

THE YORK HOTEL LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

Registered number 01010090



THE YORK HOTEL LIMITED

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THE YORK HOTEL LIMITED

COMPANY INFORMATION

Director	S Jerushalmi	(Appointed 15 November 2019)
Company number	01010090	
Registered office	2nd Floor 167-169 Great Portland Street London W1W 5PF	
Independent auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2	

THE YORK HOTEL LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors submit the Director's report together with the audited financial statements of The York Hotel Ltd (the "Company") for the 14 month period ended 31 December 2019.

Principal activities

The principal activity of the company is now that of property investment. On 22 November 2018, this company was acquired by Holland Road Hotels Limited, a company incorporated in England and Wales. The ultimate parent company is Aroundtown SA, a company incorporated in Germany, by virtue of their shareholding in Holland Road Hotels Limited. Prior to this, the principle activity of the company was that of the operation of hotels.

Future developments

The Directors expect the activities of the Company to continue for the foreseeable future.

Risks and Uncertainties

The emergence of the COVID-19 coronavirus has created a number of uncertainties and risks that may affect the Company's performance going forward. The Company objectives, policies and processes for managing these risks are set out below:

Property valuations

The value of the Company's property portfolio is affected by the conditions prevailing in the property investment market and the general economic environment. The impact of the United Kingdom leaving the the European Union is uncertain and the effects of this, together with the Covid-19 coronavirus outbreak, are continuing to cause uncertainty which may have future economic impacts to property valuations. Accordingly, the Company's net asset value can rise and fall due to external factors beyond the Director's control.

Results and dividends

The results of the company for the year are set out in the profit and loss account on page 8 and in the related notes. There were no dividends proposed during the year (2018: £5,289,780).

Director and secretary

The directors of the Company who were in office during the period and up to the date of signing the financial statements were:

Sivan Jerushalmi	(appointed 15 November 2019)
Guy Baruch	(appointed 22 November 2018; resigned 1 May 2020)
Geva Dagan	(appointed 22 November 2018; resigned 21 March 2019)
Yasmin Alhaidary	(appointed 30 December 2013; resigned 22 November 2018)
Ramses Riad Andraous	(appointed 15 September 2005; resigned 22 November 2018)
Raouf Riad Meshreky	(appointed 15 September 2005; resigned 22 November 2018)

The director and secretary who held office at 31 December 2019 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

THE YORK HOTEL LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

Subsequent events and going concern

As a part of Aroundtown SA Group, the outbreak of coronavirus (Covid-19) in early 2020 had an immaterial effect on the Group results for the first quarter of 2020. The pandemic and the economic implications have a more material effect on the results of starting from the second quarter of 2020, and the group has implemented measures to minimize the negative effect on its operations. The group maintains its strong liquidity and conservative financial position, which provide a financial cushion in case of a continuous downside scenario, as well as acquisition firepower for opportunistic purchases.

The York Hotel Ltd considers the global pandemic to be a non-adjusting post balance sheet event as of 31 December 2019 and the directors have concluded there is no impairment to the Company's investment in properties as at the balance sheet date. The current uncertain economic conditions present increased risks for all businesses. In response to such conditions, the director has assessed the Company's forecasts and projections, taking account of reasonable, possible changes in trading performance and of the financial support from its group company, Aroundtown SA. After making enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from auditor's report date. Based on this assessment, the director believes it remains appropriate to prepare the financial statement on a going concern.

Political contributions

The Company made no political contributions during the period (2018 £NIL).

Statement of disclosure to auditor

The directors who held office at the date of approval of this Director's report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. These provisions entitled the Director's to an exemption from preparing a Strategic Report.

Independent auditor

KPMG, Chartered Accountants were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

By order of the board


S Jerushalmi

Director

Date: 23.2.2021

THE YORK HOTEL LIMITED

Statement of director's responsibilities in respect of the Director's report and the financial statements

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 Directors have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework.

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 judgements 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
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board

.....
S Jerushalmi

Director

Date: 23.2.2021



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of The York Hotel Limited

Report on the audit of financial statements

Opinion

We have audited the financial statements of The York Hotel Limited (the 'Company') for the period ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK law and FRS 101 Reduced Disclosure Framework.

In our opinion the accompanying financial statements:

- 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 period then ended;
- have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

Other matter- prior period financial statements

We note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK) require the auditor to state the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.



Independent auditor's report to the members of The York Hotel Limited (continued)

Report on the audit of financial statements (continued)

Other information

The Directors are responsible for the other information presented in the Annual report together with the Financial statements. The other information comprises the information included in the director's report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except explicitly stated below any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the Directors' report;
- in our opinion, the information given in the Directors' report is consistent with the financial statements;
- in our opinion, the Directors' report has been prepared in accordance

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of the director for the financial statements

As explained more fully in the director's responsibilities statement, set out on page 4, 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of The York Hotel Limited (continued)

Report on the audit of financial statements (continued)

Respective responsibilities and restrictions on use (continued)

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 website of the Financial Reporting Council at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Our 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 him 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.

Eamon Dillon

Eamon Dillon (Senior Statutory Auditor)
for and on behalf of
KPMG Statutory Auditor
1 Stokes Place
St Stephens green
Dublin 2
Ireland

23 February 2021

THE YORK HOTEL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2019

		Period ended 31 December 2019 £'000	(Unaudited) Year ended 31 October 2018 £'000
	Notes		
Turnover	3	935	1,217
Cost of sales		(6)	(481)
Gross profit		929	736
Administrative expenses		(259)	(626)
Operating profit	4	670	110
Interest payable and similar expenses	7	(178)	(138)
Profit/(loss) before taxation		492	(28)
Tax on profit/(loss)	8	(1,033)	(24)
Loss for the financial period/ year		(541)	(52)

The notes on pages 11 - 22 form part of these financial statements.

THE YORK HOTEL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

	Period ended 31 December 2019 £'000	(Unaudited) Year ended 31 October 2018 £'000
Loss for the period/ year	(541)	(52)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Revaluation of tangible fixed assets	3,641	-
Total comprehensive income for the period/ year	3,100	(52)

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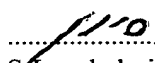
BALANCE SHEET

AS AT 31 DECEMBER 2019

		2019	(Unaudited) 2018
	Notes	£'000	£'000
Fixed assets			
Tangible fixed assets	9	-	9,835
Investment property	10	13,320	-
		13,320	9,835
Current assets			
Debtors	11	(768)	148
Cash at bank and in hand		(147)	-
		(915)	148
Creditors: amounts falling due within one year	12	112	(4,582)
Net current assets/(liabilities)		803	(4,434)
Total assets less current liabilities		14,123	5,401
Creditors: amounts falling due after more than one year	12	(4,500)	-
Provisions for liabilities	18	(1,122)	-
Net assets		2,879	5,401
Capital and reserves			
Called up share capital	14	10	10
Revaluation reserve		8,820	5,179
Profit and loss reserves		(329)	212
Total equity		8,501	5,401

The notes on pages 11 to 22 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 23.2.2021 and are signed on its behalf by:


S. Jerushalmi
Director

Company Registration No. 01010090

THE YORK HOTEL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 November 2017	10	5,179	5,554	10,743
Year ended 31 October 2018:				
Loss and total comprehensive income for the year	-	-	(52)	(52)
Dividends	-	-	(5,290)	(5,290)
Balance at 31 October 2018	10	5,179	212	5,401
Period ended 31 December 2019:				
Loss for the period	-	-	(541)	(541)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	3,641	-	3,641
Total comprehensive income for the period	-	3,641	(541)	3,100
Balance at 31 December 2019	10	8,820	(329)	8,501

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Reporting entity

The York Hotel Ltd is a private company incorporated, domiciled and registered in the United Kingdom. The Company's registered number is 01010090 and the registered office is 2nd Floor, 167-169 Great Portland Street, London, W1W 5PF.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company's ultimate parent undertaking, Arountown S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of Arountown S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 40, Rue du Curé, L-1308 Luxembourg

As permitted by FRS 101, the company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information; and
- for the effects of new but not yet effective IFRSs

As the consolidated financial statements of Arountown S.A. include the equivalent disclosures, the Company has also taken the exemption under FRS 1010 available in respect of the following:

- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures; and
- certain disclosures required by IAS 36 Impairment of Assets

The accounting policies set out below have unless otherwise stated been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis with the exception of investment property which is initially measured at cost and subsequently at fair value.

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Significant accounting policies (continued)

2.3 Functional currency

These financial statements are presented in Sterling, being the functional currency of the Company. All financial information presented in Sterling has been rounded to the nearest thousand, except where otherwise stated.

2.4 Use of estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates. The key accounting judgement and estimate in these financial statements is:

- Carrying amount of investment property – note 10

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2.5 Going concern

As part of Aroundtown SA Group, The Covid-19 pandemic had an immaterial effect on the Group results for the first quarter of 2020. The pandemic and the economic implications have a more material effect on the results of starting from the second quarter of 2020, and the group has implemented measures to minimize the negative effect on its operations. The group maintains its strong liquidity and conservative financial position, which provide a financial cushion in case of a continuous downside scenario, as well as acquisition firepower for opportunistic purchases. The York Hotel Ltd considers the global pandemic to be a non-adjusting post balance sheet event as of 31 December 2019 and the directors have concluded there is no impairment to the Company's investment in properties as at the balance sheet date

The current uncertain economic conditions present increased risks for all businesses. In response to such conditions, the director has assessed the Company's forecasts and projections, taking account of reasonable, possible changes in trading performance and of the financial support from its group company, Aroundtown SA. After making enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from auditor's report date. Based on this assessment, the director believes it remains appropriate to prepare the financial statement on a going concern.

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Company uses market observable data as far as possible.

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Significant accounting policies (continued)

2.7 Revenue

Turnover comprises rental income, net of value added tax. Rentals receivable under operating leases are credited to the profit and loss account on an accruals basis over the term of the lease. Any initial advance receipt in relation to operating leases is treated as part of the rentals receivable and accordingly these receipts are credited to the profit and loss account on a straight-line basis over the period of the lease and are classified within deferred income.

2.8 Finance income and finance costs

Interest income or expenses are recognised using the effective interest method.

2.9 Taxation

Income tax expense comprises current and deferred tax. It is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Significant accounting policies (continued)

2.10 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

2.11 Trade and other receivables

Trade and other receivables are measured at their nominal amount less any allowance for doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

For trade receivables, the Company applies IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected allowance. Trade receivables are considered impaired when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the agreement.

2.12 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short-term nature of the business.

2.13 Financial instruments

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets-measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

2 Significant accounting policies (continued)

2.13 Financial instruments (continued)

(iii) Non-derivative financial liabilities-measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iv) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable or deemed and form an integral part of the company cash management are included as a component of cash and cash and cash equivalent for the purpose only of the cash flow statement.

2.15 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation was provided in the year to 31 October 2018 as follows:

Freehold properties	2%	straight line
Fixtures and fittings	25%	reducing balance
Computer equipment	25%	reducing balance

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.

The assets are no longer stated as tangible fixed assets and have been reclassified as investment property.

2.16 Accounting period

The accounting period for the financial year is 14 month period commencing from 1 November 2018 to 31 December 2019.

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

3 Turnover

All turnover is derived from the Company's main activity and comprises of rental income, excluding value added tax.

4 Operating profit

Auditor's remuneration was borne by another group company in both years.

5 Staff costs

The Company had no employees during the period (2018: 19 employees).

6 Director's remuneration

There was no remuneration paid to the directors by the Company during the period (2018 £NIL).
There were no retirement benefits accruing to the directors (2018 £NIL)

7 Interest payable and similar charges

(Unaudited)

	2019	2018
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest payable on parent company loans	178	138

8 Tax on profit/ (loss) on ordinary activities

(Unaudited)

	2019	2018
	£'000	£'000
Current tax		
Current tax for the year	25	24
Adjustments in respect of prior periods	(108)	-
Total UK current tax	(83)	24
Deferred tax		
Origination and reversal of temporary differences	1,116	-
Total tax charge	1,033	24

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

8 Tax on profit/ (loss) on ordinary activities(continued)

Factors affecting tax charge for the year.

The tax assessed differs from the standard rate of corporation tax in the UK of 19.00%. The differences are explained below:

	2019 £'000	(Unaudited) 2018 £'000
Profit/(loss) before taxation	492	(28)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2018: 19.00%)	94	(5)
Effect of expenses not deductible in determining taxable profit	118	29
Permanent capital allowances in excess of depreciation	(8)	-
Under/(over) provided in prior years	(108)	-
Utilisation of tax losses	(13)	-
Taxation for the period/ year	(83)	24

9 Tangible fixed assets

	Freehold land and buildings £'000	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost or valuation				
At 31 October 2018	11,900	290	1	12,191
Transfer to investment property	(11,900)	(290)	(1)	(12,191)
Depreciation				
At 31 October 2018	2,096	260	-	2,356
Transfer to investment property	(2,096)	(260)	-	(2,356)
Carrying amount				
At 31 December 2019	-	-	-	-
At 31 October 2018	9,804	30	1	9,835

Prior to transfer of the assets from owner-occupied to investment property, the property was revalued and the gain on revaluation recognised as through other comprehensive income.

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

10	Investment property	2019 £'000
	Cost	
	At 1 November 2018 (unaudited)	-
	Transfers from owner-occupied property	13,320
		<hr/>
	At 31 December 2019	13,320
		<hr/>

Investment property comprises a hotel. Changes in fair value are recognised as gains or losses in profit or loss.

11	Debtors	(Unaudited)	
		2019 £'000	2018 £'000
	Trade debtors	716	-
	VAT recoverable	47	-
	Other debtors	-	86
	Prepayments and accrued income	-	62
		<hr/>	<hr/>
		763	148
	Deferred tax asset	5	-
		<hr/>	<hr/>
		768	148
		<hr/>	<hr/>

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

12 Creditors

	Notes	Due within one year		Due after one year	
		2019 £'000	Unaudited 2018 £'000	2019 £'000	Unaudited 2018 £'000
Loans and overdrafts	63	4,155	-	-	-
Amounts owed to group undertakings	-	-	4,500	-	-
Trade creditors	-	107	-	-	-
Other creditors	7	23	-	-	-
Taxation and social security	42	297	-	-	-
		<u>112</u>	<u>4,582</u>	<u>4,500</u>	<u>-</u>

Bank loans are secured by a fixed and floating charge over the assets of the company. A joint guarantee of £500,000 has been provided by all of the directors and an unlimited guarantee over all its assets has been provided by the parent company, Exhibit Properties Limited. The bank loan attracts an interest of 3.45% per annum. On 22 November 2018, the bank loan was repaid in full and the charge settled.

13 Financial instruments

The company had the following financial instruments:

	2019 £'000	Unaudited 2018 £'000
Financial assets		
Financial assets measured at amortized cost	<u>716</u>	<u>86</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(4,612)</u>	<u>(4,582)</u>

14 Called up share capital

	2019 £'000	Unaudited 2018 £'000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>

The shares have attached to them full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

(Continued)

15 Group relationships and ultimate controlling parties

At 31 December 2019, the immediate parent Company is Exhibit Properties Limited. Subsequent to the year end Holland Road Hotels Limited became the immediate parent company. The ultimate parent company is Arountown S.A. The largest group in which the results of the Company are consolidated is that headed by Arountown S.A, 40, Rue du Curé, L-1368 Luxemburg.

16 Related party transactions

The Company has availed of the exemptions available in FRS 101 from disclosing transactions entered into between two or more members of a group and also key management personnel compensation disclosures.

At 31 December 2019, an amount of £nil (2018: £3,000) was due from R R Mesherky. No interest was payable on this balance.

At 31 December 2019, an amount of £nil (2018: £11,500) was due from Y Alhaidary. No interest was payable on this balance.

17 Subsequent events

As a part of Arountown SA Group, The Covid-19 pandemic had an immaterial effect on the Group results for the first quarter of 2020. The pandemic and the economic implications have a more material effect on the results of starting from the second quarter of 2020, and the group has implemented measures to minimize the negative effect on its operations. The group maintains its strong liquidity and conservative financial position, which provide a financial cushion in case of a continuous downside scenario, as well as acquisition firepower for opportunistic purchases. The York Hotel Ltd considers the global pandemic to be a non-adjusting post balance sheet event as of 31 December 2019 and the directors have concluded there is no impairment to the Company's investment in properties as at the balance sheet date

18 Deferred taxation

	2019	Unaudited 2018
	£'000	£'000
Deferred tax liabilities	1,122	-
Deferred tax assets (note 11)	(5)	-
	<u>1,117</u>	<u>-</u>

THE YORK HOTEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

18 Deferred taxation (**continued**)

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	£'000
Deferred tax liability at 1 November 2017 and 1 November 2018	-
Deferred tax movements in current year	
Other	1,116
	<hr/>
Deferred tax liability at 31 December 2019	1,122
Deferred tax asset at 31 December 2019	(5)
	<hr/> <hr/>

19 Pension Commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £472 (2018: £2,901). £nil (2018: £870) were payable to the fund at the reporting date and are included in creditors.