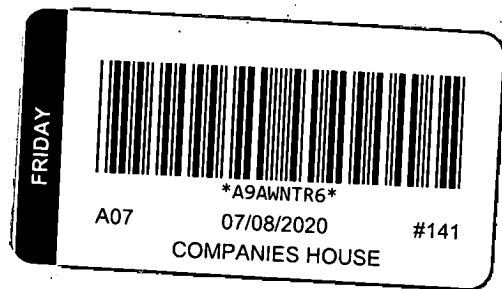


HOTEL OPERATIONS (WALSALL) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



Registered Number: 06937030

HOTEL OPERATIONS (WALSALL) LIMITED

Contents Page	Page
Directors and Advisers	2
Directors' Report	3 – 4
Directors' Responsibilities Statement	5
Independent Auditor's report to the members of Hotel Operations (Walsall) Limited	6 – 8
Income Statement	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the financial statements	12 – 15

HOTEL OPERATIONS (WALSALL) LIMITED

Directors and Advisers

Directors

D A Brown
M Giancola
D J Marchant
M G Roberts
C N Walker
M A White

Registered Office

Canada Life Place
High Street
Potters Bar
Hertfordshire
EN6 5BA

Registered Number

06937030

Auditor

Deloitte LLP
Bristol

HOTEL OPERATIONS (WALSALL) LIMITED

Directors' Report for the year ended 31 December 2019

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

The directors of Hotel Operations (Walsall) Limited (the "Company") present their annual report and audited financial statements for the year ended 31 December 2019. The Financial Statements have been prepared in accordance with the Financial Reporting Standard 102.

Principal Activity and Future Developments

The principal activity of Hotel Operations (Walsall) Limited (the "Company") was the operation of a full service hotel up until the sale of the hotel on 19 October 2017. On this date, Canada Life Limited ("CLL") completed the freehold disposal of the Holiday Inn hotel in Walsall for £8.75m to CL Global Huicheng Shanghai Investment Fund, a Chinese hospitality fund management platform based in Singapore. In addition, the Company sold the business to the buyer's Jersey based subsidiary and transferred across any related trade and assets at that date.

The Company has a contract with CLL to act as the operator of the hotel which remains in-force until any potential future warranty claims have been settled. The Company also had a Hotel Management Agreement with a third party in respect of managing the hotel which was terminated and transferred on sale of the property.

Any assets and liabilities relating to the future trade of the business were transferred to the buyer's Jersey based subsidiary, whilst the remainder are disclosed in the balance sheet and remain within the Company.

Going Concern

As a result of the sale of the hotel, the trading activity of the Company has ceased. As required by UK accounting standards, the directors have prepared the financial statements on a basis other than going concern. No adjustments to the financial results arose as a result of ceasing to apply the going concern basis. Please also refer to Note 3 of the financial statements for further details.

Directors

The names of the persons who were directors throughout the period and up to the date of this report are set out below.

D A Brown	
J S Garlick	Resigned 31 October 2019
M Giancola	
G Lambert	Resigned 20 December 2019
D J Marchant	
M G Roberts	
H C Snow	Resigned 1 February 2019
C N Walker	Appointed 4 March 2019
M A White	

HOTEL OPERATIONS (WALSALL) LIMITED

Directors' Report for the year ended 31 December 2019 (continued)

Auditor

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

- (1) so far as the director is aware, there is no relevant audit information of which the **Company's auditor** is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the **Company's auditor is aware of that** information.

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

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

COVID-19

The details of events occurring after the reporting period are presented in Note 12, while their impacts on consideration of the Company's Going Concern status are presented in Note 3A.

Approved by the Board of Directors
and signed on behalf of the Board



Director **D. Brown**

Date: 19th June 2020

Registered office:
Canada Life Place
High Street
Potters Bar
Hertfordshire
EN6 5BA

HOTEL OPERATIONS (WALSALL) LIMITED

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

HOTEL OPERATIONS (WALSALL) LIMITED

Independent auditor's report to the members of Hotel Operations (Walsall) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Hotel Operations (Walsall) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 12.

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

HOTEL OPERATIONS (WALSALL) LIMITED

Independent auditor's report to the members of Hotel Operations (Walsall) Limited (Continued)

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report [has/have] been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

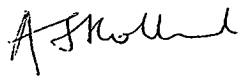
We have nothing to report in respect of these matters.

HOTEL OPERATIONS (WALSALL) LIMITED

Independent auditor's report to the members of Hotel Operations (Walsall) Limited (Continued)

Use of our report

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



Andrew Holland FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom

Date: 19th June 2020

HOTEL OPERATIONS (WALSALL) LIMITED

Income Statement For the year ended 31 December 2019

		2019	2018
	Notes	£	£
Turnover		-	-
Cost of sales		-	-
Gross (loss)/profit		-	-
Administrative expenses		-	-
Other operating income		-	-
Operating (loss)/profit	4	-	-
Interest payable		-	-
Profit before taxation		-	-
Tax on (loss)/profit	7	(1,932)	-
(Loss) for the financial year		(1,932)	-

All amounts derive from discontinued operations.

The notes on pages 12 to 15 form an integral part of these financial statements.

The company has no recognised gains or losses other than those included in the income statement above for the current or the preceding year and consequently no statement of other comprehensive income is presented.

HOTEL OPERATIONS (WALSALL) LIMITED

Statement of Financial Position As at 31 December 2019

		2019	2018
	Notes	£	£
Current assets			
Debtors	8	-	641
Cash at bank and in hand		93,573	103,647
		<u>93,573</u>	<u>104,288</u>
Creditors: amounts falling due within one year	9	(32,505)	(41,288)
Net current assets		<u>61,068</u>	<u>63,000</u>
Net assets		<u>61,068</u>	<u>63,000</u>
Capital and reserves			
Share capital	10	50,000	50,000
Profit and loss account		11,068	13,000
Shareholder's funds		<u>61,068</u>	<u>63,000</u>

The notes on pages 12 to 15 form an integral part of these financial statements.

The financial statements of Hotel Operations (Walsall) Limited (registered number 06937030) were approved by the Board of Directors and signed on its behalf:



Director D. Brown

Date: 19th June 2020

Registered office:
Canada Life Place
High Street
Potters Bar
Hertfordshire
EN6 5BA

HOTEL OPERATIONS (WALSALL) LIMITED

Statement of Changes in Equity As at 31 December 2019

	Ordinary share capital	Profit and loss account	Total
Balance at 1 January 2018	50,000	13,000	63,000
Profit and total comprehensive income attributable to shareholders	-	-	-
Balance at 31 December 2018	<u>50,000</u>	<u>13,000</u>	<u>63,000</u>
Balance at 1 January 2019	50,000	13,000	63,000
(Loss) and total comprehensive income attributable to shareholders	-	(1,932)	(1,932)
Balance at 31 December 2019	<u>50,000</u>	<u>11,068</u>	<u>61,068</u>

HOTEL OPERATIONS (WALSALL) LIMITED

Notes to the financial statements for the year ended 31 December 2019

1 Principal accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year. No significant judgements have been made in applying the accounting policies and no material estimates have been made within the financial statements.

A General information

Hotel Operations (Walsall) Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Canada Life Place, Potters Bar, Hertfordshire EN6 5BA.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

2 Statement of Compliance

The Financial Statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, and the Company Act 2006.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of cash flow statement, intra-group transactions and remuneration of key management personnel.

3 Principal accounting information

Summary of significant accounting policies applied in the preparation of these Financial Statements are set below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these Financial Statements.

A Basis of preparation

The financial statements are prepared in accordance with the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102. The particular accounting policies adopted by the directors are described below.

Going concern

On 19 October 2017, CLL completed the freehold disposal of the Holiday Inn Walsall hotel for £8.75m to CL Global Huicheng Shanghai Investment Fund, a Chinese hospitality fund management platform based in Singapore. In addition, the Company sold the business to the buyer's Jersey based subsidiary and transferred across any related trade and assets.

Following the freehold disposal of the Holiday Inn hotel in Cardiff, the trading activity of the Company has ceased. As required by UK accounting standards, the directors have prepared the financial statements on a basis other than going concern. No adjustments to the financial results arose as a result of ceasing to apply the going concern basis.

The Company has taken into consideration the recent COVID-19 outbreak when undertaking its Going Concern assessment and further details are outlined in Note 12.

Cash flow statement

Advantage has been taken of the exemption under the revised FRS 102 1.12(b), Cash Flow Statements, not to present a cash flow statement. The subsidiary is consolidated within the Great-West Lifeco Inc group of companies and ultimately 100% controlled by Power Corporation of Canada. The consolidated financial statements in which the subsidiary undertakings are included are publicly available (see Note 11).

HOTEL OPERATIONS (WALSALL) LIMITED

Notes to the financial statements for the year ended 31 December 2019 (continued)

A Basis of preparation (continued)

Transactions with related parties

Advantage has been taken under FRS 102 33 1(A), Related Party Disclosures, not to disclose transactions between entities, 100% of whose voting rights are controlled by the Great-West Lifeco Inc and ultimately by Power Corporation of Canada. There were no related party transactions or balances requiring disclosure.

Key Management Personnel disclosure

Advantage has been taken under FRS 102 1.12(e) to not disclose key management personnel compensation in total. The directors' emoluments are disclosed as per Companies Acts 2006.

B Turnover

All turnover is derived by the Company from goods and services supplied. Hotel revenue, including rental of rooms and food and beverage sales, is recognised when rooms are occupied and food and beverage is sold.

C Other operating income

The Company had a contract with CLL to act as the operator of the hotel in Walsall and therefore received income in relation to this.

D Stocks

All stocks are stated at lower of cost or net realisable value.

E Operating expenses

Operating expenses are recognised on an accruals basis.

F Current taxation

Current taxation, including UK corporation tax, is provided at amounts expected to be paid or recovered using the tax rates applicable to the relevant financial years. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

G Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, but only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

4 Operating profit

Operating profit is stated after charging:

	2019 £	2018 £
Auditor's remuneration	3,070	3,070
	<u>3,070</u>	<u>3,070</u>

HOTEL OPERATIONS (WALSALL) LIMITED

Notes to the financial statements for the year ended 31 December 2019 (continued)

5 Employee information

There were no persons (including directors) employed by the Company during the year (2018: none). All staff employment contracts are with CLFIS (U.K.) Limited ("CLFIS"), a fellow subsidiary of The Canada Life Group (U.K.) Limited ("CLG"). The associated costs are recharged back to the Company, where appropriate.

6 Directors' emoluments

The directors of this Company have their remuneration paid by CLFIS, a fellow subsidiary of CLG. It is not considered practical to apportion the emoluments between their services as directors of the Company and their services as employees of CLFIS or directors of other group undertakings. The aggregate amount of emoluments paid or received by these directors during the year was as follows:

	2019 £	2018 £
Emoluments	<u>4,909,851</u>	<u>3,917,475</u>
Highest paid director Emoluments	<u>1,072,556</u>	<u>1,054,493</u>

During the year, CLFIS made contributions into the defined contribution pension scheme on behalf of the highest paid director amounting to £nil (2018: £7,500). During the year, CLFIS made contributions into the defined contribution pension scheme on behalf of four (2018: three) directors.

As at 31 December 2019, four (2018: four) of the Company's directors who were employed within the UK group of companies had share options. No directors who were employed within the UK Group of companies exercised share options during the year (2018: no directors).

The highest paid director did not exercise any share options in the year and did have shares receivable under long-term incentive schemes.

7 Tax on profit on ordinary activities

The tax charge comprises of:

	2019 £	2018 £
Current tax		
UK corporation tax charge	<u>(1,932)</u>	-
Total tax charge for the period	<u>(1,932)</u>	-
Reconciliation of tax charge for the financial year		
(Loss)/Profit on ordinary activity before taxation	-	-
UK corporation tax charge on (loss)/profit for the financial year at 19% (2018: 19%)	-	-
Prior period adjustment	<u>(1,932)</u>	-
Total tax charge for the period	<u>(1,932)</u>	-

Factors affecting tax charge for the current period

The current tax charge is an adjustment relating to an earlier year truing-up of the accounts to the final tax computation submitted to HMRC for that period.

HOTEL OPERATIONS (WALSALL) LIMITED

Notes to the financial statements for the year ended 31 December 2019 (continued)

8 Debtors

	2019 £	2018 £
Other taxation	-	641
	<u>-</u>	<u>641</u>

9 Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	611
Amounts owed to group companies	32,041	30,642
Corporation tax	464	1,238
Other creditors	-	8,797
	<u>32,505</u>	<u>41,288</u>

10 Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid 50,000 ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

11 Parent Company and controlling party

As at the balance sheet date, the immediate parent company Canada Life European Real Estate Limited a company incorporated in the UK, which holds a 100% interest in the Company. The ultimate parent company, which is also the parent company of the largest group of companies for which consolidated financial statements are drawn up and of which the Company is a member, Power Corp, is incorporated in Canada. The parent company of the smallest group for which consolidated financial statements are drawn up and of which the Company is a member, The Canada Life Assurance Company, is incorporated in Canada.

Copies of the group financial statements for both The Canada Life Assurance Company (330 University Avenue, Toronto, Ontario, Canada, M5G 1R8) and Power Corporation of Canada (751 Victoria Square Montréal, Québec, Canada H2Y 2J3) can be obtained from the Company's registered office.

12 Events after the reporting period

The ongoing coronavirus pandemic (COVID-19) is an emerging risk to which the Company is exposed. The directors consider the emergence of COVID-19 as a pandemic, and the associated economic impact and government measures in response, as a non-adjusting post balance sheet event.

The Company is monitoring the situation closely and has made preparations to ensure that it will continue to operate effectively while ensuring the safety and well-being of customers, employees and wider communities. Continuity plans are in operation with employees working remotely.

COVID-19 has not materially impacted the Company's financial position. The estimated net assets of the Company as at 31 March 2020 were £61.1k (unaudited) which are unchanged since 31 December 2019.