

Registration number: 03888595

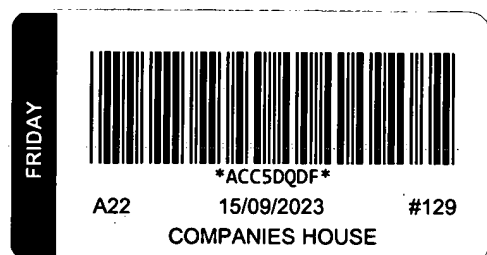
St. James Court Hotel Limited

Annual Report and Financial Statements

for the Year Ended

31 March 2023

KNAV Limited
Statutory Auditors
Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE



St. James Court Hotel Limited

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St. James Court Hotel Limited

Company Information

Directors

Mr P Chhatwal
Mr M O Lowin
Mr R Nagpal
Mr R M Nagpal
Mr S Nagpal
Mr A Narayan
Mr G Sanjeevi
Mr N Chandrasekhar

Company secretary

Mr P Mangal

Registered office

St. James Court Hotel
Buckingham Gate
London
SW1E 6AF

Auditors

KNAV Limited
Statutory Auditors
Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Bankers

Standard Chartered Bank PLC
Barclays Bank PLC

Solicitors

Slaughter and May
1 Bunhill Row
London
EC1Y 8YY

St. James Court Hotel Limited
Strategic Report
for the Year Ended 31 March 2023

The directors present their Strategic Report together with the audited financial statements for the year ended 31 March 2023.

Introduction

St. James Court Hotel Limited ("the Company") is a subsidiary of The Indian Hotels Company Limited ("IHCL"), a company registered in the Republic of India. IHCL, a publicly listed hotel company, was incorporated in the 19th century and has been in the business of luxury hospitality for over a century. It has a dominant position in the industry in India and has presence in a few international destinations, including London and New York. IHCL is the proud owner of the 'Taj' brand of hotels. The Company's hotels sport the Taj name and trade in the UK as:

- Taj 51 Buckingham Gate Suites and Residences;
- St. James' Court, a Taj Hotel.

Principal activities

The principal activities of the Company are to provide:

1. Hotels and similar accommodations by way of Taj hotels in the form of suites in Taj 51 Buckingham Gate Suites and Residences ("T51") and St. James' Court, a Taj Hotel ("SJC").
2. Goods and services by operating licensed restaurants comprising of Kona, Courtyard, TH@51, The Hamptons Bar, The Cellar Room, The Chambers and certain in room dining services.
3. Other related services comprising of letting out banquet space, business centre space and ancillary services in the hospitality sector.

Business Review, future development, and key performance indicators

Business review and developments

Over the past decade, the Company had undertaken an ambitious renovation program in multiple phases in which all 86 suites in Taj 51 Buckingham Gate and over 150 rooms in St James Court had been renovated.

The Company had embarked in 2017 on its latest efforts to upgrade the remaining 192 rooms at St James Court over a 3-year period. The first phase of this schedule, comprising of 105 rooms and spa facilities, was complete in July 2018. The final phase of renovations of the remaining 87 rooms planned for autumn 2019 had been deferred initially on account of uncertainty around Brexit and thereafter deferred indefinitely on account of COVID-19.

In the fiscal year ended March 2022, the new all-day dining restaurant (TH @51) and "The Chambers" brand in the UK were launched. The Chambers is a "by invitation only" business club of the Taj. The newly created Chambers venue in London adds immense value to the offerings at St James.

The renovation of the remaining 79 rooms which was to be undertaken in September 2022 was deferred again by a year to allow for the satisfaction of pent-up demand from consumers to freely travel after the years long pandemic. The Company expects to commence this final phase this year.

St. James Court Hotel Limited
Strategic Report
for the Year Ended 31 March 2023 (continued)

During the year, the Company has recognised revenue of £ 43,122,695 which is higher than the previous year by 119% indicating the Company's recovery post impact of COVID-19.

Financial Performance

Industry Experts among the Big 4 Consulting firms had expected Revenues in the UK Hospitality Industry to recover in the Calendar year 2022 to between 46% (weak recovery) to 86% (strong recovery) of the pre-pandemic levels seen in 2019. This was based on their assessment of the extent of Government restrictions then remaining and the extent of recovery in international travel. At the start of your Company's fiscal year, no restrictions remained, and none forecast.

Since the start of the fiscal year, your Company's hotels witnessed surging demand and a customer price insensitivity that allowed your Company to report record revenues for the year in all its activities, as the enclosed Annual Report will reveal. Occupancies were still below the best pre-pandemic year and are expected to fully recover in the current year. Average Daily rates were significantly higher in the year under review. Your Company expects to sustain these higher rates well into the future.

Financing

The Company had concluded its refinancing due in August 2021 by executing a Facility Agreement with its Financiers. These included a Term Debt of £52 million for the refinance and two separate tranches of £4 million each for Capital Expenditure and General Liquidity.

The Company's Parent – The Indian Hotels Company Limited (IHCL) – views its Investment in your Company as both long term and essential for its own success. Its continued majority ownership of your Company from 1982 and its offer of a Corporate Guarantee to your Company's financiers at the height of the pandemic is testament to this. IHCL concluded its own Equity Raise in India of an amount of over \$500 million in the past year and increased its Investment in your Company by £22.5 million. The Company pared down outstanding debt to a similar extent.

In March 2023, the Company re-negotiated the terms of its Facility Agreement. It obtained a reduction in Interest margin, removed the parental guarantee and certain liquidity covenants which it considered redundant in the make of its financial performance.

Financial key performance indicators

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Company by reference to the following KPIs:

	31 March, 2023	31 March, 2022	Growth
Total turnover (£)	43,122,695	19,663,343	119%
Profit/(Loss) before tax (£)	3,079,399	(4,543,514)	168%
Room Income (£)	35,227,891	15,483,818	128%
Food & Beverage Income (£)	6,955,820	3,601,079	93%

St. James Court Hotel Limited
Strategic Report
for the Year Ended 31 March 2023 (continued)

Principal risk and uncertainties

Geo Politics

The 'Special Military Operation' launched by the Russian Federation in Ukraine on 24 February 2022 is well past the first anniversary of the unprovoked invasion and shows no signs of ending. What was expected to be a quick and facile subjugation of Ukraine has turned into a war of attrition with significant human casualties amongst both the military and civilian population in both countries.

Russia has laid a whole country to needless waste, with the cost of reconstruction arising from a senseless war ironically contributing to future global economic growth. Over 25% of the Ukrainian population have been displaced and over 10% have sought refuge in other countries in Europe. Ukraine is most likely to have changed forever, with any kinship with fellow Soviets from Russia, the emotion of an ancient past.

It may well take longer than a generation for the restoration of pre-war conditions and for the Ukrainian people to make peace with this turn of events. Crippling sanctions have been imposed on the Russian economy, its ruling and business elite, its financial, aviation and technological sectors. Most western corporates have either exited the Country and their Russian operations altogether or have scaled their presence back substantially. The impact of these sanctions on the Russian economy, ordinary Russians and their livelihoods will be devastating long into the future. While the war will inevitably end, its effects are likely to linger far longer and probably forever.

Long before the war ends, the geo-politics of the region will have changed permanently. The political ideologies of the cold war era are now relics of the past. When the Soviet Union disintegrated and the Warsaw Pact dismantled, the Non-Aligned Movement became irrelevant. If the future were to be a time of enduring global peace and prosperity, the western defensive military alliance may need to examine sincerely its continuing relevance in the context of its creation. Nostalgic memories of the past for spheres of influence are the direct cause of the present war.

The Pandemic and its aftermath

The coronavirus outbreak in December 2019 was a once in a century event in terms of infectious diseases and its impact on lives and livelihoods and economic activity. The interconnected nature of the globe became evident with the rapid spread of the virus across continents and the severe and acute public health emergencies in every country. Wave after wave of variants hit country after country. This led to significant economic disruptions at varying times in various parts of the world.

Lock downs, masks, safe distances, travel restrictions, airport closures and work from home was the order of the day for the better part of 2 years. The virus may become endemic in most countries and not a cause of significant public concern as witnessed in Calendar 2020 and 2021. As a result of the pandemic and measures taken to mitigate its spread, every country faced a historic and unprecedented contraction in economic activity in Calendar 2020, from which most have recovered substantially.

The recovery from the pandemic had been swift, as economies re-opened. International borders are now fully open and international travel has fully recovered, as hold out China binned its zero tolerance Covid policy at the end of 2022.

National governments and Central Banks in the developed west had taken extraordinary measures to provide economic stimulus through fiscal and monetary measures, all of which have now ended. The U.K. Government was fully supportive of its businesses and constituents and for these extraordinary support initiatives, your Company remains eternally thankful to the UK Government.

St. James Court Hotel Limited

Strategic Report for the Year Ended 31 March 2023 (continued)

Macroeconomic uncertainty

The resurgence in activity after the reopening of economies post the pandemic, coupled with the war in Europe saw oil and Gas prices rise to historic highs in Calendar 2022. The effects of the lock downs on supply chains, the fiscal and monetary measures taken during the pandemic, the war and its effects on food combined with the impact of sky-high gas prices on transport and energy saw inflation rise dramatically in all major economies. Inflation in the UK currently stands at over 10%, levels not seen for two decades. This cocktail has resulted in the most acute cost of living crisis in the UK.

The vast Government support during the pandemic clearly left the UK Government with little fiscal room. Government debt, as a proportion of National Income, has risen substantially. From below 40% of GDP prior to the Global Financial Crisis of 2007/08 to over 100% now. Notwithstanding this, the UK Government has provided financial support to both individuals and businesses through an energy price subsidy scheme that continues to this day. Thankfully, gas prices have now receded to pre-war price levels.

High inflation is not unique to the UK. The USA and Europe also saw multi-decade high inflation rates that Central Banks are aggressively addressing through higher policy interest rates. In the UK, the Bank of England (BoE) has tightened monetary policy rapidly in Calendar 2022, beginning with a modest rise in late 2021. Policy Interest rates have risen to 4.25% from levels below 1% for all previous 15 years. The Monetary Policy Committee of the BoE announced Increases in Interest rates at each meeting of the BoE held between late 2021 and March 2023. The BoE expects inflation to dip below 4% in the fourth quarter of Calendar 2023 and, given its growth outlook, has hinted that it is nearing the peak of its hiking cycle, with further Interest rate hikes being data dependent. Market participants appear to think likewise based on the rates in the Interest rate swap markets.

The BoE's outlook for growth for the UK economy makes for dismal reading. While the BoE expected that the UK economy will be in recession for all of 2023 and until early 2024, the initial statistics appear to show that while the economy may not contract in Q1 2023, it did not do much better than flatline. With slow or no growth and persistent and entrenched inflation for the year ahead, the economic picture offers little joy.

During the year under review, while labour shortages abated, the impact of Brexit on labour supply remains felt. Especially in the Industry in which your company operates. The UK exited the European Union (EU) in January 2020 and the transition period ended in December 2020. While Brexit will not directly or adversely affect revenues in the hospitality industry, cost of operations will increase owing to reliance on imports for a variety of the industry's operating costs including food and beverages.

Compliance with legislation

In accordance with UK regulatory requirements, the Board is made aware of the Gender Pay Gap and Modern Slavery on an annual basis. The compliance statements are available on Company's websites.

St. James Court Hotel Limited
Strategic Report
for the Year Ended 31 March 2023 (continued)

Section 172(1) statement

The directors are well aware of their duties under Section 172 of the Companies Act 2006 to act in a way which they consider, 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, to have regard to all stakeholders with emphasis on the customer and employees as below:

- The likely outcome of any decision in the short, mid and long term.
- The best interests of the company's employees, suppliers and customers;
- The impact of the company's operations on the local community and environment;
- The desirability of the company to act in accordance to local laws and regulations.

Some examples of the board's engagement that has taken place during the financial year are as follows:

Our People

Our teams are integral to our business. We have embraced a culture of excellence and meritocracy to nurture our people. We believe in selecting the right talent, training them and instilling in them the spirit of Tajness. We are committed to providing our people the best work environment.

Engagement with customers and suppliers

Customers

We have spent years perfecting our craft, decades earning a reputation, and centuries building a culture. We call it Tajness. The spirit of Tajness and everything that we do at St James Court, is guided by our values of Trust, Awareness and Joy. In keeping with our Tajness philosophy everything we do begins and ends with our guests. Despite challenges faced owing to the pandemic, we will continue to elevate our spirit of Tajness and ensure the comfort and well being of all our guests, with an added touch of safety and create long term value for all our stakeholders. St James Court is organized in a customer focused inverted pyramid structure, whereby front line employees are empowered to serve guests. The sales team owns all contracted customer segments, across the life cycle. We continue to engage with our existing customers, while ensuring that we grow our customer base across various segments and geographies.

Suppliers

Our suppliers play a key part in helping us deliver a seamless service to our guests. We seek to choose the best products, ingredients and services to meet our requirements. As a business we focus on developing long term relationships with our suppliers. This creates a win win relationship with our suppliers. The Company ensures it uses the most appropriate third party vendors who comply with applicable laws and regulations. This is reviewed with all suppliers from time to time.

Non-financial and sustainability information

Community and Environment

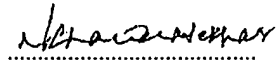
We are a socially responsible organisation and are committed to maintaining the sanctity of the environment in our day-to-day operations. We have defined specific targets to ensure that we utilise our resources optimally and continue to contribute towards making our communities greener, and more sustainable. Optimum utilisation of energy and water at our properties and efficient waste management are three major focus areas for us, and we are making steady progress towards our goals. We are part of the Earth Check program which provides us an opportunity to review our processes in line with other businesses and follow best practices.

St. James Court Hotel Limited
Strategic Report
for the Year Ended 31 March 2023 (continued)

Culture

The Board believes in fostering a culture of inclusiveness and transparency across the business and communication is key in achieving this objective and long-term growth. Our high standards of business conduct are the direct result of a culture that focuses not only on achieving high- levels of performance but doing so in a way that is sustainable and has high levels of integrity. Our three core values, "Trust, Awareness and Joy" are translated into main areas of focus being: Results orientation and delivery, innovation and change, relationships, engaging with people, diversity and respect, and managing our excellence.

This report was approved by the Board on 14th April 2023 and signed on its behalf by:



N Chandrasekhar
Director

St. James Court Hotel Limited
Directors' Report
for the Year Ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors of the company

The directors who held office during the year were as follows:

Mr P Chhatwal

Mr M O Lowin

Mr R Nagpal

Mr R M Nagpal

Mr S Nagpal

Mr A Narayan

Mr G Sanjeevi

Mr N Chandrasekhar

Results and dividends

The profit for the year, after taxation, amounted to £1,522,044 (2022: loss £1,617,851).

The directors do not recommend the payment of a dividend (2022: £Nil).

The company has not made any political or charitable donations during the year.

Financial instruments

The Company finances its assets and operations using retained earnings and bank borrowings. The Company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through tight credit control procedures.

The Company's financial risk management objective is to hedge its exposure to interest rate risks through appropriate derivative instruments with the company's bankers, when required.

Employees

It is the company's stated policy to ensure that ongoing communication and consultation takes place with regard to the performance and future prospects of all its employees in all parts of the company's operations.

Disabled employees

Disabled persons are employed and trained where aptitudes and abilities allow and suitable vacancies are available. Where an employee becomes disabled, every attempt is made to continue his or her employment and to arrange appropriate re training or transfer.

Matters covered in the Strategic Report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 2 to 7.

St. James Court Hotel Limited

Directors' Report
for the Year Ended 31 March 2023 (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 2 to 7 of these financial statements. These financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have made an assessment of future cashflows for a period of 12 months from the date of the approval of the financial statements which indicate that the Company will have sufficient funds, through its operations to meet its liabilities as they fall due for that period.

Streamlined Energy and Carbon Reporting (SECR)

		2023	2022
Energy use	Electricity	5,062,450	4,205,887
	Gas (kWh)	3,818,910	2,523,188
Factors used for conversion	Electricity	0.19338	0.21233
	Gas (kWh)	0.18254	0.18316
Associated GHG emissions (tCO ₂ e)	Electricity	979	893
	Gas (kWh)	697	462
Total emissions in metric tonnes CO ₂ e		1676	1,355
Intensity Ratio (per guest room total 415)		4.04	3.27

Methodology used:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 and 2021 UK Government's Conversion Factors for Company Reporting.

Energy Efficiency Action Taken:

- 1) Action plan in place to minimise energy usage in guest rooms via:
 - a) Installation of automatic electricity cut off devices
 - b) Air conditioner filters are changed regularly
 - c) Refrigerators / Minibars / Freezers defrosted regularly
 - d) Double glazing is in the process of being installed in all rooms
 - e) Boilers and cooling equipment are regularly checked and maintained.
- 2) All lighting installed as part of the renovation projects are energy efficient.

St. James Court Hotel Limited
Directors' Report
for the Year Ended 31 March 2023 (continued)

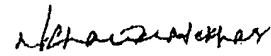
Disclosure of information to the auditors

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

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of KNAV Limited as auditors of the Company is to be proposed.

This report was approved by the Board on 14th April 2023 and signed on its behalf by:



.....
N Chandrasekhar
Director

St. James Court Hotel Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of St. James Court Hotel Limited

Opinion

We have audited the financial statements of St. James Court Hotel Limited ("the Company") for the year ended 31 March, 2023, which comprise the Statement of Profit and Loss account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March, 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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 audit or

Independent Auditor's Report to the Members of St James Court Hotel Limited (continued)

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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report to the Members of St James Court Hotel Limited (continued)

The extent to which the audit is capable of detecting irregularities, including fraud is detailed below:

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud and error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. The primary responsibility for prevention and detection of fraud rests with both those charged with governance of the entity and management.

Based on our understanding of the Company and the industry, discussions with the management, we identified Companies Act 2006, Financial Reporting Standard 102, Health & Safety, Employment Law and UK taxation and legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with the laws and regulations and if there are any known instances of non compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the minutes of the meetings conducted by the Board of Directors;
- enquiry of management of legal matters in the year and use of legal firms thereof;
- evaluation of the selection and application of accounting and policies related to subjective measurements and complex transactions;
- analytical procedures to verify unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

Independent Auditor's Report to the Members of St James Court Hotel Limited (continued)

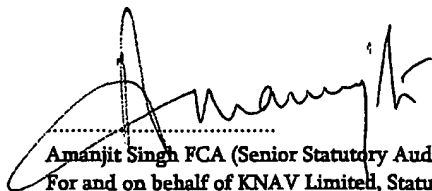
Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The potential effects of inherent limitations are particularly significant in case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes to conceal it, including deliberate failure to record transactions, collusion or internal misrepresentations being made to us.

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



Amanjit Singh FCA (Senior Statutory Auditor)
For and on behalf of KNAV Limited, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Date: 19th April 2023
2023-014-UK

St. James Court Hotel Limited

Profit and Loss Account and Other Comprehensive income for the Year Ended 31 March 2023

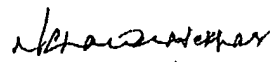
	Note	2023 £	2022 £
Turnover	4	43,122,695	19,663,343
Cost of sales		<u>(23,843,828)</u>	<u>(13,227,256)</u>
Gross profit		19,278,867	6,436,087
Administrative expenses		(14,362,878)	(9,792,581)
Other operating income	5	<u>117,922</u>	<u>775,039</u>
Operating profit/(loss)	6	5,033,911	(2,581,455)
Interest receivable and similar income	8	32,698	290
Interest payable and similar expenses	9	<u>(1,987,210)</u>	<u>(1,962,349)</u>
Profit/(loss) before tax		3,079,399	(4,543,514)
Tax on profit/(loss)	12	<u>(1,557,355)</u>	<u>2,925,663</u>
Profit/(loss) for the financial year		<u>1,522,044</u>	<u>(1,617,851)</u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations. No other comprehensive income was recognised during the year or the prior year.

St. James Court Hotel Limited
(Registration number: 03888595)
Balance Sheet
as at 31 March 2023

	Not e	2023 £	2022 £
Fixed assets			
Tangible assets	13	104,873,922	105,749,447
Current assets			
Stocks	14	411,791	371,311
Debtors	15	11,057,623	12,385,015
Cash at bank and in hand	16	3,794,152	1,600,883
		<u>15,263,566</u>	<u>14,357,209</u>
Creditors: Amounts falling due within one year	17	<u>(6,310,227)</u>	<u>(5,463,912)</u>
Net current assets		<u>8,953,339</u>	<u>8,893,297</u>
Total assets less current liabilities		113,827,261	114,642,744
Creditors: Amounts falling due after more than one year	17	<u>(27,742,363)</u>	<u>(52,579,890)</u>
Net assets		<u>86,084,898</u>	<u>62,062,854</u>
Capital and reserves			
Called up share capital		67,777,912	56,527,912
Share premium reserve		12,441,976	1,191,976
Retained earnings		<u>5,865,010</u>	<u>4,342,966</u>
Shareholders' funds		<u>86,084,898</u>	<u>62,062,854</u>

These financial statements were approved and authorised for issue by the Board on 14th April 2023
and signed on its behalf by:



.....
N Chandrasekhar
Director

St. James Court Hotel Limited

**Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2021	56,527,912	1,191,976	5,960,817	63,680,705
Loss for the year	-	-	(1,617,851)	(1,617,851)
At 31 March 2022	56,527,912	1,191,976	4,342,966	62,062,854

	Note	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2022		56,527,912	1,191,976	4,342,966	62,062,854
Profit for the year		-	-	1,522,044	1,522,044
New share capital subscribed	22	11,250,000	11,250,000	-	22,500,000
At 31 March 2023		67,777,912	12,441,976	5,865,010	86,084,898

The notes on pages 19 to 35 form an integral part of these financial statements.

St. James Court Hotel Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

St James Court Hotel Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006.

The address of its registered office is:

St. James Court Hotel
Buckingham Gate
London
SW1E 6AF
United Kingdom

These financial statements were authorised for issue by the Board on 14th April 2023

2 Accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has made certain reclassifications and regroupings in the comparative numbers in these financial statements to conform to the classifications used in the current financial year. These changes have no impact on the previously reported net loss. The reclassifications and regroupings have been made for better presentation.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The functional and presentational currency is £ Sterling (£), being the currency of the primary economic environment in which the company operates in. The amounts are presented rounded to the nearest pound.

Summary of significant accounting policies and key accounting estimates

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

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Financial Reporting Standard 102 reduced disclosure exemptions

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

- the requirements of Section 26 Share based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 7, Statement of Cash flows;

This information will be included in the consolidated financial statements of The Indian Hotels Company Limited as at 31 March 2023 and these consolidated financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India. They are also available from www.ihcltata.com.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 to 7 of these financial statements. These financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have made an assessment of future cashflows for a period of 12 months from the date of the approval of the financial statements which indicate that the Company will have sufficient funds, through its operations to meet its liabilities as they fall due for that period.

Turnover

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer.

Government grants

Money received in the form of a government grant is treated as revenue grant. Therefore, grant income is recorded within other operating income in the statement of profit and loss on a systematic basis in the same periods as the related expenses incurred.

Interest income

Interest income is recognised in statement of profit and loss using the effective interest method.

Finance costs

Finance costs are charged to statement of profit and 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.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses including gains and losses on borrowings and cash and cash equivalents are presented in the profit and loss account within 'other operating income/administrative expenses'.

Tax

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 balance sheet 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 balance sheet 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 balance sheet date.

Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes original purchase price and 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 the management.

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.

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.

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is provided on the following basis:

Asset class	Depreciation method and rate
Long term leasehold property	Over term of lease
Furniture, fittings, and equipment	5% to 20% straight line basis
Leasehold building surfaces*	30 years straight line basis

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.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

***Leasehold building surfaces are included in the long-term leasehold property in the "Note 13 – Tangible assets".**

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 balance sheet 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 the statement of profit and loss.

Trade 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Trade creditors

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

Borrowings

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

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

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

Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Finance leases are capitalised, at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the company's incremental borrowing rate is used.

Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of profit and loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivables as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Share capital

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

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Financial instruments

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

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 profit and loss account.

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

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

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Hedging

The Company uses variable to fixed interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

As at the year end, no hedging instruments were being used by the Company.

St. James Court Hotel Limited

Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.
- Determine the likelihood of future taxable profits are profitable to utilize against the deferred tax asset.
- Tangible fixed assets (see note 13) are reviewed for impairment if there are any indicators to suggest the carrying value may not be recoverable. Recoverable amounts are based on fair values which have been derived from external valuations.

4 Turnover

The analysis of the company's Turnover for the year by class of business is as follows:

	2023	2022
	£	£
Room revenue	35,227,891	15,483,818
Food and beverage	6,955,820	3,601,079
Other	938,984	578,446
	<u>43,122,695</u>	<u>19,663,343</u>

The Company has re-classified rent income from Quilon amounting to £67,254 included in turnover to other operating income for the year ended March 31, 2022.

The analysis of the company's turnover for the year by market is as follows:

	2023	2022
	£	£
UK revenue	<u>43,122,695</u>	<u>19,663,343</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2023	2022
	£	£
Government grants	-	707,785
Quilon lease rentals	117,922	67,254
	<u>117,922</u>	<u>775,039</u>

St. James Court Hotel Limited

Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

5 Other operating income (continued)

The Company had received grants under the Government's furlough scheme which had been created for the purpose of supporting businesses during the pandemic. The grants were given for specified staff over a specified period of time during which they were not permitted to work for the company. The grants were recognised on a time basis consistent with the period of furlough experienced by staff. The grant was not repayable providing the conditions of grant have been met; the Company believes it had met all the required conditions.

6 Operating profit/(loss)

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	4,031,669	3,986,272
Other operating lease rentals	877,160	874,897
Foreign exchange losses, net	57,048	1,910
	<hr/>	<hr/>

7 Auditors' remuneration

	2023	2022
	£	£
Audit of the financial statements	30,000	30,000
Other non-audit services	5,000	-
	<hr/>	<hr/>

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income on bank deposits	32,698	290
	<hr/>	<hr/>

9 Interest payable and similar expenses

	2023	2022
	£	£
Bank and other interest payable	1,730,040	1,765,433
Other loan interest (charges payable)	249,640	246,397
Interest on finance leases and hire purchase contracts	7,530	11,278
Derivative fair value changes	-	(60,759)
	<hr/>	<hr/>
	1,987,210	1,962,349

St. James Court Hotel Limited

Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£	£
Wages and salaries	8,563,105	6,502,800
Social security costs	697,129	576,145
Pension costs, defined contribution scheme	198,560	182,434
	<u>9,458,794</u>	<u>7,261,378</u>

The average monthly number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Operations	246	204
Administration	37	31
	<u>283</u>	<u>235</u>

11 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023	2022
	£	£
Directors' emoluments	<u>185,487</u>	<u>182,036</u>

In respect of the highest paid director:

	2023	2022
	£	£
Remuneration	<u>185,487</u>	<u>182,036</u>

Director's remuneration for the current year includes amounts paid to Manchan Limited, a company controlled by a director.

St. James Court Hotel Limited

Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

12 Taxation

Deferred tax

2023	£
Origination and reversal of timing differences	1,164,470
Adjustments in respect of prior periods	25,158
Effect of tax rate change on opening balance	<u>367,727</u>
	<u>1,557,355</u>
2022	£
Origination and reversal of timing differences	(405,379)
Adjustments in respect of prior periods	(111)
Effect of tax rate change on opening balance	<u>(2,520,173)</u>
	<u>(2,925,663)</u>

Tax charged/(credited) in the profit and loss account and other comprehensive income

	2023	2022
	£	£
Current taxation		
Deferred tax expense	<u>1,557,355</u>	<u>(2,925,663)</u>

The differences are reconciled below:

	2023	2022
	£	£
Profit/(loss) before tax	<u>3,079,399</u>	<u>(4,543,514)</u>
Corporation tax at standard rate	585,086	(863,268)
Effect of expense not deductible in determining taxable profit (tax loss)	11,666	14,001
Tax increase from effect of capital allowances and depreciation	567,718	541,179
Deferred tax expense/(credit) relating to changes in tax rates or laws	367,727	(2,617,464)
Deferred tax expense/(credit) from unrecognised temporary difference from a prior period	25,158	(111)
Total tax charge/(credit)	<u>1,557,355</u>	<u>(2,925,663)</u>

St. James Court Hotel Limited

Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

12 Taxation (continued)

Factors that may affect future tax charges

As at 31 March 2023 the company had unrelieved trading losses of approximately £35.5m (2022: £40.7m) available to set off against future profits. See further details in note 20.

13 Tangible assets

	Long term leasehold property £	Furniture, fittings and equipment £	Assets under course of construction £	Total £
Cost				
At 1 April 2022	136,891,007	23,119,535	39,250	160,049,792
Additions	983,899	888,395	1,283,850	3,156,144
Disposals	-	(878,680)	-	(878,680)
At 31 March 2023	137,874,906	23,129,250	1,323,100	162,327,256
Depreciation				
At 1 April 2022	39,648,395	14,651,950	-	54,300,345
Charge for the year	2,676,410	1,355,259	-	4,031,669
Disposals	-	(878,680)	-	(878,680)
At 31 March 2023	42,324,805	15,128,529	-	57,453,334
Carrying amount				
At 31 March 2023	95,550,101	8,000,721	1,323,100	104,873,922
At 31 March 2022	97,242,612	8,467,585	39,250	105,749,447

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

13 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2023	2022
	£	£
Furniture, fittings and equipment	118,592	208,839

Depreciation on assets held under finance leases or hire purchase contracts amounts to £90,246 (2022: £90,246).

The recoverable amounts of the properties are determined from value in use calculations or fair value less costs to sell. Management makes use of an external valuation performed by a RICS qualified valuer in assessing the recoverable amount of the properties. The key assumptions used are in relation to discount and growth rates. Growth rates incorporate occupancy, room rate, volume and direct cost changes. Management used a pre tax discount factor of 8% (2022: 7.50%) over the forecast period. Consideration of impairment to the carrying value of assets has been made and the directors concluded that the individual carrying values of the operating assets are supportable by the value in use or fair value less costs to sell.

14 Stocks

	2023	2022
	£	£
Stocks	411,791	371,311

The stocks consist of food and beverage, merchandise for sale, housekeeping and maintenance materials. The directors are of the opinion that the replacement cost of these stocks is not significantly different to their carrying value.

15 Debtors

		2023	2022
	Note	£	£
Trade debtors		1,079,340	897,443
Amounts owed by group undertakings	26	10,375	10,375
Other debtors		219,874	213,093
Prepayments and accrued income		399,288	358,003
Deferred tax assets	20	9,348,746	10,906,101
		<u>11,057,623</u>	<u>12,385,015</u>

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

15 Debtors (continued)

Deferred taxation asset due after one year amounts to £9,348,746 (2022: £10,906,101).

All other amounts shown under debtors fall due for payment within one year.

Included within other debtors are amounts owed by directors to the company of £47,287 (2022: £46,033).

Included within prepayment and accrued income are amounts prepaid to Manchan Limited, a company controlled by a director of £14,890 (2022: £14,456).

Amounts due from group undertakings are interest free, unsecured and repayable on demand. Amounts receivable from Indian Hotel Company Limited as at March 31, 2022, amounting to £138,729 is reclassified under creditors under the head – “amounts owed to group undertakings” to net-off against its payable balance.

16 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	37,886	28,075
Cash at bank	3,756,266	1,572,808
	<u>3,794,152</u>	<u>1,600,883</u>

17 Creditors

	Note	2023 £	2022 £
Creditors: Amounts falling due within one year			
Bank loan including interest payable - under 1yr	18	19,432	1,057,771
Obligations under finance lease and hire purchase contracts		85,166	90,246
Trade creditors		1,193,584	583,503
Amounts owed to group undertakings	26	267,799	630,591
Social security and other taxes		522,927	482,640
Other creditors		1,095,213	657,881
Accruals and deferred income		3,126,106	1,961,280
		<u>6,310,227</u>	<u>5,463,912</u>
Creditors: Amounts falling due after more than one year			
Loans and borrowings	18	<u>27,742,363</u>	<u>52,579,890</u>

During the year ended 31 March 2022 included within amounts owed to group undertakings were loan balances, amounting to £500,000. These amounts were unsecured and attracted an interest of USD 3 Month Libor + 3% Margin base. The entire loan balance amounting to £500,000 was repaid during the year ended 31 March 2023. The remaining amounts included within amounts owed to group undertakings are unsecured, interest free and repayable on demand.

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

18 Loans and borrowings

	2023 £	2022 £
Current loans and borrowings		
Bank loan including interest payable	19,432	1,057,771
Net obligations under finance leases and hire purchase contracts	85,166	90,246
	<u>104,598</u>	<u>1,148,017</u>

	2023 £	2022 £
Non-current loans and borrowings		
Bank loans	27,700,532	52,450,892
Net obligations under finance leases and hire purchase contracts	41,831	128,998
	<u>27,742,363</u>	<u>52,579,890</u>

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Within 1 year	-	1,000,000
Within 2 to 5 years	28,000,000	53,000,000
Less: issue costs	(299,468)	(549,108)
	<u>27,700,532</u>	<u>53,450,892</u>

The company entered two facilities under the agreement:

- Facility A which was for £28m towards repaying the brought forward facilities;
- Facility B which is a revolving loan facility of £4m for general corporate purposes, of which none has been utilised.

The interest payable on each facility is 2.5% + Sterling Over Night Index Average (SONIA).

During the year, the Company repaid £24 million of Facility A, £1 million of Facility B and £1 million of Facility C. The remaining balance of £28 million was refinanced in March 2023, with Standard Chartered Bank.

Secured debt

The Company had availed a loan from the consortium comprising of Barclays Bank PLC and Standard Chartered Bank in September 2016. This loan agreement had been renewed in August 2021. As a part of the original and renewed loan agreement, a fixed and floating charge has been created on the real property, including St James Court, Buckingham Gate, London, SW1E 6AF. Floating charges covers all the property or undertaking of the company. Further the company has re-registered the charge in August 2021. After the repayment of £26 million during the year, the loan is now due only to Standard Chartered Bank.

St. James Court Hotel Limited
Notes to the Financial Statements
for the Year Ended 31 March 2023 (continued)

19 Financial instruments

	2023 £	2022 £
Financial assets that are debt instruments measured at amortised cost	5,103,741	2,860,523
	<u>5,103,741</u>	<u>2,860,523</u>

	2023 £	2022 £
Financial liabilities measured at amortised cost	(32,561,689)	(56,940,286)
	<u>(32,561,689)</u>	<u>(56,940,286)</u>

20 Deferred taxation

	2023 £	2022 £
At beginning of year	10,906,101	7,980,438
Credited/(charged) to the profit or loss	(1,557,355)	2,925,663
	<u>9,348,746</u>	<u>10,906,101</u>

	2023 £	2022 £
Accelerated capital allowances	414,429	665,512
Short term timing differences	50,486	44,984
Tax losses carried forward	8,883,831	10,195,605
	<u>9,348,746</u>	<u>10,906,101</u>

A deferred tax asset has been recognised for the anticipated utilisation of tax losses in the future financial years, as the directors believe it is more likely than not that sufficient taxable profits will be generated.

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £198,560 (2022: £182,434).

St. James Court Hotel Limited
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22 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	67,777,912	67,777,912	56,527,912	56,527,912

New shares allotted

During the year 11,250,000 Ordinary shares of nominal value of £1 each were issued at a price of £2 per Ordinary share resulting in a share premium of £11,250,000. The shares have an aggregate nominal value of £11,250,000 and were allotted for an aggregate consideration of £22,500,000.

23 Reserves

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit & loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

24 Commitments

Capital commitments

At 31 March 2023 the total amount contracted for but not provided in the financial statements was £641,697 (2022: £162,340).

25 Commitments under operating leases

Operating leases

At 31 March 2023 the company had future minimum lease payments due under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than one year	864,495	878,070
Later than one year and not later than five years	3,402,147	3,416,642
Later than five years	74,941,666	75,791,666
	<u>79,208,308</u>	<u>80,086,378</u>

St. James Court Hotel Limited
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26 Related party transactions

The following entities are related parties of the Company by virtue of being under the control of The Indian Hotels Company Limited.

The Company charged £117,922 (2022: £64,000) in respect of rent and £31,738 (2022: £35,289) in respect of utilities to Taj International Hotels Limited. Taj International Hotels Limited recharged salary and related costs of £Nil (2022: £58,669) and sold goods of £297,754 (2022: £157,489) to the Company.

The Indian Hotels Company Limited charged the Company £487,588 (2022: £139,805) for expenses it incurred on behalf of the Company, £1,297,326 (2022: £591,917) in management fees. The Company also charged £735,047 (2022: charged £113,903) in respect of incentive fees. The Company during the year recovered costs of £358,579 (2022: £279,889) which it incurred on behalf of The Indian Hotels Company Limited. The Company charged £3,600 (2022: £20,250) as The Chambers membership fees from The Indian Hotels Company Limited.

During the year ended 31 March 2023, the Company repaid the entire short term loan of £447,000 to IHOCO BV. Against this loan the Company had incurred an interest expense of £3,150 (2022: £10,279).

During the year ended 31 March 2023, the Company repaid the entire short term loan of £53,000 to OHL International (H.K.) Limited, a company registered in Hong Kong. Against this loan the Company had incurred an interest expense of £377 (2022: £1,219).

The Directors remuneration for the current year includes amounts paid to Manchan Limited, a company controlled by a director.

	2023	2022
	£	£
The company had the following balances with other related parties:		
Amount due to Taj International Hotels Limited	(21,263)	(12,400)
Amount due to The Indian Hotels Company Limited	(246,536)	(110,614)
Amount due from The Taj Trade and Transport Limited	1,896	1,896
Amount due to OHL International (HK) Ltd	-	(54,219)
Amount due to IHOCO BV	-	(457,279)
Amount due from Taj GVK Limited	8,479	8,479

27 Controlling party

The immediate parent undertaking of the company is IHOCO B.V, a company incorporated in Netherlands. The ultimate parent undertaking and the ultimate controlling party is the Indian Hotels Company Limited, incorporated in India. The financial statements of The Indian Hotels Company Limited are available from:

Mandlik House,
Mandlik Road,
Mumbai 400 001,
India.

28 Post balance sheet events

There have been no significant events affecting the company since the year end.