
TOYOKO INN INTERNATIONAL LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

TOYOKO INN INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Akira Shimura Maiko Kuroda Aoife Scannell Tamaki Hashimoto Gerard Scannell Brendan Scannell
Company secretary	Aoife Scannell
Registered number	468953
Registered office	Abbeyville Kinsealy Dublin
Independent auditors	Azets Audit Services Ireland Limited Statutory Audit Firm 3rd Floor 40 Mespil Road Dublin 4 D04 C2N4
Bankers	Allied Irish Bank plc P.O. Box 1121 Dublin 4 Bank of Ireland Lower Baggot Street Dublin 2 Sawayaka Shinkin Bank Higisaki Nihon Bashi Tokyo Japan Mizuho Bank, Ltd. Filiale Düsseldorf Benrather Str. 18, 40213 Düsseldorf, Germany
Solicitors	Dillon Eustace 33 Sir John Rogerson's Quay Dublin 2 Keith McConnell Gore & Grims Solicitors LLP Cavendish House Smithfield Dublin 7

TOYOKO INN INTERNATIONAL LIMITED

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TOYOKO INN INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

The Directors present their annual report and the audited financial statements for the year ended 31 March 2024.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with Irish law and regulations.

Irish company law requires the Directors to prepare the Group and Company financial statements for each financial year. Under the law, the Directors have elected to prepare the Group and Company financial statements in accordance with the Companies Act 2014 and 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 Group and Company financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position of the Group as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing each of the group and company financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for ensuring that the Group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal activities

The Group operates hotels in Japan, Germany and France and is developing additional hotels in Europe.

TOYOKO INN INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Fair review of business and its financial position

The trading results for the year and the financial position at the year-end were considered satisfactory by the Directors.

There was an decrease in turnover for the period of 29% when compared to 2023. The Group made a profit after tax of JPY 337 million during the year compared with a profit of JPY103 million in the prior year.

On 1 April 2023, Toyoko Inn International Limited entered into an agreement with Toyoko Inn Co. (Japan) to terminate its franchise agreements in respect of three hotel locations of Ueno Tawaramachi, Nihonbashi Zeimusho and Shingawa Tennozu hotels with Toyoko Inn Co. Limited.

Going concern and future developments

The global COVID-19 pandemic has given rise to significant issues across many sectors and industries globally. The Board have taken temporary precautionary measures intended to help minimize the risk of the virus to our employees, customers, and key service providers to ensure continuity of service during these unprecedented times.

Despite the mitigating actions the Group took to reduce costs, the reduced occupancy at our hotel sites caused by the COVID-19 Pandemic has resulted in a material reduction in normal operating revenues however we do forecast that the year ending 31 March 2025 these revenues will start to increase to pre-Covid levels. Given these circumstances, the company projects to return to profitable levels in the foreseeable future.

The financial statements have been prepared on a going concern basis which assumes that the Group will continue in operational existence for at least one year from the date of approval of these financial statements. At 31 March 2024 the Group had a profit for the year of ¥337 million and at that date net assets amounted to ¥5.2 billion.

The Group's ability to continue as a going concern is dependent on its ability to achieve full hotel trading status as soon as possible such that it will be able to trade profitably in the future and, in addition on the continued support of the Group's related parties.

The directors have considered the performance of the business subsequent to the year-end together with future budgets and projected cashflows and based on these, and the ongoing measures taken to reduce property related and other costs, the directors believe that the Group is well positioned to return to full trading capacity once the current period of uncertainty passes.

However, the Directors acknowledge that, in the current climate, assumptions used in financial forecasting are highly dependent on unpredictable future events and therefore the Group will continue to require the support of its related parties for the foreseeable future.

In this regard, the Group has received confirmation from its related parties that they will continue, in so far as possible, to fund its operations so that it can discharge its liabilities as they fall due for a period of at least one year from the date of the approval of these financial statements. In addition, existing and future sums due to related parties shall not be called for repayment until the Group has sufficient financial resources available to do so.

However, notwithstanding the foregoing, the directors believe that the above circumstances still represent a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business for a period of at least one year from the date of the approval of these financial statements.

While the directors believe that it is appropriate for the financial statements to be prepared on the going concern basis, the financial statements do not include any adjustments that would result from a situation where it was not

TOYOKO INN INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

possible, for whatever reason, for related parties to support the Group, or where the Group failed to achieve the projected financial results following the recommencement of full trading activities.

Results and dividends

The profit for the year, after taxation, amounted to JPY336,771 thousand (2023 - ¥103,203 thousand).

The Directors do not recommend payment of a dividend at this time (2023 - JPY Nil).

Directors

The Directors who served during the year were:

Akira Shimura
Maiko Kuroda
Aoife Scannell
Tamaki Hashimoto
Gerard Scannell
Brendan Scannell

The Directors and Secretary (including their spouses and minor children) had no interest in the shares of the Group at 31 March 2024 (or on the date of their appointment). Maiko Kuroda holds 67% of the ordinary shares in Liffy Family Limited and 33% of NKY Partners Limited at 31 March 2024. Liffy Family Limited and NKY Partners Limited each holds 50% of the shares of the Group.

Political contributions

The group made no political contributions during the year.

TOYOKO INN INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Principal risks and uncertainties

The Directors confirm that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, and that it has been in place for the period under review and up to the date of approval of the financial statements.

Foreign Currencies

Currency fluctuations affect the Group's results. Although the Group is headquartered in Ireland, a significant portion of its operations are conducted in Japan. Consequently, the Group has significant operating revenues and operating expenses, as well as assets and liabilities, denominated in Euro and other currencies. Although the Group seeks to manage these exposures, currency risks can not be eliminated.

Credit risk:

This risk is mitigated by maintaining strict segregation of duties for the receipt of funds and the payment of creditors. The Directors have put processes and controls in place to ensure that detailed checking is carried out at all stages of the purchasing and cash processes to ensure the accuracy and validity of all transactions.

Liquidity risk

The risk is mitigated by ensuring that the Group remains profitable, cash is collected on a timely basis and cash payments are monitored closely.

Fraud risk:

This risk is mitigated by maintaining strict segregation of duties for the receipt of funds and the payment of creditors. The Directors have put processes and controls in place to ensure that detailed checking is carried out at all stages of the purchasing and cash processes to ensure the accuracy and validity of all transactions.

Accounting records

The measures taken by the Directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Group's accounting records are maintained at 1-7-4, Shinkamata, Ota-ku, Tokyo 144-0054, Japan and are also located at Abbeyville, Kinsealy, Co. Dublin.

TOYOKO INN INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Statement on relevant audit information

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.

Branches outside the state

The company operates through a branch in Japan.

Audit Committee

An audit committee has not been set up in the current or prior years, as the Group is privately owned, has no external shareholders and the Directors are satisfied that the Group has a strong control environment and operational control oversight by the board.

Compliance Statement

Each of the persons who are Directors at the time when this Directors' Report is approved acknowledged that they are responsible for securing the Company and Group's compliance with its relevant obligations.

* To ensure that the Company and Group has achieved material compliance with its relevant obligations, the directors confirm that they have:

* Drawn up a compliance policy statement setting out the Company and Group's policies respecting compliance by the Company and Group with its relevant obligations.

* Put in place appropriate arrangements and strictures that are designed to secure material compliance with the Company and Group's relevant obligations.

* Conducted a review, during the financial year, of the arrangements and structures, referred to above.

Post balance sheet events

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

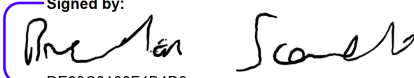
Auditors

Pursuant to section 383 of the Companies Act 2014, the company has appointed Azets Audit Services Ireland Limited as auditor.

TOYOKO INN INTERNATIONAL LIMITED

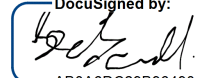
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

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

Signed by:

DE23C8168F4B4D9.....

Brendan Scannell
Director

Date: 26 August 2025 | 13:08 BST

DocuSigned by:

AB0A6DC29B96490.....

Gerard Scannell
Director

Date: 27 August 2025 | 02:44 PDT

TOYOKO INN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYOKO INN INTERNATIONAL LIMITED

Report on the audit of the financial statements**Opinion**

We have audited the financial statements of Toyoko Inn International Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2024, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 March 2024 and of its profit for the year then ended;
- the Company Balance Sheet gives a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2024;
- the Group financial statements and Company financial statements have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

TOYOKO INN INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYOKO INN INTERNATIONAL LIMITED
(CONTINUED)**

Emphasis of matter

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in Note 2.2 to the financial statements concerning the Group's ability to continue as a going concern. These conditions together with the other matters explained in Note 2.2, indicates the existence of a material uncertainty which may cast doubt over the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

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 Auditors' 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 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 this regard.

Opinion on other matters prescribed by the Companies Act 2014

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

- 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 been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the Company Balance Sheet is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

TOYOKO INN INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOYOKO INN INTERNATIONAL LIMITED
(CONTINUED)**

Respective responsibilities and restrictions on use**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 1, the Directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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 management either intends to liquidate the Group or the parent Company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 Auditors' 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 (Ireland) 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 consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <https://www.iaasa.ie/Publications/Auditing-standards>. This description forms part of our Auditors' Report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 Auditors' 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.



David McGarry
for and on behalf of
Azets Audit Services Ireland Limited
Statutory Audit Firm
3rd Floor
40 Mespil Road
Dublin 4
D04 C2N4
Date: 29th August 2025

TOYOKO INN INTERNATIONAL LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 ¥000	2023 ¥000
Turnover	4	2,427,621	3,418,252
Cost of sales		(1,827,823)	(3,107,033)
Gross profit		599,798	311,219
Administrative expenses		(458,396)	(442,963)
Other operating income	5	5,398	47,410
Operating profit/(loss)	7	146,800	(84,334)
Exceptional items		-	(321,867)
Income from other financial assets	11	297,600	228,160
Other interest receivable and similar income	12	15	8
Reversal of loan impairment	20	13,518	-
Interest payable and similar charges	13	(70,295)	(86,281)
Profit on disposal of real estate assets	17	-	599,772
Profit before taxation		387,638	335,458
Tax on profit	14	(50,867)	(232,255)
Profit for the financial year		336,771	103,203
Profit for the financial year attributable to:			
Owners of the parent		336,771	103,203
		336,771	103,203

There are no items of other comprehensive income for 2024 or 2023 other than the profit for the year.

The notes on pages 18 to 43 form part of these financial statements.

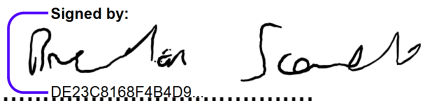
All amounts relate to continuing operations.

TOYOKO INN INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

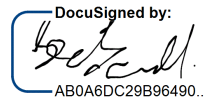
	Note	2024 ¥000	2023 ¥000
Profit for the financial year		336,771	103,203
Other comprehensive income			
Currency translation differences		134,016	70,745
Other comprehensive income for the financial year		134,016	70,745
Total comprehensive income for the financial year		470,787	173,948
Profit for the financial year attributable to:			
Owners of the parent Company		470,787	173,948
		470,787	173,948

Signed on behalf of the board:

Signed by: 

.....DF23C8188F4B4D9.....
Brendan Scannell

Director

DocuSigned by: 

.....AB0A6DC29B96490.....
Gerard Scannell

Director

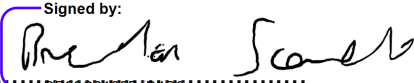
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TOYOKO INN INTERNATIONAL LIMITED

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	2024 ¥000	2023 ¥000
Fixed assets			
Intangible assets	16	2,327	4,962
Tangible assets	17	4,465,616	4,229,295
Financial assets	18	2,281,900	2,281,900
		6,749,843	6,516,157
Current assets			
Stocks	19	11,416	48,789
Debtors: amounts falling due within one year	20	642,253	1,585,243
Cash at bank and in hand	21	2,030,140	1,896,936
		2,683,809	3,530,968
Creditors: amounts falling due within one year	22	(1,663,712)	(2,424,797)
		1,020,097	1,106,171
Net current assets			
		7,769,940	7,622,328
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	23	(2,554,694)	(2,877,869)
		5,215,246	4,744,459
Net assets			
Capital and reserves			
Called up share capital presented as equity	26	69,058	69,058
Profit and loss account	27	5,146,188	4,675,401
Equity attributable to owners of the parent Company		5,215,246	4,744,459

The financial statements were approved and authorised for issue by the board:

Signed by:

 DE23CB168F4B4D9...
Brendan Scannell
 Director

DocuSigned by:

 AB0A6DC29B86490...
Gerard Scannell
 Director

Date: 26 August 2025 | 13:08 BST

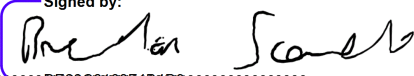
The notes on pages 18 to 43 form part of these financial statements.

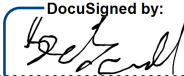
TOYOKO INN INTERNATIONAL LIMITED

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	2024 ¥000	2023 ¥000
Fixed assets			
Tangible assets	17	504,155	580,609
Financial Assets	18	3,214,298	3,214,298
		<u>3,718,453</u>	<u>3,794,907</u>
Current assets			
Stocks	19	4,519	14,066
Debtors: amounts falling due within one year	20	2,561,517	2,833,643
Cash at bank and in hand	21	882,141	760,187
		<u>3,448,177</u>	<u>3,607,896</u>
Creditors: amounts falling due within one year	22	(740,568)	(1,237,533)
Net current assets		<u>2,707,609</u>	<u>2,370,363</u>
Total assets less current liabilities		<u>6,426,062</u>	<u>6,165,270</u>
Creditors: amounts falling due after more than one year	23	(1,504,685)	(1,788,940)
Net assets		<u>4,921,377</u>	<u>4,376,330</u>
Capital and reserves			
Called up share capital presented as equity	26	69,058	69,058
Profit and loss account carried forward	27	4,852,319	4,307,272
Shareholders' funds		<u>4,921,377</u>	<u>4,376,330</u>

The financial statements were approved and authorised for issue by the board:

Signed by:

 DE23C8168F4B4D9...
Brendan Scannell
 Director

DocuSigned by:

 AB0A6DC29B96490...
Gerard Scannell
 Director

Date: 26 August 2025 | 13:08 BST

The notes on pages 18 to 43 form part of these financial statements.

TOYOKO INN INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Called up share capital ¥000	Profit and loss account ¥000	Total equity ¥000
At 1 April 2023	69,058	4,675,401	4,744,459
Comprehensive income for the year			
Profit for the year	-	336,771	336,771
Currency translation differences	-	134,016	134,016
Other comprehensive income for the year	-	134,016	134,016
Total comprehensive income for the year	-	470,787	470,787
Total transactions with owners	-	-	-
At 31 March 2024	69,058	5,146,188	5,215,246

The notes on pages 18 to 43 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital ¥000	Profit and loss account ¥000	Total equity ¥000
At 1 April 2022	69,058	4,501,453	4,570,511
Comprehensive income for the year			
Profit for the year	-	103,203	103,203
Currency translation differences	-	70,745	70,745
Other comprehensive income for the year	-	70,745	70,745
Total comprehensive income for the year	-	173,948	173,948
Total transactions with owners	-	-	-
At 31 March 2023	69,058	4,675,401	4,744,459

The notes on pages 18 to 43 form part of these financial statements.

TOYOKO INN INTERNATIONAL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Called up share capital	Profit and loss account	Total equity
	¥000	¥000	¥000
At 1 April 2023	69,058	4,307,272	4,376,330
Comprehensive income for the year			
Profit for the year	-	545,047	545,047
At 31 March 2024	<u>69,058</u>	<u>4,852,319</u>	<u>4,921,377</u>

The notes on pages 18 to 43 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	¥000	¥000	¥000
At 1 April 2022	69,058	3,943,977	4,013,035
Comprehensive income for the year			
Profit for the year	-	363,295	363,295
At 31 March 2023	<u>69,058</u>	<u>4,307,272</u>	<u>4,376,330</u>

The notes on pages 18 to 43 form part of these financial statements.

TOYOKO INN INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 ¥000	2023 ¥000
Cash flows from operating activities		
Profit for the financial year	336,771	103,203
Adjustments for:		
Depreciation of tangible assets	184,862	176,885
Interest paid	70,295	86,281
Interest received	(15)	(8)
Taxation charge	50,867	232,255
Decrease/(increase) in stocks	37,373	(14,357)
Decrease in debtors	542,921	316,566
(Decrease)/increase in creditors	(465,727)	488,014
(Decrease) in amounts owed to group undertakings and related parties	(642,391)	(1,330,555)
Corporation tax received/(paid)	65,601	(95,540)
Dividends Received	(297,600)	(228,160)
Unrealised foreign currency gain and losses	121,345	109,269
Disposal of real estate	-	(838,429)
Exceptional item	-	321,867
Net cash generated from operating activities	4,302	(672,709)
Cash flows from investing activities		
Disposal of intangible assets	2,635	-
Purchase of tangible fixed assets	(62,133)	(68,187)
Sale of tangible fixed assets	-	240,072
Interest received	15	8
Dividends received	297,600	228,160
Purchase of intangible fixed assets	-	(3,600)
Net cash from investing activities	238,117	396,453
Cash flows from financing activities		
Repayment of other loans	(38,920)	(164,571)
Interest paid	(70,295)	(86,281)
Net cash used in financing activities	(109,215)	(250,852)
Net increase/(decrease) in cash and cash equivalents	133,204	(527,108)
Cash and cash equivalents at beginning of year	1,896,936	2,424,044
Cash and cash equivalents at the end of year	2,030,140	1,896,936

TOYOKO INN INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

	2024	<i>2023</i>
	JPY000	<i>JPY000</i>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,030,140	<i>1,896,936</i>
	<u>2,030,140</u>	<i><u>1,896,936</u></i>

The notes on pages 18 to 43 form part of these financial statements.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. General information

These consolidated financial statements comprising the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes constitute the consolidated financial statements of Toyoko Inn International Limited for the financial year ended 31 March 2024.

Toyoko Inn International Limited is a private company limited by shares (registered under Part 2 of Companies Act 2014), incorporated in the Republic of Ireland. The registered office is Abbeyville, Kinsealy, Co. Dublin and its principal place of business is 1-7-4, Shinkamata, Ota-ku, Tokyo 144-0054, Japan and are also located at Abbeyville, Kinsealy, Co. Dublin. The nature of the Group's operations and its principal activities are set out in the Director's Report.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

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 judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Profit and Loss Account in these financial statements.

The following principal accounting policies have been applied:

2.2 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 Balance Sheet, 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 Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.3 Going concern**

The global COVID-19 pandemic has given rise to significant issues across many sectors and industries globally. The Board have taken temporary precautionary measures intended to help minimize the risk of the virus to our employees, customers, and key service providers to ensure continuity of service during these unprecedented times.

Despite the mitigating actions the Group is taking to reduce costs, the reduced occupancy at our hotel sites caused by the COVID-19 Pandemic has resulted in a material reduction in normal operating revenues and we forecast that the year ending 31 March 2025 will also be very challenging. Given these circumstances, the Group will continue to make losses for the foreseeable future.

The financial statements have been prepared on a going concern basis which assumes that the Group will continue in operational existence for at least one year from the date of approval of these financial statements. At 31 March 2024, the Group had a profit for the year of ¥337 million and at that date net assets amounted to ¥5.2 billion.

The Group's ability to continue as a going concern is dependent on its ability to achieve full hotel trading status as soon as possible such that it will be able to trade profitably in the future and, in addition on the continued support of the Group's related parties.

The directors have considered the performance of the business subsequent to the year-end together with future budgets and projected cashflows and based on these, and the ongoing measures taken to reduce property related and other costs, the directors believe that the Group is well positioned to return to full trading capacity once the current period of uncertainty passes.

However, the Directors acknowledge that, in the current climate, assumptions used in financial forecasting are highly dependent on unpredictable future events and therefore the Group will continue to require the support of its related parties for the foreseeable future.

In this regard, the Group has received confirmation from its related parties that they will continue, in so far as possible, to fund its operations so that it can discharge its liabilities as they fall due for a period of at least one year from the date of the approval of these financial statements. In addition, existing and future sums due to related parties shall not be called for repayment until the Group has sufficient financial resources available to do so.

However, notwithstanding the foregoing, the directors believe that the above circumstances still represent a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business for a period of at least one year from the date of the approval of these financial statements.

While the directors believe that it is appropriate for the financial statements to be prepared on the going concern basis, the financial statements do not include any adjustments that would result from a situation where it was not possible, for whatever reason, for related parties to support the Group, or where the Group failed to achieve the projected financial results following the recommencement of full trading activities.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue represents sales (excluding VAT) of goods and services net of discounts provided in the normal course of business and is recognised when services have been rendered.

Revenue is derived from hotel operations and includes the rental of rooms and food and beverage sales from hotel locations operated by the Group under the Toyoko brand name. Revenue is recognised when rooms are occupied, and food and beverages are sold.

Where a contract has only been partially completed at the balance sheet date revenue represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.5 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 Group 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- 1-2% straight line
Motor vehicles	- 50% reducing balance
Fixtures and fittings	- 3 to 5 years or life of lease
Assets under construction	- Nil

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.

2.6 Intangible assets**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Impairment of assets, other than financial instruments

Where there is objective evidence that recoverable amounts of an asset is less than its carrying value, the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the Profit and Loss Account, with the exception of losses on previously revalued tangible fixed assets, which are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset.

Where the circumstances causing an impairment of an asset no longer apply, then the impairment is reversed through the Profit and Loss Account, except for impairments on previously revalued tangible assets, which are treated as revaluation increases to the extent that the revaluation was recognised in equity.

The recoverable amount of tangible fixed assets, goodwill and other intangible fixed assets is the higher of the fair value less cost to sell the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets. This is determined by reference to the present value of the future cash flows of the Company which is considered by the Directors to be a single cash generating unit.

2.9 Stock and work in progress

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

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

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Profit and Loss Account.

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

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

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.13 Financial instruments (continued)

balance sheet date.

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

2.14 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.16 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is Yen (¥).

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into [Enter currency here] at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

The principal exchange rates used for the translation of results, cash flow and statement of financial position to Yen were as follows:

The average Euro to Yen was €1 = ¥154.68 (2023 - €1 = ¥139.51)

At year end Euro to Yen was €1 = ¥163.45 (2023 - €1 = ¥145.27)

The average US Dollar to Yen was \$1 = ¥142.02 (2023 - \$1 = ¥133.59)

At year end US Dollar to Yen was \$1 = ¥151.39 (2023 - \$1 = ¥132.83)

The average UK Sterling to Yen was £1 = ¥178.17 (2023 - £1 = ¥163.22)

At year end UK Sterling to Yen was £1 = ¥191.13 (2023 - £1 = ¥165.01)

2.17 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.18 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Profit and Loss Account in the same period as the related expenditure.

2.19 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company and 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 the Consolidated Profit and Loss Account in the year that the Company and Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)**2.22 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company 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 balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- 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 balance sheet date.

2.23 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.24 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgement and estimates. The items in the financial statements where these judgement and estimates have been made include:

Going Concern

Please refer to Note 2.2 which sets out the Directors going concern assessment of the Company and Group.

Useful Lives of Tangible Fixed Assets

Long-lived assets comprising primarily of land and buildings represent a significant portion of total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

Carrying Value of Financial Assets

Determining whether the carrying value of financial assets has been impaired requires an estimation of the value in use of the investment in subsidiaries. The Directors are satisfied that the carrying value of the company's subsidiary investments is at least equal to their recoverable value.

Foreign Currencies

Currency Fluctuations effect the Group's results. Although the Group is headquartered in Ireland, a significant portion of its operations are conducted in Japan, Europe and US. Consequently, the company has significantly operating revenues and operating expenses, as well as assets and liabilities, denominated in US Dollars and Euro. Although the Group seeks to manage these exposures currency risks cannot be eliminated.

Recoverability of loans

Loans to related parties represents a significant portion of total assets. The Directors regularly review the financial position of each related party to whom a loan has been issued. If there is a reasonable doubt about a related parties ability to repay the loan, a provision is made against the loan and is charged to the Profit and Loss account in the period in which it is recognised.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

4. Turnover

An analysis of turnover by class of business is as follows:

	2024 ¥000	<i>2023</i> <i>¥000</i>
Operation of hotels	2,427,621	<i>3,418,252</i>
	<u>2,427,621</u>	<u><i>3,418,252</i></u>
	<u>2,427,621</u>	<u><i>3,418,252</i></u>

Analysis of turnover by country of destination:

	2024 ¥000	<i>2023</i> <i>¥000</i>
Europe	1,361,466	<i>1,388,706</i>
Japan	1,066,155	<i>2,029,546</i>
	<u>2,427,621</u>	<u><i>3,418,252</i></u>
	<u>2,427,621</u>	<u><i>3,418,252</i></u>

5. Other operating income

	2024 ¥000	<i>2023</i> <i>¥000</i>
Rent receivable	5,398	<i>47,410</i>
	<u>5,398</u>	<u><i>47,410</i></u>
	<u>5,398</u>	<u><i>47,410</i></u>

6. Exceptional items

	2024 JPY000	<i>2023</i> <i>JPY000</i>
Government assistance repayment	-	<i>321,867</i>
	<u>-</u>	<u><i>321,867</i></u>
	<u>-</u>	<u><i>321,867</i></u>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. Profit on ordinary activities before taxation

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

	2024	<i>2023</i>
	¥000	<i>¥000</i>
Depreciation of tangible fixed assets	184,862	<i>176,885</i>
Exchange differences	(121,345)	<i>(116,250)</i>
Rental expenses	353,591	<i>1,395,467</i>
	=====	<i>=====</i>

8. Auditors' remuneration

During the year, the Group obtained the following services from the Group's auditors:

	2024	<i>2023</i>
	JPY000	<i>JPY000</i>
Fees payable to the Group's auditors for the audit of the Group's financial statements	8,269	<i>8,824</i>
Fees payable to the Group's auditors for other services:		
All other services	2,023	<i>2,023</i>
	=====	<i>=====</i>

9. Employees

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

	2024	<i>2023</i>
	¥000	<i>¥000</i>
Wages and salaries	559,365	<i>846,982</i>
Social insurance costs	81,800	<i>69,697</i>
	=====	<i>=====</i>
	641,165	<i>916,679</i>
	=====	<i>=====</i>

Capitalised employee costs during the year amounted to ¥NIL (*2023 - JPYNIL*).

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

	2024	<i>2023</i>
	No.	<i>No.</i>
Directors	4	<i>4</i>
Financial and administration	11	<i>11</i>
Hotel Staff	136	<i>300</i>
	=====	<i>=====</i>
	151	<i>315</i>
	=====	<i>=====</i>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

10. Directors' remuneration

	2024	<i>2023</i>
	¥000	<i>¥000</i>
Directors' emoluments	27,480	<i>24,650</i>
	27,480	<i>24,650</i>

Key management remuneration

Key management remuneration for the year was ¥27,480,000 (2022: ¥24,650,000)

11. Income from investments

	2024	<i>2023</i>
	¥000	<i>¥000</i>
Dividends received from unlisted investments	297,600	<i>228,160</i>
	297,600	<i>228,160</i>

12. Interest receivable

	2024	<i>2023</i>
	¥000	<i>¥000</i>
Interest receivable	15	<i>8</i>
	15	<i>8</i>

13. Interest payable and similar expenses

	2024	<i>2023</i>
	¥000	<i>¥000</i>
Interest payable to credit institutions and related parties	70,295	<i>86,281</i>
	70,295	<i>86,281</i>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. Taxation

	2024	<i>2023</i>
	¥000	¥000
Corporation tax		
Current tax on profits for the year	50,867	232,255
	50,867	232,255
Total current tax	50,867	232,255
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	50,867	232,255

Factors affecting tax charge for the year

The tax assessed for the year is different than the standard rate of corporation tax in Ireland of 12.5% (2023 - 12.5%). The differences are explained below:

	2024	<i>2023</i>
	¥000	¥000
Profit on ordinary activities before tax	387,638	335,458
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2023 - 12.5%)	48,455	41,932
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(58,893)	46,513
Capital allowances for year in excess of depreciation	(6,188)	140
Overseas taxes	18,899	31,339
Utilisation of tax losses/allowances	48,594	25,579
Other differences leading to an increase (decrease) in the tax charge	-	10,768
Income taxable at higher rates	-	75,984
Total tax charge for the year	50,867	232,255

Factors that may affect future tax charges

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. Taxation (continued)

There are no factors that may affect future tax charges.

15. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the parent Company for the year was ¥545,047thousand (2023 - ¥363,295 thousand).

16. Intangible assets**Group**

	Licence ¥000
Cost	
At 1 April 2023	4,962
Disposals	(2,635)
At 31 March 2024	<u>2,327</u>
Net book value	
At 31 March 2024	<u>2,327</u>
<i>At 31 March 2023</i>	<u><u>4,962</u></u>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Tangible fixed assets

Group

	Freehold property ¥000	Motor vehicles ¥000	Fixtures and fittings ¥000	Total ¥000
Cost or valuation				
At 1 April 2023	4,795,063	35,782	567,581	5,398,426
Additions	-	-	62,133	62,133
Disposals	-	(30,792)	(203,181)	(233,973)
Exchange adjustments	434,560	-	35,794	470,354
At 31 March 2024	<u>5,229,623</u>	<u>4,990</u>	<u>462,327</u>	<u>5,696,940</u>
Depreciation				
At 1 April 2023	898,507	35,782	234,842	1,169,131
Charge for the year on owned assets	143,351	-	41,511	184,862
Disposals	-	(30,792)	(91,877)	(122,669)
At 31 March 2024	<u>1,041,858</u>	<u>4,990</u>	<u>184,476</u>	<u>1,231,324</u>
Net book value				
At 31 March 2024	<u>4,187,765</u>	<u>-</u>	<u>277,851</u>	<u>4,465,616</u>
At 31 March 2023	<u>3,896,556</u>	<u>-</u>	<u>332,739</u>	<u>4,229,295</u>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. Tangible fixed assets (continued)

Company

	Freehold property ¥000	Motor vehicles ¥000	Fixtures and fittings ¥000	Total ¥000
Cost or valuation				
At 1 April 2023	482,151	35,782	281,625	799,558
Additions	-	-	50,961	50,961
Disposals	-	(30,792)	(203,181)	(233,973)
At 31 March 2024	<u>482,151</u>	<u>4,990</u>	<u>129,405</u>	<u>616,546</u>
Depreciation				
At 1 April 2023	37,640	35,782	145,527	218,949
Charge for the year on owned assets	-	-	16,111	16,111
Disposals	-	(30,792)	(91,877)	(122,669)
At 31 March 2024	<u>37,640</u>	<u>4,990</u>	<u>69,761</u>	<u>112,391</u>
Net book value				
At 31 March 2024	<u>444,511</u>	<u>-</u>	<u>59,644</u>	<u>504,155</u>
<i>At 31 March 2023</i>	<u>444,511</u>	<u>-</u>	<u>136,098</u>	<u>580,609</u>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. Financial assets**Group**

	Unlisted investments ¥000
Cost or valuation	
At 1 April 2023	2,281,900
At 31 March 2024	2,281,900
Net book value	
At 31 March 2024	2,281,900
<i>At 31 March 2023</i>	2,281,900

Unlisted investments comprise an investment in Toyoko Inn Co Limited, a company incorporated in Japan.

This investment is recognised at cost less impairment on the basis that the Group does not hold significant influence over the investee.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. Financial assets (continued)

Company

	Investments in subsidiary companies ¥000	Unlisted investments ¥000	Total ¥000
Cost or valuation			
At 1 April 2023	1,294,770	2,281,900	3,576,670
At 31 March 2024	<u>1,294,770</u>	<u>2,281,900</u>	<u>3,576,670</u>
Impairment			
At 1 April 2023	362,373	-	362,373
At 31 March 2024	<u>362,373</u>	-	<u>362,373</u>
Net book value			
At 31 March 2024	<u>932,397</u>	<u>2,281,900</u>	<u>3,214,297</u>
At 31 March 2023	<u>932,398</u>	<u>2,281,900</u>	<u>3,214,298</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Toyoko Inn Germany GmbH	Germany	Hotel construction and operation	Ordinary	100%
Toyoko Inn France SAS	France	Hotel construction and operation	Ordinary	100%
Toyoko Inn UK Limited	UK	Hotel construction and operation	Ordinary	100%
Toyoko Inn Dublin Limited	Ireland	Non-trading	Ordinary	100%

The carrying value of the investments and the aggregate of the share capital and reserves as at 31 March 2024 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

19. Stocks and work in progress

	Group 2024 ¥000	<i>Group 2023 ¥000</i>	Company 2024 ¥000	<i>Company 2023 ¥000</i>
Hotel consumables	11,416	19,735	4,519	14,066
Long-term contract balances	-	29,054	-	-
	<u>11,416</u>	<u>48,789</u>	<u>4,519</u>	<u>14,066</u>

There are no material differences between the replacement cost of stock and the Consolidated Balance Sheet amounts.

20. Debtors

	Group 2024 ¥000	<i>Group 2023 ¥000</i>	Company 2024 ¥000	<i>Company 2023 ¥000</i>
Trade debtors	69,829	233,932	70,451	224,793
Amounts owed by group undertakings and related parties	-	400,064	2,265,943	2,013,845
Other debtors	25,243	98,020	2,527	4,531
Prepayments	59,468	55,526	27,134	52,510
Recoverable lease deposits	487,713	797,701	195,462	537,964
	<u>642,253</u>	<u>1,585,243</u>	<u>2,561,517</u>	<u>2,833,643</u>

Amounts owed by group undertakings and related parties due within 1 year, are unsecured and earn interest between 1.5% - 2.1%.

21. Cash and cash equivalents

	Group 2024 ¥000	<i>Group 2023 ¥000</i>	Company 2024 ¥000	<i>Company 2023 ¥000</i>
Cash at bank and in hand	2,030,140	1,896,936	882,141	760,187
	<u>2,030,140</u>	<u>1,896,936</u>	<u>882,141</u>	<u>760,187</u>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

22. Creditors: Amounts falling due within one year

	Group 2024 ¥000	<i>Group 2023 ¥000</i>	Company 2024 ¥000	<i>Company 2023 ¥000</i>
Amounts owed to group undertakings and related parties	600,934	959,041	518,682	957,689
Trade creditors	293,054	259,515	130,795	131,184
Corporation tax	413,049	350,297	987	1,457
Taxation and social insurance	86,067	72,817	36,595	30,981
Other creditors	230,164	707,660	20,432	45,545
Accruals	35,384	71,088	30,934	68,772
Deferred income	5,060	4,379	2,143	1,905
	1,663,712	<i>2,424,797</i>	740,568	<i>1,237,533</i>
	Group 2024 ¥000	<i>Group 2023 ¥000</i>	Company 2024 ¥000	<i>Company 2023 ¥000</i>
PAYE/NI control	2,092	2,006	2,092	2,006
VAT control	83,975	70,811	34,503	28,975
	86,067	<i>72,817</i>	36,595	<i>30,981</i>

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

	Group 2024 ¥000	<i>Group 2023 ¥000</i>	Company 2024 ¥000	<i>Company 2023 ¥000</i>
Loans owed to credit institutions	1,050,009	1,088,929	-	-
Amounts owed to group undertakings and related parties	1,504,685	1,788,940	1,504,685	1,788,940
	2,554,694	<i>2,877,869</i>	1,504,685	<i>1,788,940</i>

Amounts owed to group undertakings and related parties due after more than 1 year are unsecured, earn interest at 1.5% - 3% per annum and are repayable in Nov 2024, Sep 2032 & Mar 2051.

Amounts owed to group undertakings and related parties due within 1 year, are unsecured and earn interest at 0 - 3%.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

24. Loans

Analysis of the maturity of loans is given below:

	Group 2024 ¥000	<i>Group 2023 ¥000</i>	Company 2024 ¥000	<i>Company 2023 ¥000</i>
Amounts falling due within one year				
Amounts owed to group undertakings and related parties	600,934	<i>959,041</i>	518,682	<i>957,688</i>
	600,934	<i>959,041</i>	518,682	<i>957,688</i>
Amounts falling due 2-5 years				
Amounts owed to group undertakings and related parties	148,439	<i>283,439</i>	148,439	<i>283,439</i>
	148,439	<i>283,439</i>	148,439	<i>283,439</i>
Amounts falling due after more than 5 years				
Bank loans	1,050,009	<i>1,088,929</i>	-	-
Amounts owed to group undertakings and related parties	1,356,246	<i>1,505,501</i>	1,356,246	<i>1,505,501</i>
	2,406,255	<i>2,594,430</i>	1,356,246	<i>1,505,501</i>
	3,155,628	<i>3,836,910</i>	2,023,367	<i>2,746,628</i>

Toyoko Inn Co. Limited, and companies related to Toyoko Inn Co. Limited and Mr. Nishida provide significant finance to the Company. There loans are both short term and long term. The short term loans can be rolled forward on agreement between the parties. All loans attract interest rates of between 1.5% and 3% per annum and are unsecured.

The related party loan amounts due after 5 years amounted to ¥1.5 billion (2023 - ¥1.8 billion) and are repayable in full by Nov 2024, Sep 2032 & Mar 2051.

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

25. Financial instruments

	Group 2024 ¥000	<i>Group 2023 ¥000</i>	Company 2024 ¥000	<i>Company 2023 ¥000</i>
Financial assets				
Financial assets measured at fair value through profit or loss	2,030,140	1,896,936	882,141	760,187
Financial assets that are debt instruments measured at amortised cost	95,072	732,014	2,338,921	2,243,169
	<u>2,125,212</u>	<u>2,628,950</u>	<u>3,221,062</u>	<u>3,003,356</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(3,714,203)</u>	<u>(4,875,173)</u>	<u>(2,207,671)</u>	<u>(2,994,035)</u>

Financial assets measured at fair value through profit or loss comprise of cash in bank and on hand,

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by related undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings and related parties, other creditors and accruals.

26. Share capital

	2024 ¥000	<i>2023 ¥000</i>
Authorised		
1,000,000 (2023 - 1,000,000) Ordinary shares shares of ¥125.00 each	<u>125,000</u>	<u>125,000</u>
Allotted, called up and fully paid		
552,000 (2023 - 552,000) Ordinary shares shares of ¥125.00 each	<u>69,058</u>	<u>69,058</u>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

27. Reserves**Foreign exchange reserve**

Includes all current and prior period foreign exchange movements regarding balance sheet items.

Profit and loss account

Includes all the current and prior period profits and losses.

Called-up share capital

Represents the nominal value of shares that have been issued.

28. Contingent liabilities

The Group is engaged in litigation arising in the ordinary course of its business. Although no assurance can be given as to the outcome of any current or pending litigation, management does not believe that any such litigation will, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Group.

Leases:

The hotel leases allow for cancellation under certain circumstances. If cancelled by the company the lessee shall abandon the right to claim the balance of the guarantee deposit amount included in debtors.

29. Commitments under operating leases

At 31 March 2024 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	<i>Group</i>	Company	<i>Company</i>
	2024	<i>2023</i>	2024	<i>2023</i>
	¥000	<i>¥000</i>	¥000	<i>¥000</i>
Not later than 1 year	577,717	<i>1,168,295</i>	280,728	<i>900,444</i>
Later than 1 year and not later than 5 years	2,327,720	<i>4,742,133</i>	1,139,760	<i>3,670,728</i>
Later than 5 years	9,549,600	<i>18,828,579</i>	2,604,604	<i>12,297,127</i>
	12,455,037	<i>24,739,007</i>	4,025,092	<i>16,868,299</i>

TOYOKO INN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

30. Related party transactions

Toyoko Inn Co. Ltd is a Japanese company founded by Norimasa Nishida who has a familial relationship with the ultimate shareholders of the Company. Toyoko Inn International Limited holds 44% of Toyoko Inn Co. Ltd.

Toyoko Inn Co. Limited and its subsidiaries have provided loans to Toyoko Inn International Limited. The amount outstanding at 31st March 2024 is ¥1.8 billion (31st March 2023: ¥2.5 billion). Interest is charged on these loans at rates of 1.5%.

Mr. N Nishida advanced one long term loan totaling ¥675 million at an interest rate of 2%. The amount outstanding at 31st March 2024 was ¥135 million (31st March 2023: ¥207 million).

The company has availed of the exemption in Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Related Party Transactions, from the requirements to disclose details of transactions with subsidiary undertakings. The company shareholders have agreed to this exemption.

31. Post balance sheet events

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

32. Ultimate parent undertaking

The company is jointly owned and controlled by Liffy Family Limited and NKY Partners Limited, each holding 50% of the issued share capital. Liffy Family Limited and NY Partners Limited are Irish registered companies. The companies jointly are the controlling parties.

33. Approval of financial statements

The board of Directors approved these financial statements for issue on