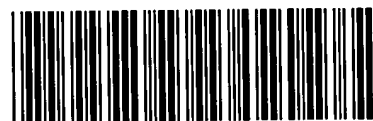


COMPANY REGISTRATION NUMBER: 10837968

HPL (Olympia) Limited
Financial Statements
31 December 2021

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HPL (Olympia) Limited

Financial Statements

Year Ended 31 December 2021

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HPL (Olympia) Limited

Officers and Professional Advisers

Director	Mr Andrew Christopher Roberts
Registered office	4th Floor, 239 Kensington High Street London United Kingdom W8 6SA
Auditor	Deloitte LLP Statutory Auditor Cambridge, United Kingdom
Bankers	National Westminster Bank PLC Piccadilly & New Bond St (A) Branch 63-65 Piccadilly United Kingdom W1J 0AJ

HPL (Olympia) Limited

Director's Report

Year Ended 31 December 2021

The director presents his report and the financial statements of the company for the year ended 31 December 2021.

Director

The director who served the company during the year was as follows:

Mr Andrew Christopher Roberts

There have been no changes in directors between 31 December 2021 and the date when these financial statements are approved.

Going concern

The emergence of COVID-19 in 2020 has had a significant impact on the hotel and leisure industry globally and resulted in severe restrictions to the movement of people. The director has considered the risks arising as a result of the pandemic, and taken appropriate steps to minimise the associated impact, including the furloughing of employees under the Coronavirus Job Retention Scheme, and the waiver of business rates for hospitality where possible. The company has prepared business continuity plans, including risk assessment and readiness evaluations covering all business functions. After making enquiries, the director has a reasonable expectation that the company has adequate resources, including the support of the parent company, to continue in operational existence for the foreseeable future and is well placed to manage its business risks successfully. Thus he continues to adopt the going concern basis in preparing the financial statements.

The director of the company has received assurances from the parent company, HPL Olympia Pte Ltd, that it will continue to support the Company to enable it to meet its liabilities as they fall due for at least the next twelve months from the date of approval of these financial statements. In light of this letter of support, the director has considered the implications to the parent company as a result of the pandemic, to ensure that it has sufficient funds to be able to provide the necessary support. This includes considerations around the support provided to the parent company by its respective shareholders, ongoing costs, future revenues and cash flows over the next twelve months. The director has concluded that HPL Olympia Pte Ltd has the necessary financial position and upwards support to provide the Company with any funding that will be required.

In order to determine the necessary funding required, the Company has produced sensitised forecasts that could result from a downturn in revenue and believes that any resultant downturn would be supported from a cash flow perspective. In doing so, the director has considered that the hotel is now fully operational and occupancy levels have shown steady improvement during 2021. In addition, a number of cost saving measures have been implemented as a result of the pandemic, and it is felt that should forecasts suffer further downturns, there is the ability for the business to implement further cost saving measures. The latest projections and scenarios considered lead management to conclude that additional funding may be required from both the company's fellow subsidiary undertaking, Maple Olympia Propco 4 Sarl and the parent entity in the next twelve months. This is supported by the current occupancy of the hotel and the expected occupancy moving forward which continue to improve, however existing cash reserves may not be sufficient at this stage. Both the company and the sister company retain the full support of the ultimate controlling party.

As disclosed in note 16, immediately following the signing of these financial statements, HPL Olympia Pte Ltd, the company's parent undertaking and ultimate controlling party, will sell 100 percent. of the company's share capital to FREP 4 (Kensington) Limited.

HPL (Olympia) Limited

Director's Report *(continued)*

Year Ended 31 December 2021

Director's Report (continued)

The financial statements have been prepared on the basis that the company is a going concern, and HPL Olympia Pte Ltd has agreed to provide adequate resources to the company to enable it to continue in operational existence for a period of twelve months from the date of signature of the financial statements. However, the support referenced above will fall away upon the change of ownership in the company, and the intentions of the new owners are uncertain at the date these financial statements are signed. In particular the director is uncertain as to the availability and amount of future financial support in the form of guarantees or loans from the expected new parent company, FREP 4 (Kensington) Limited, or other funding, to enable the company to continue trading as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt as to the company's ability to continue as a going concern. In the event that the company ceased to be a going concern, it is expected that there would be material adjustments to the financial statements as at 31 December 2021. These financial statements do not include such adjustments as it is not practicable to determine or quantify them due to the existence of the material uncertainty.

Dividends

The director does not recommend the payment of a dividend (2020: £nil).

Events after the End of the Reporting Period

Particulars of events after the reporting date are detailed in note 16 to the financial statements.

Principal Risks and Uncertainties

Covid-19 risks

At the time of approval of these financial statements the company has considered the additional risk and uncertainty that has arisen due to the effect of Covid-19 and has taken the necessary steps and actions considered appropriate to minimise the associated impact. These include, and are not limited to, the preparation of business continuity plans, including risk assessment and readiness evaluations covering all business functions. Regular communications have been made to staff and the company's stakeholders to minimise disruption.

The company's revenue has been significantly impacted by travel restrictions imposed during the pandemic. Trading during the new financial year is expected to pick up as the country emerges from the pandemic. The director will continue to monitor and adapt as the situation becomes clearer.

Health and safety risks

Health and safety remains a key consideration for the Company and its employees. A rigorous process of risk assessment is in place and reviewed on an annual basis. Health and safety considerations are an integral part of individual employees' annual review and appraisals to ensure the company and its guests have safety at the heart of its daily operating activities carried out as hotelier.

Competitive risks

Operating in a hospitality and leisure market sector the company is in a competitive industry to achieve maintain stability and growth in guest reservations. The company manages this risk by a programme of continuous refurbishment, advertising and marketing to manage consumer interest, and above all excellent customer service.

Economic risks

On withdrawal of the UK from the EU member state countries with effect from 31 January 2020, the company is aware of the risk of the changes on the UK's border customs procedures and tariffs. The company faces increasing costs during the coming year including material costs, many of which are dependent on exchange rate stability.

HPL (Olympia) Limited

Director's Report *(continued)*

Year Ended 31 December 2021

Principal Risks and Uncertainties *(continued)*

Employees' risks

In common with many other businesses the company is concerned about the risk of changes to the UK's employment legislation, and the source of operational staff required from the labour market across the hospitality sector and in particular the loss of EU nationals following the withdrawal of the UK from the EU member state countries. The company manages the risk by the ongoing review of its processes implemented for human resources.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company has the ability to use inter group lending in order to provide support as necessary. Further details of the Group's current financing arrangements are given in note 3.

Director's Responsibilities Statement

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the director 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 profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

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

The director is 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. He is 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

HPL (Olympia) Limited

Director's Report *(continued)*

Year Ended 31 December 2021

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 8th April 2022 and signed on behalf of the board by:



Mr. Andrew Christopher Roberts
Director

Registered office:
4th Floor, 239 Kensington High Street
London
United Kingdom
W8 6SA

HPL (Olympia) Limited

Independent Auditor's Report to the Member of HPL (Olympia) Limited

Year Ended 31 December 2021

Report on the Audit of the Financial Statements

Opinion

In our opinion the financial statements of HPL (Olympia) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income and retained earnings;
- the balance sheet; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

HPL (Olympia) Limited

Independent Auditor's Report to the Member of HPL (Olympia) Limited *(continued)*

Year Ended 31 December 2021

Material Uncertainty Related to Going Concern

We draw attention to note 3 in the financial statements concerning the sale of 100% of the company's share capital post signing of these financial statements and the impact this will have on the Company's ability to continue as a going concern, which is dependent on the letter of support the Company has from its parent company HPL Olympia PTE Ltd. Whilst the director considers that the Company is a going concern, the intentions of the new owners are uncertain, including the availability and amount of future support the Company will receive in the form of guarantees or loans from the expected parent company, FREP 4 (Kensington) Limited, or other funding, to enable the company to continue trading as a going concern. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Our responsibilities and the responsibilities of the director with respect to the 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 director is 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 the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Director

As explained more fully in the director's responsibilities statement, the director is 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 director 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

HPL (Olympia) Limited

Independent Auditor's Report to the Member of HPL (Olympia) Limited (continued)

Year Ended 31 December 2021

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Extent to Which the Audit was Considered 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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and Tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employment law, health and safety regulations and GDPR.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it described below:

- We identified the risk of fraud in occurrence of revenue, pinpointing focus to revenue recognised during those times where the hotel was not in full operation. We have addressed the risk by testing a sample of sales to the client bill and separate Hotel finance system to ensure occurrence.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

HPL (Olympia) Limited

Independent Auditor's Report to the Member of HPL (Olympia) Limited *(continued)*

Year Ended 31 December 2021

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on Other Legal and Regulatory Requirements

Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

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

Matters on Which We are Required to Report by Exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

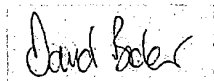
HPL (Olympia) Limited

Independent Auditor's Report to the Member of HPL (Olympia) Limited *(continued)*

Year Ended 31 December 2021

Use of Our Report

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



DAVID BICKER (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

Date: 8 April 2022

HPL (Olympia) Limited

Statement of Comprehensive Income and Retained Earnings

Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover		4,479,469	3,119,490
Cost of sales		(417,076)	(169,204)
Gross Profit		4,062,393	2,950,286
Administrative expenses		(4,973,013)	(6,253,511)
Other operating income	4	183,620	788,597
Operating Loss	5	(727,000)	(2,514,628)
Other interest receivable and similar income	8	—	47
Loss Before Taxation		(727,000)	(2,514,581)
Tax on loss		(98,581)	(5,315)
Loss for the Financial Year and Total Comprehensive Income		(825,581)	(2,519,896)
Retained (Losses)/Earnings at the Start of the Year		(2,183,950)	335,946
Retained Losses at the End of the Year		(3,009,531)	(2,183,950)

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for both years as set out above.

The notes on pages 13 to 23 form part of these financial statements.

HPL (Olympia) Limited


Balance Sheet

At 31 December 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible assets	9	1,970,406	402,443
Current Assets			
Stocks		10,381	5,514
Debtors	10	603,944	250,218
Cash at bank and in hand		1,373,197	348,726
		<u>1,987,522</u>	<u>604,458</u>
Creditors: amounts falling due within one year	11	<u>(6,844,519)</u>	<u>(3,166,492)</u>
Net Current Liabilities		<u>(4,856,997)</u>	<u>(2,562,034)</u>
Total Assets Less Current Liabilities		<u>(2,886,591)</u>	<u>(2,159,591)</u>
Provisions for Liabilities			
Deferred taxation	12	(122,939)	(24,358)
Net Liabilities		<u>(3,009,530)</u>	<u>(2,183,949)</u>
Capital and Reserves			
Called up share capital		1	1
Profit and loss account		(3,009,531)	(2,183,950)
Shareholder Deficit		<u>(3,009,530)</u>	<u>(2,183,949)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 8th April 2022, and are signed on behalf of the board by:


Mr Andrew Christopher Roberts
Director

Company registration number: 10837968

The notes on pages 13 to 23 form part of these financial statements.

HPL (Olympia) Limited

Notes to the Financial Statements

Year Ended 31 December 2021

1. General information

The company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is 4th Floor, 239 Kensington High Street, London, W8 6SA, United Kingdom.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to companies reporting under FRS102.

The Company has applied the amendments issued by the FRC in June 2021 which extend the requirements introduced by the October 2020 amendments so that they apply to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions are met.

3. Accounting policies

Basis of preparation

The financial statements are prepared in UK sterling, which is the functional currency of the entity. The financial statements have been prepared under the historical cost convention.

Going concern

The emergence of COVID-19 in 2020 has had a significant impact on the hotel and leisure industry globally and resulted in severe restrictions to the movement of people. The director has considered the risks arising as a result of the pandemic, and taken appropriate steps to minimise the associated impact, including the furloughing of employees under the Coronavirus Job Retention Scheme, and the waiver of business rates for hospitality where possible. The company has prepared business continuity plans, including risk assessment and readiness evaluations covering all business functions. After making enquiries, the director has a reasonable expectation that the company has adequate resources, including the support of the parent company, to continue in operational existence for the foreseeable future and is well placed to manage its business risks successfully. Thus he continues to adopt the going concern basis in preparing the financial statements.

The director of the company has received assurances from the parent company, HPL Olympia Pte Ltd, that it will continue to support the Company to enable it to meet its liabilities as they fall due for at least the next twelve months from the date of approval of these financial statements. In light of this letter of support, the director has considered the implications to the parent company as a result of the pandemic, to ensure that it has sufficient funds to be able to provide the necessary support. This includes considerations around the support provided to the parent company by its respective shareholders, ongoing costs, future revenues and cash flows over the next twelve months. The director has concluded that HPL Olympia Pte Ltd has the necessary financial position and upwards support to provide the Company with any funding that will be required.

HPL (Olympia) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2021

3. Accounting policies *(continued)*

In order to determine the necessary funding required, the Company has produced sensitised forecasts that could result from a downturn in revenue and believes that any resultant downturn would be supported from a cash flow perspective. In doing so, the director has considered that the hotel is now fully operational and occupancy levels have shown steady improvement during 2021. In addition, a number of cost saving measures have been implemented as a result of the pandemic, and it is felt that should forecasts suffer further downturns, there is the ability for the business to implement further cost saving measures. The latest projections and scenarios considered lead management to conclude that additional funding may be required from both the company's fellow subsidiary undertaking, Maple Olympia Propco 4 Sarl and the parent entity in the next twelve months. This is supported by the current occupancy of the hotel and the expected occupancy moving forward which continue to improve, however existing cash reserves may not be sufficient at this stage. Both the company and the sister company retain the full support of the ultimate controlling party.

As disclosed in note 16, immediately following the signing of these financial statements, HPL Olympia Pte Ltd, the company's parent undertaking and ultimate controlling party, will sell 100 percent. of the company's share capital to FREP 4 (Kensington) Limited..

The financial statements have been prepared on the basis that the company is a going concern, and HPL Olympia Pte Ltd has agreed to provide adequate resources to the company to enable it to continue in operational existence for a period of twelve months from the date of signature of the financial statements. However, the support referenced above will fall away upon the sale of the share in the company, and the intentions of the new owners are uncertain at the date these financial statements are signed. In particular the director is uncertain as to the availability and amount of future financial support in the form of guarantees or loans from the expected new parent company, FREP 4 (Kensington) Limited, or other funding, to enable the company to continue trading as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt as to the company's ability to continue as a going concern. In the event that the company ceased to be a going concern, it is expected that there would be material adjustments to the financial statements as at 31 December 2021. These financial statements do not include such adjustments as it is not practicable to determine or quantify them due to the existence of the material uncertainty.

HPL (Olympia) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The critical areas of judgement are discussed below. In the opinion of the director, there were no significant accounting estimates.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management has made judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee. As disclosed in note 15, the directors consider all leases to be operating leases. Lease payments are based on profitability and their present value at the inception of the lease did not amount to substantially all of the fair value of the leased assets, and hence in the judgement of management the lease does not meet the criteria to be classified as a finance lease.

Loans payable to group and related party undertakings per note 15 are considered to be a current liability as there is no agreement as to fixed repayment term or, duration of loan, however it is the Company's intention to repay the outstanding balances as soon as operational cashflow permits.

Revenue recognition

Turnover is the total receivable by the company from the provision of goods supplied and services provided which fall within the company's principal activity of hotel operations, excluding Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

HPL (Olympia) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2021

3. Accounting policies *(continued)*

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of comprehensive income.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the period of the lease.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings	20% straight line
Furniture and Equipment	20% straight line
Computer Equipment	33% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value and are recorded a first in first out basis. The net realisable value is the estimated selling price of the item held in stock in the ordinary course of business.

HPL (Olympia) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2021

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instrument Issues" of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial Assets

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Financial Liabilities and Equity Instruments

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade creditors and accruals

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

HPL (Olympia) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2021

3. Accounting policies *(continued)*

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Defined contribution plans

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the Statement of comprehensive income and retained earnings as they become payable in accordance with the rules of the scheme.

Liquid resources

The company classifies liquid resources as any cash placed on short term deposits.

HPL (Olympia) Limited

Notes to the Financial Statements (continued)

Year Ended 31 December 2021

3. Accounting policies (continued)

4. Other operating income

	2021	2020
	£	£
Other operating income	<u>183,620</u>	<u>788,597</u>

Other operating income stated above represents other grants receivable by the company in respect of the furloughed employees' salaries payable in accordance with the UK Government's coronavirus Job retention Scheme.

5. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible assets	174,105	134,962
Provision against trade debtors	17,641	14,994
Operating lease rentals	693	1,213,789
Foreign exchange differences	174	1,210
Other income receivable - government grants (note 4)	<u>(181,717)</u>	<u>(788,597)</u>

6. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>19,000</u>	<u>19,440</u>

7. Average monthly employee numbers

The average number of persons employed by the company during the year, including directors amounted to 52 (2020: 90).

The director received no remuneration nor pension contributions for their services from the company during either year.

8. Other interest receivable and similar income

	2021	2020
	£	£
Interest receivable	<u>1</u>	<u>47</u>

HPL (Olympia) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2021

9. Tangible assets

	Fixtures and Fittings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 January 2021	287,710	300,807	113,083	701,600
Additions	897,186	844,882	—	1,742,068
At 31 December 2021	1,184,896	1,145,689	113,083	2,443,668
Depreciation				
At 1 January 2021	114,222	119,924	65,011	299,157
Charge for the year	61,593	83,856	28,656	174,105
At 31 December 2021	175,815	203,780	93,667	473,262
Carrying amount				
At 31 December 2021	1,009,081	941,909	19,416	1,970,406
At 31 December 2020	173,488	180,883	48,072	402,443

Capital commitments

	2021 £	2020 £
Contracted for but not provided for in the financial statements	154,195	—

10. Debtors

	2021 £	2020 £
Trade debtors	426,310	33,203
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1	1
Other debtors	177,633	217,014
	603,944	250,218

Other debtors stated above represents VAT recoverable £100,848 (2020: £80,302), prepayment £74,526 (2020: £135,599) and other sundry debtors £2,259 (2020: £1,113).

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

HPL (Olympia) Limited

Notes to the Financial Statements (continued)

Year Ended 31 December 2021

11. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	649,786	213,315
Amounts owed to group undertakings	5,200,297	2,388,297
Accruals	843,565	292,288
Social security and other taxes	40,277	22,203
Other creditors	110,594	250,389
	<u>6,844,519</u>	<u>3,166,492</u>

Amounts owed to group undertakings are repayable on demand and are interest-free and unsecured. The parent company confirmed it has no intention to seek repayment for twelve months from the date of these financial statements.

12. Provisions for liabilities

	Deferred tax (note 13) £
At 1 January 2021	24,358
Additions	98,581
At 31 December 2021	<u>122,939</u>

13. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2021 £	2020 £
Included in provisions for liabilities (note 12)	<u>122,939</u>	<u>24,358</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021 £	2020 £
Accelerated capital allowances	<u>122,939</u>	<u>24,358</u>

HPL (Olympia) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2021

13. Deferred tax *(continued)*

Deferred taxation provided for in the financial statements, with no expiry date is set out as above. The amount provided at the balance sheet date is calculated using a tax rate of 19.00% (year 2020: 19.00%).

At 31 December the company has tax losses of £1.1million (2020: £nil) which are available for offset against future profits of the same trade. Future tax charges will be reduced to the extent that such tax losses can be utilised and to the extent that such losses can be recognised as deferred tax assets. However at the balance sheet date the deferred tax asset in respect of the tax losses carried forward of £215,164 (2020: £nil) are unrecognised as it is uncertain that they will be utilised in near future periods.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate had not been substantively enacted at the balance sheet date and as a result deferred tax balances as at 31 December 2021 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended 25% rate the impact on the closing position would be to increase the deferred tax liability by £42,485 from £134,537 calculated using the 19% tax rate to £177,023 calculated using the 25% tax rate.

14. Remuneration of key management personnel

Those considered to be key management personnel of the company are not remunerated by this company, and no qualifying services were provided during the year.

15. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	4,448,582	1,212,350
Later than 1 year and not later than 5 years	19,412,000	19,412,000
Later than 5 years	67,942,000	72,795,000
	<u>91,802,582</u>	<u>93,419,350</u>

The lessor, Maple Olympia Propco 4 Sarl has waived the total rent payable by the company under the lease agreement of £4,853,000 that falls due within one year at 31 December 2021 making the total rent charged for the year 2021 £nil (2020: waived £3,639,749 during the period from 1 April 2020 to 31 December 2020 total rent charged £1,213,251). The rent waived is to support the lessee during the Covid19 pandemic period.

We have applied the FRS 102 amendment to rent concessions when accounting for this waiver.

16. Events after the end of the reporting period

As disclosed in the director's report, immediately after to signing these financial statements, HPL Olympia Pte Ltd, the company's parent and ultimate controlling party, exchanged contracts to sell 100 percent. of the company's share capital.

Immediately after the signing of these financial statements the company will be sold, the director resign, and new directors will be appointed.

HPL (Olympia) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2021

17. Related party transactions

In accordance with Section 33 of FRS 102, the company is not required to disclose transactions with companies where the voting rights are wholly controlled within the group.

18. Controlling party

HPL Olympia Pte Ltd, a company incorporated in Singapore, is the ultimate parent company and controlling party of HPL (Olympia) Limited, and is the smallest and largest group for which consolidated accounts are prepared that include the Company. Copies of these financial statements can be obtained from the company's registered address 50 Cuscaden Road, #08-01 HPL House, Singapore 249724.