9,814
Accrued expenses	<u>12,112</u>	<u>13,682</u>	<u>11,215</u>	<u>12,268</u>
	<u>28,658</u>	<u>30,936</u>	<u>61,684</u>	<u>63,921</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans (see note 16)	-	5,250	-	5,250
Directors' loan accounts	<u>35,876</u>	<u>31,677</u>	<u>35,875</u>	<u>31,676</u>
	<u>35,876</u>	<u>36,927</u>	<u>35,875</u>	<u>36,926</u>

Directors' loan account balances are unsecured and interest free.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank overdrafts	-	-	1,875	-
Bank loans	-	1,400	-	1,400
	<u>-</u>	<u>1,400</u>	<u>1,875</u>	<u>1,400</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	-	1,400	-	1,400
	<u>-</u>	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	-	3,850	-	3,850
	<u>-</u>	<u>3,850</u>	<u>-</u>	<u>3,850</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2021	2020
	£'000	£'000
Within one year	1,314	1,314
Between one and five years	5,258	5,258
In more than five years	<u>72,874</u>	<u>74,189</u>
	<u>79,446</u>	<u>80,761</u>

Company

	Non-cancellable operating leases	
	2021	2020
	£'000	£'000
Within one year	1,057	1,057
Between one and five years	4,226	4,226
In more than five years	<u>60,611</u>	<u>61,668</u>
	<u>65,894</u>	<u>66,951</u>

Britannia Hotels Limited

**Notes to the Consolidated Financial Statements-- continued
for the Year Ended 31 March 2021**

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020
	£'000	£'000
Bank loans	<u>-</u>	<u>6,650</u>

In the prior year a bank loan with Royal Bank of Scotland of £6,650,000 was secured by a fixed charge on the assets of the Company and on those of Britannia Adelphi Hotel Limited. The interest rate on the loan was linked to the London Inter-Bank Offer rate. This loan was repaid in full in the current period.

19. FINANCIAL INSTRUMENTS

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Financial assets measured at amortised cost through profit or loss	17,395	35,701	14,447	36,314
Financial assets that are debt instruments at amortised cost	16,149	6,684	52,470	38,431
Financial liabilities measured at amortised cost	63,901	65,924	97,094	98,569

Financial assets measured at amortised cost comprise of cash and debtors. Financial liabilities measured at amortised cost comprise of loans and creditors.

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Deferred tax	<u>9,019</u>	<u>9,573</u>	<u>8,499</u>	<u>9,843</u>
Other provisions, Onerous lease	<u>26,598</u>	<u>24,095</u>	<u>26,598</u>	<u>24,095</u>
Aggregate amounts	<u>35,617</u>	<u>33,668</u>	<u>35,097</u>	<u>33,938</u>
Group			Deferred tax	Other provisions
			£'000	£'000
Balance at 1 April 2020			9,573	24,095
Provided during year			<u>(554)</u>	<u>2,503</u>
Balance at 31 March 2021			<u>9,019</u>	<u>26,598</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

20. **PROVISIONS FOR LIABILITIES - continued**

Company	Deferred tax £'000	Other provisions £'000
Balance at 1 April 2020	9,843	24,095
Provided during year	<u>(1,344)</u>	<u>2,503</u>
Balance at 31 March 2021	<u>8,499</u>	<u>26,598</u>
Group	2021 £'000	2020 £'000
Fixed asset timing differences	11,141	10,073
Short term timing differences	(371)	(375)
Losses	<u>(1,751)</u>	<u>(125)</u>
	<u>9,019</u>	<u>9,573</u>
Company	2021 £'000	2020 £'000
Fixed asset timing differences	10,480	10,216
Short term timing differences	(371)	(373)
Losses	<u>(1,610)</u>	<u>-</u>
	<u>8,499</u>	<u>9,843</u>

21. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£'000	£'000
30,103	Ordinary shares	£1	<u>30</u>	<u>30</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

22. RESERVES

Group

	Retained earnings £'000	Revaluation reserve £'000	Other reserves £'000	Totals £'000
At 1 April 2020	167,122	12,770	7,064	186,956
Deficit for the year	<u>(9,010)</u>	<u>-</u>	<u>-</u>	<u>(9,010)</u>
At 31 March 2021	<u>158,112</u>	<u>12,770</u>	<u>7,064</u>	<u>177,946</u>

Company

	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
At 1 April 2020	137,684	15,910	153,594
Deficit for the year	<u>(6,053)</u>	<u>-</u>	<u>(6,053)</u>
At 31 March 2021	<u>131,631</u>	<u>15,910</u>	<u>147,541</u>

Retained earnings included all current and prior year retained profit and losses.

Called up share capital represents the nominal value of shares that have been issued.

Revaluation reserve represents the increase in the fair value of properties.

Other reserve represents the acquisition of two entities in a share for share exchange on 1 April 2009.

Britannia Hotels Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

23. **RELATED PARTY DISCLOSURES**

During the year, the group entered into transactions with various businesses in which the shareholders, A. Langsam and Hawksford Jersey Limited as trustee of The Moravcik Trust and/or directors, are materially interested as detailed below. The company has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with other wholly owned subsidiaries within the group.

Business	Nature of entity	Interest as proprietors
A Langsam Hoteliers	Sole Trader	A. Langsam
A. Langsam Estate Agents	Sole Trader	A. Langsam
Company	Nature of entity	Interested as shareholder/member
Britannia Jinky Jersey Limited	Limited Company	A. Langsam
Britannia Hotels (Fylde) Limited	Limited Company	A. Langsam
Britannia Hotels Payroll Limited	Limited Company	A. Langsam
St Peter's Court (Bosworth) Flat Management Company Limited	Limited Company	A. Langsam
Britannia Hotels No.2 Limited	Limited Company	A. Langsam

Included in other debtors and (creditors) are the following balances:

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
A. Langsam - Hoteliers	10,776	2,768	10,758	2,765
A. Langsam Estate Agents	688	690	688	690
St Peter's Court (Bosworth) Flat Management Company Limited	4	4	4	4
Britannia Jinky Jersey Limited	284	158	284	158
Britannia Hotels (Fylde) Limited	2,117	1,871	2,117	1,871
Britannia Hotels Payroll Limited	1,226	539	1,221	538
Britannia Hotels No.2 Limited	<u>(10,692)</u>	<u>(11,710)</u>	<u>(5,415)</u>	<u>(8,812)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

RELATED PARTY DISCLOSURES - continued

During the year the group had the following transactions with related parties:

	2021		2020	
	Charged to/(by)		Charged to/(by)	
Entity	£'000	£'000	£'000	£'000
A Langsam Hoteliers	15,679	(7,671)	715	(18)
Britannia Jinky Jersey Limited	189	(270)	152	(13)
Britannia Hotels (Fylde) Limited	516	(270)	691	(25)
Britannia Hotels No.2 Limited	57,860	(60,822)	11,679	(25,475)
Britannia Hotels Payroll Limited	2,759	(2,072)	3,248	(85)

During the year the company had the following transactions with related parties:

	2021		2020	
	Charged to/(by)		Charged to/(by)	
Entity	£'000	£'000	£'000	£'000
A Langsam Hoteliers	15,647	(7,655)	715	(18)
Britannia Jinky Jersey Limited	189	(63)	152	(13)
Britannia Hotels (Fylde) Limited	516	(270)	691	(25)
Britannia Hotels No.2 Limited	52,305	(51,964)	11,121	(19,483)
Britannia Hotels Payroll Limited	2,756	(2,072)	3,240	(75)

Other movements in the balances shown above relate to their settlement in the year. Transactions with related parties are presented on a net basis where they relate to transactions that are similar in nature.

Management determined that key management personnel are the directors of the Company whose remuneration is disclosed in note 4.

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are A. Langsam and Hawksford Jersey Limited as trustee of The Moravcik Trust by virtue of their shareholdings in the company.

25. RECONCILIATION OF (LOSS)/PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£'000	£'000
(Loss)/profit for the financial year	(9,010)	10,202
Depreciation charges	1,129	1,134
Finance costs	32	265
Finance income	(97)	(184)
Taxation	(539)	3,564
	(8,485)	14,981
Decrease in stocks	16	250
(Increase)/decrease in trade and other debtors	(8,598)	228
Increase/(decrease) in trade and other creditors	1,606	(8,403)
Cash generated from operations	(15,461)	7,056

Britannia Hotels Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2021

26. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2021

	31/3/21	1/4/20
	£'000	£'000
Cash and cash equivalents	<u>17,332</u>	<u>35,193</u>

Year ended 31 March 2020

	31/3/20	1/4/19
	£'000	£'000
Cash and cash equivalents	<u>35,193</u>	<u>32,686</u>

27. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20	Cash flow	At 31/3/21
	£'000	£'000	£'000
Net cash			
Cash at bank and in hand	<u>35,193</u>	<u>(17,861)</u>	<u>17,332</u>
	<u>35,193</u>	<u>(17,861)</u>	<u>17,332</u>
Debt			
Debts falling due within 1 year	(1,400)	1,400	-
Debts falling due after 1 year	<u>(5,250)</u>	<u>5,250</u>	<u>-</u>
	<u>(6,650)</u>	<u>6,650</u>	<u>-</u>
Total	<u>28,543</u>	<u>(11,211)</u>	<u>17,332</u>