

Chamberlain Hotels Limited

Report and Financial Statements

Year ended 31 December 2018

Registered number: 2307261

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Chamberlain Hotels Limited

Report and Financial Statements

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Chamberlain Hotels Limited

Directors and other information

Directors	Daniel Roger
Registered number	2307261
Registered office	245 Broad Street Birmingham B1 2HQ England
Auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD
Bankers	Royal Bank of Scotland Kirkstane House 139 St Vincent Street Glasgow G2 5JF
Solicitors	Squire Patton Boggs LLP Rutland House Cutlers Gardens London EC2M 4YH

Chamberlain Hotels Limited

Strategic report

The main activity of the Chamberlain Hotels Limited ("the Company") continues to be the operation of a hotel in the United Kingdom.

The Company achieved a turnover of £13.93 million (2017: £12.97 million) in the year ended 31 December 2018 which is an increase of 7.4% on the year ended 31 December 2017. This was driven by improved market conditions.

The Company produced an operating profit of £1.89 million (2017: £2.99 million) in the year ended 31 December 2018.

The key performance indicators for the company are highlighted in the below table:

	2018	2017
Gross profit %	16%	23%
Operating profit %	14%	23%

The decrease in the gross and operating profit percentage for 2018 is due to increased costs in the year and changes in the business structure.

Business risks and uncertainties

The Company is directly exposed to the risks associated with the hotel industry such as any downturn in the general operating conditions in the UK provincial hotel industry and new hotel openings close to its existing location.

The Company has received lending from group companies and continues to rely on group support, which mitigates liquidity and cash flow risk.

The Company's exposure to credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts. The Company seeks to mitigate credit risk through central and hotel level credit checking and, where customers pay on departure, Company policy is to obtain a pre-authorised credit card for payment. In certain circumstances customers pay all or part of their stay in advance.

The Company's exposure to liquidity and cash flow risk is mitigated by the trade receivables procedures described above and by negotiating commercial payment terms with suppliers. The Company aims to mitigate liquidity risk by managing cash generation and its use through its operations.

Brexit Implications

On 23 June 2016, the United Kingdom voted to formally resign its membership of the European Union and the date of leaving is currently set to be 31 October 2019. At this point it is unclear as to the impact Brexit will have on the performance of the hotels.

Business review

The Company expects 2018 to improve in terms of trading, and is confident that trading will perform above market levels.

Chamberlain Hotels Limited

Strategic report (*continued*)

Key performance indicators

Key financial performance indicators include:

- Monitoring of industry standard measures such as occupancy and average room rates against prior year and budget against competitors;
- Monitoring of department revenues and profitability; and
- Working capital management.
- Monitoring of quality: the Company monitors a number of quality indicators using data from a number of sources including guest questionnaires, mystery guest programs and feedback on third-party travel review websites; and
- Success of advertising and marketing campaigns, measured by indicators such as the number of guests making direct bookings through the website.

By order of the board and signed on its behalf by

Daniel Rogér
Director

Date: 24/09/2019

Chamberlain Hotels Limited

Director's report

The director submits their annual report together with the audited financial statements of Chamberlain Hotels Limited ("the Company") for the year ended 31 December 2018.

Principal activities

The Company is part of a leading hotel group and operates a hotel in the United Kingdom.

Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 10 and in the related notes. A dividend of £88.99 million was paid or proposed during the year (2017: £nil).

Directors and secretary and their interests

The Directors of the Company during the year are set out below:

John Winthrop (resigned on 31 August 2018)

Liia Nou (resigned on 31 August 2018)

Carl Rasin (appointed on 1 June 2018 and resigned on 31 August 2018)

Daniel Roger (appointed on 31 August 2018)

The director who held office at 31 December 2018 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

Disabled persons

It is the policy of the Company to give fair and full consideration to registered disabled persons applying for employment and to the continuing employment and appropriate training of staff who become disabled having regard to their particular aptitudes and abilities.

Employee participation

The Company places particular importance on the involvement of its employees keeping them regularly informed through meetings on matters affecting them as employees and on issues affecting the Company's performance. The training and development of employees at all levels continues to be a major priority.

Subsequent events

There were no events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.

Political donations

The Company made no political donations during the year (2017: Nil).

Going concern

The directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis for the Company. The Company is in a net current liability position in which the company has received support from the immediate parent entity.

Chamberlain Hotels Limited

Director's report (*continued*)

Statement as to disclosure of information to auditor

In the case of each person who was a director at the time this report was approved:

- so far as that director is aware there is no relevant audit information of which the Company's auditor is unaware: and
- that director has taken all steps that the director 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Auditor

It is proposed that Mazars LLP will continue in office in accordance with the Companies act 2006 section 487(2).

On behalf of the board



Daniel Roger
Director

Date: 24/09/2019

Chamberlain Hotels Limited

Statement of directors' responsibilities in respect of the Strategic Report and Director's report and the financial statements

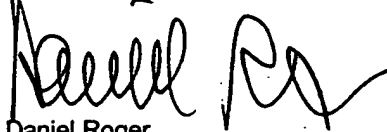
The directors are responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

On behalf of the board



Daniel Roger
Director

Date: 24/09/2019

Independent auditor's report to the members of Chamberlain Hotels Limited for the year ended 31 December 2018

Opinion

We have audited the financial statements of Chamberlain Hotels Limited ("the Company") for the year ended 31 December 2018, which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit
Directors' view on the impact of Brexit is disclosed on page 2. Although the uncertainties relating to the effects of Brexit are relevant to the audit of the financial statements, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

As a result, we applied a standard firm wide approach in response to that uncertainty when assessing company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of Chamberlain Hotels Limited for the year ended 31 December 2018 (continued)

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Director's Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Director's Report.

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

- adequate accounting records have not been kept, 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.

Independent auditor's report to the members of Chamberlain Hotels Limited for the year ended 31 December 2018 (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

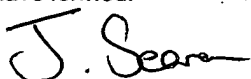
Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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



Jonathan Seaman (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London E1W 1DD

Date: 30 September 2019

Chamberlain Hotels Limited

Profit and loss account

for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover	3	13,934	12,974
Cost of sales		(11,773)	(9,971)
Gross profit		2,161	3,003
Administrative expenses		(277)	(10)
Operating profit		1,884	2,993
Impairment of fixed assets	8	(1,258)	-
Finance costs	5	(1,197)	(1,777)
(Loss)/profit on ordinary activities before taxation	6	(571)	1,216
Income tax credit	7	9,378	13
Profit for the year		8,807	1,229

All amounts relate to continuing operations.

The accompanying notes form an integral part of these financial statements.

Chamberlain Hotels Limited

Statement of comprehensive income for the year ended 31 December 2018

	<i>Note</i>	2018 £'000	2017 £'000
Profit for the year		8,807	1,229
Items that will never be reclassified to profit or loss:			
Revaluation of tangible fixed assets		-	12,356
Tax on unrealised gain on revaluation of tangible fixed assets		-	(947)
Reclassification adjustment for disposal of tangible fixed assets – transfer from revaluation reserve		62,952	-
		62,952	11,409
Other comprehensive income, net of tax		62,952	11,409
Total comprehensive income for the year		71,759	12,638

The accompanying notes form an integral part of these financial statements.

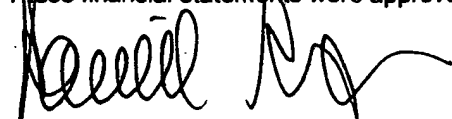
Chamberlain Hotels Limited

Balance sheet

as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	8	2,954	4,972
Current assets			
Stocks		29	31
Debtors	9	1,874	47,326
Non-current asset held for sale	10	-	75,147
Cash at bank and in hand		26	31
		1,929	122,535
Creditors: amounts falling due within one year	11	(2,792)	(34,469)
Net current (liabilities)/assets		(863)	88,066
Total assets less current liabilities		2,091	93,038
Creditors: amounts falling due after one year			
Deferred tax	7	(63)	(9,797)
Finance lease liability	12	-	(1,030)
Net assets		2,028	82,211
Capital and reserves			
Called up share capital	14	1,501	1,501
Revaluation reserve	15	-	62,952
Profit and loss account	15	527	17,758
Shareholders' funds - Equity		2,028	82,211

These financial statements were approved by the Board of Directors and were signed on its behalf by:



Daniel Roger
Director

Date: 24/09/2019

The accompanying accounting policies and notes are an integral part of these financial statements.

Chamberlain Hotels Limited

Statement of changes in equity for the year ended 31 December 2018

	Share capital £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2017	1,501	51,543	16,529	69,573
Comprehensive income				
Profit for the year	-	-	1,229	1,229
<i>Other comprehensive income</i>				
Unrealised gain on revaluation of tangible fixed assets	-	12,356	-	12,356
Tax on unrealised gain on revaluation of tangible fixed assets	-	(947)	-	(947)
At 1 January 2018	1,501	62,952	17,758	82,211
Comprehensive income				
Profit for the year	-	-	8,807	8,807
Transfer from revaluation reserve following disposal of tangible fixed assets	-	(62,952)	62,952	-
Dividend paid	-	-	(88,990)	(88,990)
At 31 December 2018	1,501	-	527	2,028

The accompanying notes form an integral part of these financial statements.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018

forming part of the financial statements

1 Reporting entity

Chamberlain Hotels Limited is a company incorporated in the United Kingdom. The Company's registered office is 245 Broad Street, Birmingham, England. The registered number is 2307261.

2 Significant accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU 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 is an indirect wholly owned subsidiary of Fattal Holding (1998) Ltd. The Fattal Holding (1998) Ltd consolidated financial statements, which include the results of the Company, are available from 2 Alon Tower, 94 Yigal Alon, 23rd Floor, Tel Aviv 67011.

In these financial statements, 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
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements of Fattal Holding (1998) Ltd include the equivalent disclosures, the Company has also taken the exemption under FRS 101 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.

Basis of measurement

These financial statements have been prepared on the historical cost basis.

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.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

2 Significant accounting policies *(continued)*

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 tangible fixed assets – Note 8.

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

Going concern

As at 31 December 2018 the Company had net current liabilities of £0.9 million (2017: current asset £88 million) and net assets of £2.0 million (2017: £82.2 million).

The directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis for the Company. The Company is in a net current liability position in which the company has received support from the immediate parent entity.

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.

Turnover

Revenue represents sales (excluding VAT and similar taxes) of goods and services net of trade discounts provided in the normal course of business.

Revenue is derived from hotel operations and includes the rental of rooms, food and beverage sales, and other revenue. Revenue is recognised when rooms are occupied and food and beverages are sold.

The Group operates a loyalty programme. Revenue is allocated between the loyalty programme and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

Leases

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

2 Significant accounting policies *(continued)*

Leases *(continued)*

Assets held under other leases are classified as operating leases and are not recognised in the Company's balance sheet. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance income and finance costs

The Company's finance income and finance costs include:

- interest expense;
 - interest income; and
 - the foreign currency gain or loss on financial assets and financial liabilities.
- Interest income or expenses is recognised using the effective interest method.

Tax

Income expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI 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 differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of reversal 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.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

2 Significant accounting policies *(continued)*

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated

Tangible fixed assets

Recognition and measurement

Freehold and long-term leasehold (lease term 99 years or above) land and buildings are measured at fair value.

Revaluation gains are credited to other comprehensive income and accumulated in equity within the revaluation reserve unless it represents the reversal of an impairment of the same asset previously recognised in profit or loss, in which case it should be recognised in profit or loss. A decrease arising as a result of a revaluation is recognised in profit or loss to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset. Otherwise it is recognised in other comprehensive income.

If significant parts of an item of tangible fixed assets have different useful lives, then they are accounted for as separate items (major components) of tangible fixed assets.

Any gain or loss on disposal of an item of tangible fixed assets is recognised in profit or loss.

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and impairment. Impairment losses are recognised in profit and loss.

Depreciation

No depreciation is provided on land. Other tangible fixed assets are depreciated to a residual value over the estimated useful lives which are as follows:

Buildings Core	30 to 125 years
Buildings Non Core	30 years
Plant	20 years
Fixtures, fittings and equipment	5 to 10 years

Depreciation is charged to the income statement on a straight line basis over the estimated useful life. Residual value is reassessed annually.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

2 Significant accounting policies *(continued)*

Tangible fixed assets *(continued)*

Impairment

Individual items of tangible fixed assets are reviewed for impairment annually and tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that do not generate independent cash flows are combined into cash generating units. If carrying amounts exceed estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Pension

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company is a participating employer in group defined benefit schemes operated by Jurys Hotel Management Limited, providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by IAS 19 *Employee benefits*, accounts for the schemes as if they were defined contribution schemes. As a result the amount charged to profit or loss account represents the contributions payable to the schemes in respect of the accounting year.

Inventories

Inventories are measured at the lower of cost and net realisable value.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

2 Significant accounting policies *(continued)*

Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(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 Group is recognised as a separate asset or liability.

The Group 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 Group 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.

Cash and cash equivalents

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(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.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

2 Significant accounting policies *(continued)*

Provisions and contingent liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

3 Turnover

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom. Turnover analysis is not presented due to its commercial sensitivity.

4 Staff numbers and costs

The average number of persons, including executive directors, employed by the Company, during the year was 186 (2017: 118).

The aggregate payroll costs of these persons were as follows:

	2018 £'000	2017 £'000
Wages and salaries	2,500	2,369
Social security costs	119	113
Pension costs	29	22
	<hr/>	<hr/>
	2,648	2,504
	<hr/>	<hr/>

5 Finance costs

	2018 £'000	2017 £'000
Interest expense on intercompany loans	996	1,432
Interest on finance leases	201	345
	<hr/>	<hr/>
	1,197	1,777
	<hr/>	<hr/>

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

6	(Loss)/profit on ordinary activities before taxation	2018 £'000	2017 £'000
	The profit is stated after charging:		
	Auditor's remuneration	-	-
	Audit services	-	-
	Other assurance services	-	-
	Tax services	-	-
	Other	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
	Directors' remuneration	-	-
	Depreciation	907	1,391
		<hr/>	<hr/>

The directors' and auditor's remuneration is borne by another group company.

7	Income taxes	2018 £'000	2017 £'000
	(a) Amounts recognised in profit or loss		
	<i>Current tax</i>		
	UK	332	350
		<hr/>	<hr/>
	Adjustment in respect of prior years	24	-
		<hr/>	<hr/>
		356	350
		<hr/>	<hr/>
	<i>Deferred tax</i>		
	Timing adjustments	(10,054)	(363)
	Adjustment in respect of prior years	320	-
		<hr/>	<hr/>
	Total	(9,734)	(363)
		<hr/>	<hr/>
	Tax credit on profit	(9,378)	(13)
		<hr/>	<hr/>

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

7 Income taxes *(continued)*

(b) Reconciliation to total tax	2018 £'000	2017 £'000
(Loss)/profit on ordinary activities before taxation	(571)	1,219
Profit on ordinary activities at standard corporation tax rate in the UK of 19% (2017: 19.25%)	(108)	235
Chargeable losses	(10,891)	-
Fixed asset differences	(2,098)	-
Income not taxable/expenses not deductible for tax purposes	334	115
Property revaluations	-	(363)
Adjustment in respect of prior years	344	-
Impact of change in rates	3,041	-
	(9,378)	(13)

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were enacted on 26 October 2015. Finance Bill 2016 further reduced the 18% rate to 17% from 1 April 2020, following substantial enactment on 6 September 2016. Together this will reduce the company's future tax charges accordingly.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Income taxes (continued)

Movements in deferred tax balances

	1 January 2018 £'000	Recognised in profit or loss £'000	Recognised in OCI £'000	Recognised in equity £'000	31 December 2018 £'000
Deferred tax liabilities					
Tangible fixed assets – Unrealised chargeable gains/ (losses)	9,745	(9,745)	-	-	-
Other timing differences	(7)	3	-	-	(4)
Tangible fixed assets – Allowances	59	8	-	-	67
Total	9,797	(9,734)	-	-	63

	1 January 2017 £'000	Recognised in profit or loss £'000	Recognised in OCI £'000	Recognised in equity £'000	31 December 2017 £'000
Deferred tax liabilities					
Tangible fixed assets – Unrealised chargeable gains/ (losses)	8,798	-	947	-	9,745
Other timing differences	(7)	-	-	-	(7)
Tangible fixed assets – Allowances	422	(363)	-	-	59
Total	9,213	(363)	947	-	9,797

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

8 Tangible assets	Long lease and freehold land and buildings £'000	Plant, fixtures, fittings and properties £'000	Total £'000
Cost			
At 1 January 2018	-	14,504	14,504
Additions	-	147	147
At 31 December 2018	-	14,651	14,651
Depreciation and impairment			
At 1 January 2018	-	(9,532)	(9,532)
Charge for year	-	(907)	(907)
Impairment	-	(1,258)	(1,258)
A At 31 December 2018	-	(11,697)	(11,697)
Net book value			
31 December 2018	-	2,954	2,954
31 December 2017	-	4,972	4,972

In line with the Group's accounting policies Freehold and long-term leasehold (lease term 99 years or above) land and buildings are measured at fair value.

Revaluation gains are credited to other comprehensive income and accumulated in equity within the revaluation reserve unless it represents the reversal of an impairment of the same asset previously recognised in profit and loss, in which case it should be recognised in profit or loss. A decrease arising as a result of a revaluation is recognised as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

In accordance with the Group's accounting policies, the directors undertake an annual review of the carrying value of all other fixed assets to determine whether there is any indication of impairment. An impairment test was performed at 31 December 2017 by comparing the carrying amount of these assets to their recoverable amounts.

The property was sold on 31 August 2018 for the fair value and there was no gain on disposal.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

9 Debtors	2018 £'000	2017 £'000
Trade debtors	627	555
Prepayments	110	264
Amount owed by group undertakings	673	46,507
Other debtors	464	-
	<hr/>	<hr/>
	1,874	47,326
	<hr/>	<hr/>
Due within one year	1,874	47,326
Due after one year	-	-
	<hr/>	<hr/>

Amounts owed by group undertakings are repayable on demand and are non interest bearing.

10 Non-current assets held for sale

As at 31 December 2017, the property met the criteria in accordance with IFRS 5 to be classified as held for sale assets. The property was sold in 2018 and is no longer held within the company.

	2018 £'000	2017 £'000
Tangible Assets (note 8)	-	75,147
Inventories	-	-
Trade and other receivables	-	-
	<hr/>	<hr/>
Assets held for sale	-	75,147
	<hr/>	<hr/>
Trade and other payables	-	-
Deferred tax liabilities	-	-
	<hr/>	<hr/>
Liabilities held for sale	-	-
	<hr/>	<hr/>

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

11 Creditors: amounts falling due within one year	2018	2017
	£'000	£'000
Trade creditors	95	689
Accruals	1,356	791
Finance lease liability (see note 13)	-	108
VAT	937	378
Capital accruals	-	68
Amounts owed to group undertakings	72	32,082
Corporation Tax	332	353
	2,792	34,469

During the year, the classification of front office deposits was reviewed and are shown with accruals in 2018, however in 2017 are disclosed within the trade creditors.

12 Amounts falling due after one year	2018	2017
	£'000	£'000
Finance lease liability (see note 13)	-	1,030

13 Loans and borrowings	2018	2017
	£'000	£'000
(i) Due within one year		
Finance lease liability	-	108
Intercompany loan (A)	-	990
Intercompany loan (B)	-	31,069
Intercompany loan (C)	-	23
	-	32,190
	2018	2017
	£'000	£'000
(ii) Due after one year		
Finance lease liability	-	1,030

Intercompany loan (B) is repayable in 2023 and subject to an interest rate of 4.75%. All other intercompany loans are repayable on demand and are non interest bearing.

Following the sale of the company, the intercompany loan was repaid in the year.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

13 Loans and borrowings <i>(continued)</i>	2018 £'000	2017 £'000
(iii) Finance lease liability		
Future minimum lease payments		
Within one year	-	108
Between one and five years	-	433
Between five and ten years	-	542
Between ten and 20 years	-	1,083
Beyond 20 years	-	6,498
	<hr/>	<hr/>
	-	8,664
	<hr/>	<hr/>
	2018 £'000	2017 £'000
Interest		
Within one year	-	9
Between one and five years	-	116
Between five and ten years	-	278
Between ten and 20 years	-	809
Beyond 20 years	-	6,314
	<hr/>	<hr/>
	-	7,526
	<hr/>	<hr/>
	2018 £'000	2017 £'000
Present value of minimum lease payments		
Within one year	-	99
Between one and five years	-	317
Between five and ten years	-	264
Between ten and 20 years	-	274
Beyond 20 years	-	184
	<hr/>	<hr/>
	-	1,138
	<hr/>	<hr/>

All of the present value of the minimum lease payments relate to leasehold properties that have a remaining lease term of over 50 years.

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

14 Called up share capital	2018 £	2017 £
Authorised		
Ordinary shares of £1 each	2,000,000	2,000,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	1,500,900	1,500,900

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Non-voting shareholders are not entitled to request, attend or vote at any general meeting. Neither are they entitled to receive more than the amount paid up. In all other respects, non-voting shares rank pari passu with ordinary shares.

15 Reserves

Retained earnings – this account includes all current period retained losses.

Revaluation reserve – this reserve related to the movement in the property valuation.

16 Pensions

The Company participates in a group defined benefit scheme operated by Jurys Hotel Management (UK) Limited, which is the legal sponsor of the scheme.

Therefore the Company has accounted for it as a defined contribution scheme. The UK defined benefit scheme was closed to future accrual in 2011. Full details of the schemes are disclosed in the financial statements of the Company's immediate parent, Jurys Hotel Management (UK) Limited.

The total defined contribution pension charge for the year amounted to £28,838 (2017: £21,640).

17 Commitments

At 31 December 2018, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and Buildings	
	2018 £	2017 £'000
Leases expiring:		
Within 1 year	3,750	-
2 to 5 years	15,000	-
Over 5 years	73,750	-
Total	92,500	-

Capital commitments

At 31 December 2018, the Company had capital commitments of £81,323 (2017: £64,399).

Chamberlain Hotels Limited

Notes to the financial statements for the year ended 31 December 2018 *(continued)*

18 Group relationships and controlling parties

The Company's immediate parent is Jurys Hotel Management (UK) Limited. The largest company in the group is Fattal Holdings (1998) Ltd, a company incorporated in Israel. The accounts are publicly available.

The director considers David Fattal to be the ultimate controlling party.

19 Related parties

The Company has taken advantage of the exemption under IAS 24, "Related Party Disclosures", not to disclose transactions with group undertakings as it is a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking.

There are no related party transactions requiring disclosure.

20 Subsequent events

There were no events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.