

# **BHL Global Limited**

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 06766834

# BHL Global Limited

## Company Information

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<b>Directors</b>	M H Bakr-Ibrahim M L Armitstead P V Malone
<b>Registered number</b>	06766834
<b>Registered office</b>	16-18 St. James's Place London SW1A 1NJ
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# BHL Global Limited

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# BHL Global Limited

## Group Strategic Report for the Year Ended 31 December 2020

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2020.

### Financial review

2020 has been completely overshadowed by the impact of COVID and the various lockdowns and restrictions imposed on the hospitality industry.

January and February traded as normal, with March slowing down and the first National lockdown came into force on March 20th. The business remained closed for the months of April, May, June and July, and we reopened to the general public on August 3rd, with many restrictions still in place. No international travel, which meant only domestic business, and low confidence in the market for visiting bars and restaurants.

Occupancy levels in August, September and October of 2020 were just about reaching 11% on average and in November a second National lockdown came into force. We closed fully, and reopened again December 2nd. This was short lived and the third National lockdown came into force on December 16th, for the remainder of 2020.

### Key performance indicators

	2020	2019
Turnover from continuing operation (£m)	7.8m	23.6m
Hotel occupancy	22%	77%
Average room rate (£)	364	428
RevPAR (Revenue per available room) (£)	78	328

### Principal risks and uncertainties

This section describes some of the risks that could affect the group's business activities. Not all potential risks are listed but those that, in the opinion of the board, could have a material effect on revenues, profits, net assets and financial resources.

#### *Events that adversely impact domestic or international travel*

The ability to sustain given levels of occupancy and room rates can be adversely affected by events that reduce domestic and international travel. Such events may include acts of terrorism, epidemics, natural disasters, increased cost of travel and industrial action. The group has in place contingency and recovery plans to enable it to respond to major incidents.

#### *Key personnel*

Implementation of the group's strategy depends on its ability to attract, develop and retain employees with the appropriate skills, experience and aptitude. Implementation and development of a company induction scheme as well as ongoing training and development combined with attractive compensation, benefit and incentive schemes all help to minimise the risk.

#### *Information technology systems and infrastructure*

The group invests in systems that are appropriate to the business so as to maximise client relationship management, provide effective communication internally and externally and provide comprehensive reporting capabilities with suitable levels of security and data protection. The monitoring and development of such systems are out-sourced to provide continuity and a cost effective solution.

# BHL Global Limited

## Group Strategic Report (continued) for the Year Ended 31 December 2020

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### Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of changes in price risk, treasury risk, credit risk, liquidity and cash flow risk.

#### *Price risk - The hotel industry supply and demand cycle*

The hotel industry operates in an inherently cyclical market place. A weakening in demand or an increase in market supply may lead to downward pressure on room rates and/or occupancies. The group has systems in place that are designed to minimise the impact of such fluctuations as far as possible to optimise operating profits.

#### *Treasury risk*

In view of the group's exposure to upward fluctuations in interest rates, hedging instruments are used to minimise the potential impact on profitability.

#### *Credit risk - The ability to borrow and satisfy debt covenants*

The group utilises facilities provided by its bankers to fund its operational and refurbishment programmes. The provision of such funds is dependent upon their availability in the market place and the perception of the group's ability to service such facilities. The facilities available are subject to debt covenants. These are reviewed regularly by management to ensure compliance throughout the year. The directors are confident that the group will continue to be able to secure these funds when required.

#### *Liquidity and cash flow risk*

The group manages liquidity risk by maintaining adequate reserves and by monitoring forecast and actual cash flows. The group's loan facility ensures continuity of funding.

### Other key performance indicators

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

The group's financial risk management objective is to hedge its exposure to currency and interest rate risks through appropriate derivative instruments with the group's bankers.

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

  
.....  
**M H Bakr-Ibrahim**  
Director

Date:

7/6/22

# BHL Global Limited

## Directors' Report for the Year Ended 31 December 2020

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The directors present their report and the financial statements for the year ended 31 December 2020.

On 7 November 2019, the company changed its name from Britannia Hospitality Limited to BHL Global Limited.

### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements 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 Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Principal activity

The principal activity of the group in the year under review, which has remained unchanged during the financial year, was that of luxury hoteliers.

The group will continue to own and manage the hotels and restaurants in London.

### Results and dividends

The loss for the year, after taxation, amounted to £9,732,000 (2019 - £4,864,000).

The recommendation is for no dividend payment to be made (2019 - £Nil).

### Directors

The directors who served during the year were:

M H Bakr-Ibrahim

M L Armitstead (resigned 2 March 2020, reappointed 2 December 2021)

L R Lambert (appointed 2 March 2020, resigned 1 November 2021)

Subsequent to the year end, P V Malone was appointed as Director on 31 January 2022.

# **BHL Global Limited**

## **Directors' Report (continued) for the Year Ended 31 December 2020**

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### **Engagement with employees**

The group places considerable value on the involvement of its employees, and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

### **Engagement with suppliers, customers and others**

We seek to grow our business organically and sustainably by acquiring new clients, retaining existing ones, and increasing our share of their trading spend. To achieve this, we put our clients' interests first and aim to provide them with a high value service that yields incremental value as the relationship (and our service offering) matures.

Our suppliers play a key part in enabling us to deliver a leading level of service to our clients by amplifying our capabilities and efficiencies. We seek to choose the best products and services to meet our requirements, and then develop strong, long-term relationships with the suppliers that provide them, in order to create strong and enduring mutual value over time. We regularly look for ways to support our suppliers beyond simply providing our custom, whether through providing testimonials, sharing knowledge or recommending them to others we work with. Ensuring that the firm uses the most appropriate third-party vendors, to promote the interests of its clients and that of the shareholder, a robust review process is undertaken prior to the commencement of any relationship with a third-party supplier and this is then periodically reviewed to ensure ongoing suitability.

### **Disabled employees**

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group. The HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of employees who become disabled whilst employed by the group is offered where appropriate.

### **Qualifying third party indemnity provisions**

The company has put in place qualifying third party indemnity provisions for all of the directors of Britannia Hospitality Limited.

# BHL Global Limited

## Directors' Report (continued) for the Year Ended 31 December 2020

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### Going concern

Due to the impact of the economy in general and our business area in particular, the Directors have prepared, monitored, and constantly reviewed financial plans and forecasts, which have been amended to include the impact of known changes in activities, and will continue to review these budgets and forecasts as the situation progresses.

They have taken swift action as described above to adapt to the changes in the industry and have also taken advantage of government initiatives including furlough, as well as additional financial arrangements with its bank.

The group companies closely monitor its cost base and cashflow and has worked amicably with all suppliers through the prolonged periods of closure as a result of the pandemic.

The Directors are very optimistic that with an improved valuation and with new borrowings from its bank (whilst still maintaining manageable Loan to Value) that they have sufficient resources available to be able to meet all liabilities as they fall due and to be able to continue to trade for a period of at least 12 months from signing these accounts.

### 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 of pages 1 - 2.

### Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

### Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

  
.....  
Director

Date: 7/6/22



# BHL Global Limited

## Independent Auditors' Report to the Members of BHL Global Limited

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### Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of BHL Global Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statements of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the related notes, 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).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

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

# BHL Global Limited

## Independent Auditors' Report to the Members of BHL Global Limited (continued)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Other Companies Act 2006 reporting

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

- the information given in the Group 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 Group Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# BHL Global Limited

## Independent Auditors' Report to the Members of BHL Global Limited (continued)

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### Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management. We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Company that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the Board of Directors meetings and correspondence between the Group or Parent Company and its solicitors. Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

# BHL Global Limited

## Independent Auditors' Report to the Members of BHL Global Limited (continued)

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### Use of our report

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

DocuSigned by:  
  
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**Gareth M Jones** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 22 June 2022

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

# BHL Global Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	7,847	23,618
Cost of sales		(11,825)	(16,640)
<b>Gross (loss)/profit</b>		<b>(3,978)</b>	6,978
Administrative expenses		(5,961)	(7,169)
Other operating income	5	4,042	-
<b>Operating loss</b>	6	<b>(5,897)</b>	(191)
Interest payable and similar expenses	9	(4,452)	(4,685)
<b>Loss before taxation</b>		<b>(10,349)</b>	(4,876)
Taxation	10	977	12
<b>Loss for the financial year</b>		<b>(9,372)</b>	(4,864)
Other comprehensive expense		(718)	(519)
<b>Total comprehensive loss for the year</b>		<b>(10,090)</b>	(5,383)

All amounts relate to continuing operations.


The notes on pages 17 to 37 form part of these financial statements.

**BHL Global Limited**  
Registered number:06766834

**Consolidated Statement of Financial Position  
as at 31 December 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	11	655	729
Negative goodwill		-	(1,179)
Tangible assets	12	95,079	95,057
		<u>95,734</u>	<u>94,607</u>
<b>Current assets</b>			
Stocks	14	326	408
Debtors	15	1,748	3,121
Cash and cash equivalents		4,434	9,204
		<u>6,508</u>	<u>12,733</u>
Creditors: amounts falling due within one year	16	(6,530)	(7,071)
<b>Net current (liabilities)/assets</b>		<u>(22)</u>	<u>5,662</u>
<b>Total assets less current liabilities</b>		<u>95,712</u>	<u>100,269</u>
Creditors: amounts falling due after more than one year	17	(122,473)	(116,267)
<b>Provisions for liabilities</b>			
Deferred tax	21	(1,560)	(2,233)
<b>Net liabilities</b>		<u>(28,321)</u>	<u>(18,231)</u>
<b>Capital and reserves</b>			
Share capital	22	-	-
Revaluation reserve	23	8,439	8,439
Profit and loss account	23	(36,760)	(26,670)
		<u>(28,321)</u>	<u>(18,231)</u>

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

  
.....  
**M H Bakr-Ibrahim**  
Director

Date:



The notes on pages 17 to 37 form part of these financial statements.


**BHL Global Limited**  
Registered number:06766834

**Company Statement of Financial Position  
as at 31 December 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	13	40,461	40,461
<b>Current assets</b>			
Cash and cash equivalents		251	3
Creditors: amounts falling due within one year	16	(21,133)	(16,626)
<b>Net current liabilities</b>		<b>(20,882)</b>	<b>(16,623)</b>
<b>Total assets less current liabilities</b>		<b>19,579</b>	<b>23,838</b>
Creditors: amounts falling due after more than one year	17	(51,914)	(53,449)
<b>Net liabilities</b>		<b>(32,335)</b>	<b>(29,611)</b>
<b>Capital and reserves</b>			
Share capital	22	-	-
Profit and loss account		(32,335)	(29,611)
		<b>(32,335)</b>	<b>(29,611)</b>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the company for the year was £2,724,000 (2019 - £4,373,000).

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

  
.....  
**M H Bakr-Ibrahim**  
Director

Date: 

The notes on pages 17 to 37 form part of these financial statements.

# BHL Global Limited

## Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020

	Revaluation reserve £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2019</b>	<b>8,439</b>	<b>(21,287)</b>	<b>(12,848)</b>
Loss and total comprehensive loss for the year	-	(4,864)	(4,864)
Cashflow hedge reserve	-	(519)	(519)
<b>At 1 January 2020</b>	<b>8,439</b>	<b>(26,670)</b>	<b>(18,231)</b>
Loss and total comprehensive loss for the year	-	(9,372)	(9,372)
Cashflow hedge reserve	-	(718)	(718)
<b>At 31 December 2020</b>	<b>8,439</b>	<b>(36,760)</b>	<b>(28,321)</b>



# BHL Global Limited

## Company Statement of Changes in Equity for the Year Ended 31 December 2020

	Profit and loss account £000	Total equity £000
<b>At 1 January 2019</b>	<b>(24,719)</b>	<b>(24,719)</b>
Loss and total comprehensive loss for the year	<b>(4,373)</b>	<b>(4,373)</b>
Cashflow hedge reserve	<b>(519)</b>	<b>(519)</b>
<b>At 1 January 2020</b>	<b>(29,611)</b>	<b>(29,611)</b>
Loss and total comprehensive loss for the year	<b>(2,724)</b>	<b>(2,724)</b>
<b>At 31 December 2020</b>	<b>(32,335)</b>	<b>(32,335)</b>

# BHL Global Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Loss for the financial year		(9,372)	(4,864)
<b>Adjustments for:</b>			
Amortisation of intangible assets		74	17
Depreciation of tangible assets		3,619	2,711
Loss on disposal of tangible assets		-	19
Taxation charge		(977)	(12)
Movement in stocks		82	60
Movement in debtors		1,781	(1,345)
Movement in creditors		(1,769)	(1,104)
Interest paid		4,452	4,685
Tax received		(201)	(99)
Write off of negative goodwill		(1,179)	-
Cashflow hedge movement		(718)	(518)
<b>Net cash generated used operating activities</b>		<b>(4,208)</b>	<b>(450)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(3,794)	(4,374)
Sale of tangible fixed assets		153	4
Business combination cash paid on acquisition		-	(500)
Cash acquired on acquisition of subsidiaries		-	170
<b>Net cash used in investing activities</b>		<b>(3,641)</b>	<b>(4,700)</b>
<b>Cash flows from financing activities</b>			
New secured loans		8,191	16,304
Repayment of loans		(750)	-
Interest paid		(4,452)	(4,685)
<b>Net cash from financing activities</b>		<b>2,989</b>	<b>11,619</b>

# BHL Global Limited

## Consolidated Statement of Cash Flows (continued) for the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,860)</b>	6,469
Cash and cash equivalents at beginning of year		<b>9,204</b>	2,735
<b>Cash and cash equivalents at the end of year</b>		<b>4,344</b>	9,204
<b>Cash and cash equivalents at the end of year comprise:</b>			
Cash and cash equivalents		<b>4,434</b>	9,204
Bank overdrafts		<b>(90)</b>	-
		<b>4,344</b>	9,204

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 1. General information

Britannia Hospitality Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The registered office is given on the company information page and the nature of the companies operations and principal activity are set out in the directors report.

### 2. Accounting policies

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

#### 2.2 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company
- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and parent company would be identical.
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

#### 2.3 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.4 Going concern

The company has put in place qualifying third party indemnity provisions for all of the directors of Britannia Hospitality Limited. Going concern Due to the impact of the economy in general and our business area in particular, the Directors have prepared, monitored, and constantly reviewed financial plans and forecasts, which have been amended to include the impact of known changes in activities, and will continue to review these budgets and forecasts as the situation progresses.

They have taken swift action as described above to adapt to the changes in the industry and have also taken advantage of government initiatives including furlough, as well as additional financial arrangements with its bank.

The group companies closely monitor its cost base and cashflow and has worked amicably with all suppliers through the prolonged periods of closure as a result of the pandemic.

The Directors are very optimistic that with an improved valuation and with access to borrowings from its bank (whilst still maintaining manageable Loan to Value) that they have sufficient resources available to be able to meet all liabilities as they fall due and to be able to continue to trade for a period of at least 12 months from signing these accounts.

#### 2.5 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. Deposits which have been received at the balance sheet date for which services have not yet been provided are shown in prepayments in advance with creditors.

Turnover is measured at fair value of the consideration received and represents the amount receivable for goods and services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes

The Company recognises revenue when:

- (a) The significant risks and rewards of ownership have been transferred to the customer,
- (b) The Company retains no continuing involvement or control over the goods or services,
- (c) The amounts of revenue can be measured reliably,
- (d) It is probable that future economic benefits will flow to the entity, and
- (e) When specific criteria relating to each Company's revenue streams have been met, as described below

The Company's revenues are derived from sale of hotel rooms , food and beverage.

##### Hotel rooms

Hotel revenue is recognised when the rooms are occupied, and the services are performed. Deferred revenue consisting of deposits paid in advance is recognised as revenue when the customer occupies.

##### Food and beverage

The revenues are recorded net of value added tax collected from customers and are recognised as the related services are delivered.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.6 Intangible assets

##### Goodwill and negative goodwill

Goodwill and negative goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill and negative goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill and negative goodwill amortisation is calculated by applying the straight-line method to its estimated useful life of 20 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

#### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The group 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 group. 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.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.7 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- held at cost/valuation
Plant and machinery	- 8% - 34% straight line
Motor vehicles	- 5 years
Fixtures and fittings	- 3 to 16 years
Computer equipment	- 20% - 65% straight line
Work in progress	- not depreciated

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.

Freehold property comprises a property revalued previously by external valuers every five years and the valuation has been reflected in the financial statements as at 31 December 2013 and is treated as deemed cost in accordance with the transitional rules of FRS102. The surplus on book value has been transferred to the revaluation reserve. Freehold building is not depreciated as the residual value of the asset is expected to be at least the book amount.

#### 2.8 Valuation of investments

Investments in shares in subsidiary undertaking, which have been classified as fixed asset investments as the group intends to hold them on a continuing basis, is measured at cost less accumulated impairment. Any such impairment is taken to the consolidated statement of comprehensive income in the period.

#### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

#### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.12 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.

#### 2.13 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 out-right 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.

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 consolidated statement of comprehensive income.

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

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

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

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.



# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.14 Hedge accounting

The Group uses variable to fixed interest rate swaps to manage its exposure to fair value risk on its bank loan. 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.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

#### 2.15 Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group are recognised in the Statement of Comprehensive Income in the period in which they become receivable.

#### 2.16 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

#### 2.17 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

#### 2.18 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income 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.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.19 Leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.20 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the consolidated statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

#### 2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.22 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

### 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 Group 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 Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)  
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors, such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 4. Turnover

The whole of the turnover is attributable to the principal activities of the group, being that of the operation of hotels in London and Lancashire and a restaurant in London.

All turnover arose within the United Kingdom.

### 5. Other operating income

	2020 £000	2019 £000
Government grants receivable	4,042	-

The company has taken advantage of the Coronavirus Job Retention Scheme during the year in the UK. This income is recognised in the period to which the furloughed staff costs relate to and only when it is reasonably likely for the conditions are to be met. The payroll liability has been incurred by the company and therefore has met the conditions to claim for the payroll period. All other conditions have been satisfied.

### 6. Operating loss

The operating loss is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	3,619	2,711
Loss on disposal of tangible fixed assets	-	19
Amortisation of intangible assets, including goodwill	74	17
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	87	83
Defined contribution pension cost	180	167

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>	<b>Company 2020 £000</b>	<b>Company 2019 £000</b>
Wages and salaries	8,223	7,106	51	64
Social security costs	596	646	7	7
Cost of defined contribution scheme	180	167	2	-
	<b>8,999</b>	<b>7,919</b>	<b>60</b>	<b>71</b>

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

	<b>2020 No.</b>	<b>2019 No.</b>
Administrative and hotel staff	60	161
Management staff	9	13
	<b>69</b>	<b>174</b>

### 8. Directors' remuneration

	<b>2020 £000</b>	<b>2019 £000</b>
Directors' emoluments	160	249

The highest paid director received remuneration of £128,000 (2019 - £150,000).

There were no directors in the group's defined contribution pension scheme (2019 - Nil).

### 9. Interest payable and similar charges

	<b>2020 £000</b>	<b>2019 £000</b>
Bank interest payable	2,280	1,985
Amortisation of debt issue costs	100	100
Interest on loan notes	2,072	2,600
	<b>4,452</b>	<b>4,685</b>

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 10. Taxation

	2020 £000	2019 £000
<b>Corporation tax</b>		
Current tax on losses for the year	(304)	(42)
<b>Total current tax</b>	<b>(304)</b>	<b>(42)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(935)	30
Changes to tax rates	262	-
<b>Total deferred tax</b>	<b>(673)</b>	<b>30</b>
<b>Taxation on loss on ordinary activities</b>	<b>(977)</b>	<b>(12)</b>

#### Factors affecting tax credit for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	(10,349)	(4,876)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,966)	(348)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	356	199
Fixed asset differences	-	179
Adjustments to tax charge in respect of prior periods	-	30
Additional deduction for land remediation expenditure	(5)	1
Changes to tax rates	263	-
Deferred tax not recognised	370	-
Current tax - other	-	(77)
Other movements	5	4
<b>Total tax charge for the year</b>	<b>(977)</b>	<b>(12)</b>

#### Factors that may affect future tax charges

The U.K. government announced in its budget on 11 March 2020 that the U.K. corporation tax main rate, which was due to decrease from 19% to 17% from 1 April 2020, will now remain at 19%. This will result in the U.K. corporation tax rate applicable to the company remaining at 19% from 1 April 2020.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 11. Intangible assets

#### Group

	Goodwill £000	Negative goodwill £000	Total £000
<b>Cost</b>			
At 1 January 2020	1,479	(1,236)	243
Disposals	-	1,236	1,236
At 31 December 2020	1,479	-	1,479
<b>Amortisation</b>			
At 1 January 2020	750	(57)	693
Charge for the year on owned assets	74	-	74
On disposals	-	57	57
At 31 December 2020	824	-	824
<b>Net book value</b>			
At 31 December 2020	655	-	655
At 31 December 2019	729	(1,179)	(450)

The Directors have reviewed all of the non-monetary assets and liabilities following the acquisition of the Northcote Hotel Limited in 2019, and are of the opinion that they have all have been absorbed within the Group and therefore it is no longer deemed appropriate to recognise the negative goodwill in the financial statements. The resulting credit has been recognised in the profit and loss account in the period as all of the assets and liabilities associated with the acquisition have now been integrated within the business.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 12. Tangible fixed assets

#### Group

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Other fixed assets £000	Total £000
<b>Cost or valuation</b>							
At 1 January 2020	87,920	178	20	20,877	94	11	109,100
Additions	7	67	-	3,634	53	33	3,794
Disposals	-	(1)	-	(146)	(3)	(5)	(155)
At 31 December 2020	87,927	244	20	24,365	144	39	112,739
<b>Depreciation</b>							
At 1 January 2020	-	40	20	13,958	25	-	14,043
Charge for the year on owned assets	-	59	-	3,521	39	-	3,619
Disposals	-	(1)	-	-	(1)	-	(2)
At 31 December 2020	-	98	20	17,479	63	-	17,660
<b>Net book value</b>							
At 31 December 2020	87,927	146	-	6,886	81	39	95,079
At 31 December 2019	87,920	138	-	6,919	69	11	95,057



# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 12. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £000	2019 £000
<b>Group</b>		
Cost	36,620	36,620
Accumulated depreciation	-	-
<b>Net book value</b>	<b>36,620</b>	<b>36,620</b>

The Stafford Hotel was valued at 8 April 2013 by Cushman & Wakefield, an external firm of consultant surveyors and valuers, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on an existing use basis as a fully equipped operational entity. The valuation has been reflected in the financial statements as at 1 January 2014 and is treated as deemed cost in accordance with the transitional provision of FRS102.

On 15 October 2020, The Stafford Hotel was valued by Colliers Property Consultants Limited for HSBC UK Bank PLC at a valuation in excess of £140m.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 13. Fixed asset investments

#### Company

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2020	40,461
At 31 December 2020	40,461
<b>Net book value</b>	
At 31 December 2020	40,461
At 31 December 2019	40,461

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Holding
The Stafford Hotel Limited	Ordinary	Operating of a hotel in London	100%
Gingerbery Investments Limited	Ordinary	Operating of a restaurant in London	100%
Northcote Hotel Limited	Ordinary	Operating of a hotel in Lancashire	100%
SHL Estates Limited	Ordinary	Dormant company	100%
Cafe Northcote Limited	Ordinary	Operating of a cafe in Lancashire	100%

The registered office of all subsidiaries is 16-18 St James Place, London, SW1A 1NJ.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 14. Stocks

	Group 2020 £000	Group 2019 £000
Consumables	326	408

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

### 15. Debtors

	Group 2020 £000	Group 2019 £000
Trade debtors	485	1,928
Amounts owed by other participating interests	21	21
Other debtors	611	531
Prepayments and accrued income	207	641
Tax recoverable	352	-
Grants receivable	72	-
	<b>1,748</b>	<b>3,121</b>

Amounts owed by other participating interests are unsecured, interest free and repayable on demand.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 16. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank overdrafts	90	-	-	-
Bank loans (see note 18)	1,076	750	-	-
Trade creditors	2,096	2,294	-	-
Amounts owed to group undertakings	-	-	21,133	16,108
Amounts owed to other participating interests	95	90	-	-
Corporation tax	-	153	-	-
Other taxation and social security	479	927	-	-
Other creditors	1,587	1,711	-	518
Accruals and deferred income	1,107	1,146	-	-
	<b>6,530</b>	<b>7,071</b>	<b>21,133</b>	<b>16,626</b>

Amounts owed to group undertakings and other participating interests are unsecured, interest free and repayable on demand.

Included within other creditors is £1,254,000 (2019 - £519,000) in respect of an interest rate swap over £45,000,000 of the £64,000,000 bank loan detailed in note 17. The interest rate swap takes the variable rate of interest over this element of the loan of 3 month GBP LIBOR plus 2.5% and fixes it at 3.6%. Of the balance £736,000 (2020 - £Nil) is recognised as a non-current liability.

### 17. Creditors: Amounts falling due after more than one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans (see note 18)	69,823	62,818	-	-
Loan notes to WARM Foundation	51,914	53,449	51,914	53,449
Other creditors	736	-	-	-
	<b>122,473</b>	<b>116,267</b>	<b>51,914</b>	<b>53,449</b>

The loan notes (listed on the Chanel Island Stock Exchange) are repayable on 31 December 2025. These notes bear interest at 4% plus LIBOR. The loan notes are all held by the ultimate parent undertaking. See note 17 details of the bank loans.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 18. Loans

Analysis of maturity of loans is given below:

	Group 2020 £000	Group 2019 £000
<b>Amounts falling due within one year</b>		
Bank loans	1,076	750
<b>Amounts falling due 1-2 years</b>		
Bank loans	464	1,000
Less: loan issue costs	(100)	(100)
	<u>364</u>	<u>900</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	69,659	62,218
Less: loan issue costs	(200)	(300)
	<u>69,459</u>	<u>61,918</u>
	<u><b>70,899</b></u>	<u><b>63,568</b></u>

In May 2018, HSBC loans were refinanced with a facility of £60,000,000 repayable over five years until May 2023 against which the company has drawn in full. In August 2019 the HSBC loan facility was extended by a further £4,000,000. Interest is charged at a rate of 2.5% above 3 month GBP LIBOR. No loan repayments are due in the first two years with the loan principal repaid by quarterly installments of £250,000. An additional loan of £3,000,000 was drawn down in the year.

The £3,000,000 loan from Coutts in the year, is secured on the freehold property of the group and has interest at an rate of 2.6%.

The loans are secured over the assets of the subsidiary company by means of fixed and floating charged and are subject to a guarantee from the company.

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 19. Financial instruments

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>3,569</b>	14,283	<b>250</b>	503
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(128,349)</b>	(121,921)	<b>(73,047)</b>	(70,076)

Financial assets measured at amortised cost comprise cash and cash equivalents, amounts owed by group undertakings and related parties, trade and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, loan notes, interest payable, accrued expenses, trade and other creditors.

### 20. Analysis of net debt

	At 1 January 2020 £000	Cash flows £000	At 31 December 2020 £000
Cash at bank and in hand	9,204	(4,680)	4,524
Bank overdrafts	-	(90)	(90)
Debt due after 1 year	(116,267)	(5,988)	(122,255)
Debt due within 1 year	(750)	(326)	(1,076)
	<b>(107,813)</b>	<b>(11,084)</b>	<b>(118,897)</b>

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 21. Deferred taxation

#### Group

	2020 £000	2019 £000
At beginning of year	2,233	2,203
Charged to profit or loss	(673)	30
<b>At end of year</b>	<b>1,560</b>	<b>2,233</b>
	<b>Group 2020 £000</b>	<b>Group 2019 £000</b>
Property valuations	2,418	2,240
Short term timing differences	10	7
Losses and other deductions	(848)	-
	<b>(1,560)</b>	<b>(2,233)</b>

The company has approximately £1,244,000 (2019 - £765,000) of excess management expenses to set off against future management surpluses. Deferred tax asset of £236,000 (2019 - £130,000) on excess management expenses has not been provided as they are currently unlikely to be utilised. The company also has unutilised non-trade loan relationship deficit carried forward of £262,000 (2019 - £226,000). The unrecognised deferred tax asset on the non-trade loan relationship deficit is £50,000 (2019 - £39,000). The balance of the company's unrecognised deferred tax as at 31 December 2020 of £80,000 relates to fixed asset and short-term timing differences.

As at 31 December 2020, the group's total unprovided deferred tax asset was £1,666,000 (2019 - £1,194,000) relating predominantly to unutilised losses. A deferred tax asset has not been recognised due to uncertainty over the use of these assets in the near future.

### 22. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1

# BHL Global Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020

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### 23. Reserves

#### Revaluation reserve

The revaluation reserve represents the unrealised surplus on revaluation of the freehold property.

#### Profit and loss account

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

### 24. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £144,000 (2019 - £167,000). Contributions totalling £72,000 (2019 - £92,000) were payable to the fund at the reporting date and are included in creditors.

### 25. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

At the year end the group had a balance of £95,000 (2019 - £90,000) owed to Fortress Group Holdings Inc, a subsidiary of the ultimate parent undertaking, which is registered in the British Virgin Islands.

At the year end the group had a balance of £21,000 (2019 - £21,000) owed by Doma Hospitality Limited, a company with common directors.

Directors' remuneration is set out in note 8.

### 26. Controlling party

The ultimate controlling party of the group is the WARM Foundation which is registered in Liechtenstein. The immediate parent company is Kamera Investments Limited which is registered in Cyprus.