

ST GILES HOTEL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Company Registration Number 02954321



ST GILES HOTEL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 4
Independent auditor's report to the members	5 to 6
Group profit and loss account	7
Group statement of total recognised gains and losses	8
Group balance sheet	9
Balance sheet	10
Group cash flow statement	11
Notes to the financial statements	12 to 22
 The following pages do not form part of the statutory financial statements	
Detailed group profit and loss account	24
Notes to the detailed group profit and loss account	25

ST GILES HOTEL LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2012

The board of directors	Robert Tan Seng Yong Chua Stephen Noar Rendle De Mello Chin Beng Oh
Company secretary	Boodle Hatfield Secretarial Limited
Registered office	Bedford Avenue London WC1B 3AS
Auditor	RSM Tenon Audit Limited 66 Chiltern Street London W1U 4JT

ST GILES HOTEL LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements of the group for the year ended 31 December 2012

Principal activities and business review

The principal activity of the group during the year was operating hotels. The company's subsidiary, St Giles Hotel LLC, operates two hotels in New York for which this is the 3rd year of trading. One of these hotels was closed between February 2012 and December 2012 for refurbishments.

At the year end the group had shareholders funds of £7 377m (2011 £11 987m)

The New York operation made a loss of US\$9.2m (2011 US\$4.4m), included is a union buyout cost of US\$2.1m. The Court in New York achieved an occupancy of 80.5% (2011 76%) for the year. The Tuscany was partially reopened in Dec 2012, however the delay in its projected September full opening caused further losses in revenue of an estimated \$1.5m per month.

The St Giles Hotel London made a profit before tax of £2.5m (2011 £2.1m) and achieved an occupancy of 92.7% (2011 93.2%) for the year.

The directors consider that the performance of both hotels has been satisfactory.

The directors have assessed the main risk facing the company as being the intensely competitive markets within which the hotels operate. The directors believe that the increase in room revenues in the hotels during the year is a mark of their success in monitoring this environment.

The directors believe that the quality of our product and customer service will help mitigate competitive risks and hope to see continued growth and satisfactory trading results in the coming year.

Results and dividends

The loss for the year, after taxation, amounted to £4,152,000. The directors have not recommended a dividend.

Financial risk management objectives and policies

As well as operational bank accounts, the group has taken out a bank loan in order to set up the New York operation. The loan is in US dollars and St Giles Hotel LLC trades in US dollars, hence the directors have taken steps to mitigate any resulting foreign currency exposure.

The principal risk associated with the bank loan is that the group may not be able to meet the repayment terms. The directors address this risk by preparing cash flow forecasts based on prudent levels of occupancy and resulting revenues and therefore consider that the group will be able to repay its loan.

Directors

The directors who served the company during the year were as follows:

Robert Tan
Seng Yong Chua
Stephen Noar
Rendle De Mello
Chin Beng Oh

ST GILES HOTEL LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2012

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

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

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

In so far as the directors are, individually, aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

ST GILES HOTEL LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2012

Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors



Stephen Noar

Director

Approved by the directors on 16th April 2013

ST GILES HOTEL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST
GILES HOTEL LIMITED
YEAR ENDED 31 DECEMBER 2012

We have audited the group and parent company financial statements ("the financial statements") of St Giles Hotel Limited for the year ended 31 December 2012 on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2012 and of the group's loss 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ST GILES HOTEL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST
GILES HOTEL LIMITED *(continued)*
YEAR ENDED 31 DECEMBER 2012

Matters on which we are required to report by exception

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

Malcolm Pirouet, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited.

RSM Tenon Audit Limited
Statutory Auditor
66 Chiltern Street
London
W1U 4JT

3 May 2013

ST GILES HOTEL LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2012

	Note	2012 £000	2011 £000
Group turnover	2	29,593	32,806
Cost of sales		(12,029)	(14,083)
Gross profit		<u>17,564</u>	<u>18,723</u>
Administrative expenses		(20,756)	(19,284)
Other operating income	3	1,710	1,694
Operating (loss)/profit	4	<u>(1,482)</u>	<u>1,133</u>
Attributable to			
Operating (loss)/profit before exceptional items		(133)	1,133
Exceptional items	4	<u>(1,349)</u>	<u>-</u>
		(1,482)	1,133
Interest receivable		26	25
Interest payable and similar charges	7	(1,918)	(1,819)
Loss on ordinary activities before taxation		<u>(3,374)</u>	<u>(661)</u>
Tax on loss on ordinary activities	8	(778)	(648)
Loss for the financial year	9	<u>(4,152)</u>	<u>(1,309)</u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 12 to 22 form part of these financial statements

ST GILES HOTEL LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2012

	2012 £000	<i>2011</i> <i>£000</i>
Loss for the financial year		
Attributable to the shareholders of the parent company	(4,152)	(1,309)
Loss on foreign exchange on certain fixed assets	<u>(458)</u>	<u>(243)</u>
Total gains and losses recognised since the last annual report	<u>(4,610)</u>	<u>(1,552)</u>

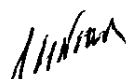
The notes on pages 12 to 22 form part of these financial statements

ST GILES HOTEL LIMITED
GROUP BALANCE SHEET
31 DECEMBER 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	10	63,909	58,820
Investments	11	88	88
		<u>63,997</u>	<u>58,908</u>
Current assets			
Stocks	12	81	171
Debtors	13	3,124	4,894
Cash at bank		6,013	4,655
		<u>9,218</u>	<u>9,720</u>
Creditors: Amounts falling due within one year	14	<u>(13,719)</u>	<u>(8,510)</u>
Net current (liabilities)/assets		(4,501)	1,210
Total assets less current liabilities		<u>59,496</u>	<u>60,118</u>
Creditors: Amounts falling due after more than one year	15	(52,034)	(48,100)
Provisions for liabilities			
Deferred taxation	16	(85)	(31)
		<u>7,377</u>	<u>11,987</u>
Capital and reserves			
Called-up share capital	19	555	555
Share premium account	20	127	127
Other reserves	20	(381)	77
Profit and loss account	20	7,076	11,228
Shareholders' funds	21	<u>7,377</u>	<u>11,987</u>

These financial statements were approved by the directors and authorised for issue on 16th April 2013 and are signed on their behalf by

S Noar
Director



The notes on pages 12 to 22 form part of these financial statements

ST GILES HOTEL LIMITED

Registered Number 02954321

BALANCE SHEET**31 DECEMBER 2012**

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	10	6,351	6,312
Investments	11	21,325	21,325
		<u>27,676</u>	<u>27,637</u>
Current assets			
Stocks	12	43	101
Debtors	13	21,981	13,487
Cash at bank		2,276	3,520
		<u>24,300</u>	<u>17,108</u>
Creditors: Amounts falling due within one year	14	<u>(5,715)</u>	<u>(4,977)</u>
Net current assets		18,585	12,131
Total assets less current liabilities		<u>46,261</u>	<u>39,768</u>
Creditors: Amounts falling due after more than one year	15	(27,294)	(22,549)
Provisions for liabilities			
Deferred taxation	16	(85)	(31)
		<u>18,882</u>	<u>17,188</u>
Capital and reserves			
Called-up share capital	19	555	555
Share premium account	20	127	127
Other reserves	20	320	320
Profit and loss account	20	17,880	16,186
Shareholders' funds		<u>18,882</u>	<u>17,188</u>

These financial statements were approved by the directors and authorised for issue on 16th April 2013 and are signed on their behalf by

S Noar
Director



The notes on pages 12 to 22 form part of these financial statements

ST GILES HOTEL LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2012

		2012	2011
	Note	£000	£000
Net cash inflow from operating activities	22	8,662	3,021
Returns on investments and Servicing of finance			
Interest received		26	25
Interest paid		(1,918)	(1,819)
Net cash outflow from returns on investments and servicing of finance		(1,892)	(1,794)
Taxation		(696)	(666)
Capital expenditure			
Payments to acquire tangible fixed assets		(8,041)	(484)
Net cash outflow from capital expenditure		(8,041)	(484)
Cash (outflow)/inflow before financing		(1,967)	77
Financing			
Increase in/(repayment of) bank loans		3,325	(309)
Net cash inflow/(outflow) from financing		3,325	(309)
Increase/(decrease) in cash	22	1,358	(232)

The notes on pages 12 to 22 form part of these financial statements

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and overseas sales taxes and trade discounts.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold Property	- 15 years straight line
Fixtures & Fittings	- 5 - 10 years straight line
Motor Vehicles	- 3 years
Equipment	- 5 - 10 years straight line
Freehold property	- In accordance with FRS 15, the freehold property is not depreciated as the directors estimate the useful economic life as well in excess of 50 years. The value at which the property is held is reviewed for impairment at each Balance Sheet date.

Investment properties

In accordance with Statement of Standard Accounting Practice 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties with over 20 years to expiry. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Stock is valued at the lower of cost and net realisable value.

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. Accounting policies *(continued)*

Operating lease agreements

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

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay tax, or a right to pay tax, at a future date, at rates expected to apply when they crystallise based on current rates and laws. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different to those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of those assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The results of subsidiaries whose functional currency is not sterling have been translated at the average rate for the year, while their assets and liabilities have been translated at the rate ruling at the balance sheet date. Any exchange differences arising on the retranslation of opening net assets are taken directly to reserves.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	2012	2011
	£000	£000
United Kingdom	19,830	18,911
Overseas	9,763	13,895
	<u>29,593</u>	<u>32,806</u>

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

3. Other operating income

	2012	2011
	£000	£000
Other operating income	<u>1,710</u>	<u>1,694</u>

4. Operating (loss)/profit

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

	2012	2011
	£000	£000
Directors' remuneration	96	96
Depreciation of owned fixed assets	1,150	1,047
Operating lease costs		
-Other	6,227	5,863
Net profit on foreign currency translation	(72)	-
Auditor's remuneration - audit of the financial statements	35	35
Auditor's remuneration - other fees	29	29
Exceptional item - Union buyout	<u>1,349</u>	<u>-</u>

	2012	2011
	£000	£000
Auditor's remuneration - audit of the financial statements	<u>35</u>	<u>35</u>
Auditor's remuneration - other fees		
- Taxation services	<u>29</u>	<u>29</u>

5 Exceptional Item

During the year the US subsidiary St Giles Hotel LLC conducted a union buyout to reduce staff while the Tuscany was closed. The total cost of this was £1,349,152.

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

6 Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	2012	2011
	No	No
Number of hotel staff	318	363
Number of administrative staff	44	68
	<u>362</u>	<u>431</u>

The aggregate payroll costs of the above were

	2012	2011
	£000	£000
Wages and salaries	7,499	8,538
Social security costs	3,064	3,557
Other pension costs	59	57
	<u>10,622</u>	<u>12,152</u>

7. Interest payable and similar charges

	2012	2011
	£000	£000
Interest payable on bank borrowing	1,574	1,549
Other similar charges payable	344	270
	<u>1,918</u>	<u>1,819</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012		2011	
	£000	£000	£000	£000
In respect of the year				
UK Corporation tax		724		335
Deferred tax				
Origination and reversal of timing differences	<u>54</u>		<u>313</u>	
Total deferred tax (note 16)		<u>54</u>		<u>313</u>
Tax on loss on ordinary activities		<u>778</u>		<u>648</u>

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

8 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2011 - 26%)

	2012 £000	2011 £000
Loss on ordinary activities before taxation	(3,374)	(661)
Loss on ordinary activities by rate of tax	(810)	(172)
Effects of Capital allowances for period in excess of depreciation	116	151
Unrelieved tax losses	1,403	311
Tax chargeable at lower rates	15	45
Total current tax (note 8(a))	<u>724</u>	<u>335</u>

9 Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £1,694,000 (2011 - £1,437,000)

10. Tangible fixed assets

Group	Leasehold additions £000	Land & buildings £000	Fixtures & Fittings £000	Motor Vehicles £000	Other Assets £000	Total £000
Cost or valuation						
At 1 Jan 2012	11,653	50,494	5,168	(245)	502	67,572
Additions	998	-	194	(46)	6,895	8,041
Disposals	(1,558)	-	(1,823)	-	-	(3,381)
Revaluation	(58)	(1,595)	(23)	-	(129)	(1,805)
At 31 Dec 2012	<u>11,035</u>	<u>48,899</u>	<u>3,516</u>	<u>(291)</u>	<u>7,268</u>	<u>70,427</u>
Depreciation						
At 1 Jan 2012	5,523	-	3,047	(182)	365	8,753
Charge for the year	762	-	349	(34)	73	1,150
On disposals	(1,558)	-	(1,823)	-	-	(3,381)
Revaluation adjustment	(3)	-	(1)	-	-	(4)
At 31 Dec 2012	<u>4,724</u>	<u>-</u>	<u>1,572</u>	<u>(216)</u>	<u>438</u>	<u>6,518</u>
Net book value						
At 31 Dec 2012	<u>6,311</u>	<u>48,899</u>	<u>1,944</u>	<u>(75)</u>	<u>6,830</u>	<u>63,909</u>
At 31 Dec 2011	<u>6,130</u>	<u>50,494</u>	<u>2,121</u>	<u>(63)</u>	<u>137</u>	<u>58,819</u>

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

10. Tangible fixed assets (continued)

Company	Leasehold additions £000	Land & buildings £000	Fixtures & Fittings £000	Motor Vehicles £000	Other Assets £000	Total £000
Cost or valuation						
At 1 Jan 2012	9,975	230	4,531	(252)	502	14,986
Additions	703	—	205	(46)	92	954
Disposals	(1,558)	—	(1,823)	—	—	(3,381)
Revaluation	—	—	—	(3)	3	—
At 31 Dec 2012	<u>9,120</u>	<u>230</u>	<u>2,913</u>	<u>(301)</u>	<u>597</u>	<u>12,559</u>
Depreciation						
At 1 Jan 2012	5,463	—	3,029	(183)	365	8,674
Charge for the year	622	—	260	(39)	73	916
On disposals	(1,558)	—	(1,824)	—	—	(3,382)
At 31 Dec 2012	<u>4,527</u>	<u>—</u>	<u>1,465</u>	<u>(222)</u>	<u>438</u>	<u>6,208</u>
Net book value						
At 31 Dec 2012	<u>4,593</u>	<u>230</u>	<u>1,448</u>	<u>(79)</u>	<u>159</u>	<u>6,351</u>
At 31 Dec 2011	<u>4,512</u>	<u>230</u>	<u>1,502</u>	<u>(69)</u>	<u>137</u>	<u>6,312</u>

The Investment properties were valued on an open market existing use basis by the directors as at £0 23m (2011 £0 23m) which is also the historic cost

11. Investments

Group	Group undertaking £000
Cost	
At 1 January 2012 and 31 December 2012	<u>88</u>
Net book value	
At 31 December 2012 and 31 December 2011	<u>88</u>

The principal subsidiary undertakings are listed below, and are all incorporated in USA

Name	Holding	Proportion of voting rights and shares held	Nature of business
St Giles Hotel LLC	Ordinary shares	100%	Hotel management
St Giles Hotel Inc (North America)	Ordinary shares	100%	Dormant holding company

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

11 Investments (continued)

Company	Group companies £000
Cost	
At 1 January 2012 and 31 December 2012	<u>21,325</u>
Net book value	
At 31 December 2012 and 31 December 2011	<u>21,325</u>

12. Stocks

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Stock	–	62	–	61
Bonded wines	<u>81</u>	<u>109</u>	<u>43</u>	<u>40</u>
	<u>81</u>	<u>171</u>	<u>43</u>	<u>101</u>

13 Debtors

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Trade debtors	1,319	1,415	845	870
Amounts owed by group undertakings	–	–	19,655	10,992
Other debtors	1,244	1,319	1,211	1,235
Prepayments and accrued income	<u>561</u>	<u>2,160</u>	<u>270</u>	<u>390</u>
	<u>3,124</u>	<u>4,894</u>	<u>21,981</u>	<u>13,487</u>

14. Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Trade creditors	955	1,076	384	413
Other creditors including taxation and social security.				
Corporation tax	81	53	81	53
PAYE and social security	274	1,109	110	598
VAT	540	–	540	–
Other creditors	7,560	2,524	649	543
Accruals and deferred income	<u>4,309</u>	<u>3,748</u>	<u>3,951</u>	<u>3,370</u>
	<u>13,719</u>	<u>8,510</u>	<u>5,715</u>	<u>4,977</u>

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Bank loans	40,511	37,186	15,771	11,635
Other creditors	11,523	10,914	11,523	10,914
	<u>52,034</u>	<u>48,100</u>	<u>27,294</u>	<u>22,549</u>

The bank loan is interest bearing and is secured by way of a fixed charge over the property and a floating charge over the remaining assets of the group. The loan is due for repayment in 2015.

The loan of £11,523m (2011: £10,914m) is from a related party, Ravencroft Investments Limited (see note 18, related parties). The loan is interest bearing and is an arms length transaction.

16. Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2012	2011	2012	2011
	£000	£000	£000	£000
Provision/Asset brought forward	31	(282)	31	(282)
Increase in provision	54	313	54	313
Provision carried forward	<u>85</u>	<u>31</u>	<u>85</u>	<u>31</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2012		2011	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Excess of taxation allowances over depreciation on fixed assets	-	-	31	-
Provision deferred tax, other (describe)	85	-	-	-
	<u>85</u>	<u>-</u>	<u>31</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2012		2011	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Excess of taxation allowances over depreciation on fixed assets	-	-	31	-
Provision deferred tax, other (describe)	85	-	-	-
	<u>85</u>	<u>-</u>	<u>31</u>	<u>-</u>

Deferred tax arising on losses in the group's US subsidiary undertaking for the period have not been recognised due to the inability to accurately assess its value and due to current uncertainty surrounding its recoverability.

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

17. Commitments under operating leases

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	<i>Land and buildings</i>	
	2012 £000	2011 £000
Operating leases which expire		
Within 1 year	<u>3,600</u>	<u>3,600</u>

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

Company	<i>Land and buildings</i>	
	2012 £000	2011 £000
Operating leases which expire		
Within 1 year	<u>3,600</u>	<u>3,600</u>

18 Related party transactions

During the year, the group borrowed staff from St Giles Hotel (Heathrow) Limited whose shareholders are substantially the same as those of St Giles Hotel Limited. At the balance sheet date the amount due to St Giles Hotel (Heathrow) Limited was £2,754 (2011 £1,595).

During the year, the group received rental income from Today We Work Limited, a company related by virtue of common directors. During the year sales were made of £30,000 (2011 £30,000). At the balance sheet date the amount due from Today We Work Limited was £nil (2011 £37,500).

During the year, the group was charged rent of £6,227,468 (2011 £5,840,453) and interest of £343,994 (2011 £269,965) by Ravencroft Investment Incorporated whose shareholders are substantially the same as those of St Giles Hotel Limited. At the balance sheet date the amount due to Ravencroft Investment Incorporated was £nil (2011 £264,834), included in accruals, £3,819,346 (2011 £1,916,310), included in other creditors and £11,523,044 (2011 £10,952,791) in other creditors falling due after more than one year.

At the balance sheet date the amount of £2,968,827 (2011 £nil) was due to Merchant Firm Limited whose shareholders are substantially the same as those of St Giles Hotel Limited.

The company has taken advantage of the exemption under FRS8 related parties to not disclose transactions with other group companies on the basis that group accounts are prepared. All other related party transactions have been disclosed.

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

19. Share capital

Allotted, called up and fully paid.

	2012		2011	
	No	£000	No	£000
555,420 Ordinary shares of £1 each	555,420	555	555,420	555

20. Reserves

Group	Share premium account £000	Capital redemption reserve £000	Foreign exchange reserve £000	Profit and loss account £000
Balance brought forward	127	320	(243)	11,228
Loss for the year	—	—	—	(4,152)
Other movements				
Transfers	—	—	(458)	—
Balance carried forward	127	320	(701)	7,076

Company	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
Balance brought forward	127	320	16,186
Profit for the year	—	—	1,694
Balance carried forward	127	320	17,880

21 Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Loss for the financial year	(4,152)	(1,309)
Movement on unrealised foreign exchange	(458)	(302)
Opening shareholders' funds	11,987	13,598
Closing shareholders' funds	7,377	11,987

22. Notes to the cash flow statement

Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	2012 £000	2011 £000
Operating (loss)/profit	(1,482)	1,133
Depreciation	1,150	1,047
Decrease in stocks	90	12
Decrease/(increase) in debtors	1,770	(1,309)
Increase in creditors	5,790	2,757
Loss/(gain) on foreign currency retranslation on debt	1,344	(619)
Net cash inflow from operating activities	8,662	3,021

ST GILES HOTEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

22. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net debt

	2012		2011	
	£000	£000	£000	£000
Increase/(decrease) in cash in the period	1,358		(232)	
Net cash (inflow) from/outflow from bank loans	<u>(3,325)</u>		<u>309</u>	
Change in net debt resulting from cash flows		(1,967)		77
Translation differences		(1,344)		619
Movement in net debt in the period		<u>(3,311)</u>		<u>696</u>
Net debt at 1 January 2012		<u>(32,531)</u>		<u>(32,608)</u>
Net debt at 31 December 2012		<u>(34,498)</u>		<u>(32,531)</u>

Analysis of changes in net debt

	At 1 January 2012 £000	Cash flows £000	Exchange movement £000	At 31 December 2012 £000
Net cash				
Cash in hand and at bank	<u>4,655</u>	<u>2,702</u>	<u>(1,344)</u>	<u>6,013</u>
Debt				
Debt due after 1 year	<u>(37,186)</u>	<u>(3,325)</u>	<u>—</u>	<u>(40,511)</u>
Net debt	<u>(32,531)</u>	<u>(623)</u>	<u>(1,344)</u>	<u>(34,498)</u>

23. Capital commitments

Amounts payable for fixed assets contracted for but not provided in the financial statements amounted to £2,351,000 (2011 - £Nil)

24. Ultimate controlling party

No individual shareholder owns a controlling interest in the shares of the company