

## **Atlas Hotels (Derby) Limited**

Annual Report and Financial Statements

Period Ended

31 December 2018

Company Number 03397960



# Atlas Hotels (Derby) Limited

## Company Information

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<b>Directors</b>	S J Lowe A P Bradley
<b>Registered number</b>	03397960
<b>Registered office</b>	Bridgeway House Bridgeway Stratford-Upon-Avon Warwickshire CV37 6YX

# Atlas Hotels (Derby) Limited

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# Atlas Hotels (Derby) Limited

## Directors' Report For the Period Ended 31 December 2018

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The directors present their report and the audited financial statements for the 15 month period ended 31 December 2018. The Company extended its accounting period from 30 September to 31 December and as such the financial statement represent a 15 month period to 31 December 2018 and the prior comparatives represent a year to 30 September 2017.

### Principal activities

The principal activity of the Company is that of owning and operating hotels.

On 21st December 2018 the ultimate parent of the Company became London and Regional Group Hotels Ltd, a Company incorporated in England and Wales. Previously the ultimate parent of the Company had been Loopsign Limited, a company incorporated in England and Wales.

### Result and dividends

The profit for the financial period, after taxation, amounted to £837,595 (year ended 30 September 2017 - £643,559).

The directors do not recommend the payment of a dividend (year ended 30 September 2017 - £nil).

### Directors

The directors who served during the period and/or up to the date of signing these financial statements were:

S J Lowe (appointed 5 January 2018)  
K I Griffiths (resigned 5 January 2018)  
A P Bradley (appointed 19 March 2019)

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

# Atlas Hotels (Derby) Limited

## Directors' Report (continued) For the Period Ended 31 December 2018

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### Disclosure of information to auditors

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

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

### Independent Auditors

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

### Small Companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415 A of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic Report.

This report was approved by the board on 25th September 2019 and signed on its behalf.

  
**S J Lowe**  
Director

# Atlas Hotels (Derby) Limited

## Independent auditors' report to the members of Atlas Hotels (Derby) Limited

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### Report on the audit of the financial statements

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#### Opinion

In our opinion, Atlas Hotels (Derby) Limited's 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 15 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the income statement; the statement of total comprehensive income; and the statement of changes in equity for the 15 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### Basis for opinion

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

#### Independence

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

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#### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

# **Atlas Hotels (Derby) Limited**

## **Independent auditors' report to the members of Atlas Hotels (Derby) Limited (continued)**

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for 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 to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below:

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the statement of directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as he determines 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 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

# Atlas Hotels (Derby) Limited

## Independent auditors' report to the members of Atlas Hotels (Derby) Limited (continued)

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### Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

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#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:


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

We have no exceptions to report arising from this responsibility.

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#### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors are not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

  
Suzanne Woolfson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

25 September 2019

# Atlas Hotels (Derby) Limited

## Income Statement For the Period Ended 31 December 2018

		Period ended 31 December 2018 £	Year ended 30 September 2017 £
	Note		
Turnover	4	2,649,314	2,059,405
Cost of sales		(1,061,358)	(783,584)
<b>Gross profit</b>		<b>1,587,956</b>	<b>1,275,821</b>
Administrative expenses		(861,614)	(663,516)
<b>Operating profit</b>	5	<b>726,342</b>	<b>612,305</b>
Interest receivable and similar income	7	108,725	51,947
<b>Profit on ordinary activities before taxation</b>		<b>835,067</b>	<b>664,252</b>
Tax on profit on ordinary activities	8	2,528	(20,693)
<b>Profit for the financial period/year</b>		<b>837,595</b>	<b>643,559</b>

The Income Statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

# Atlas Hotels (Derby) Limited

## Statement of Total Comprehensive Income For the Period Ended 31 December 2018

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
Profit for the financial period/year	837,595	643,559
<b>Other comprehensive income</b>		
Property revaluation	194,788	1,627,583
Tax relating to other comprehensive income	(28,919)	(202,081)
<b>Other comprehensive income for the period/year</b>	<b>165,869</b>	<b>1,425,502</b>
<b>Total comprehensive income for the period/year</b>	<b>1,003,464</b>	<b>2,069,061</b>

The notes on pages 10 to 22 form part of these financial statements.

**Atlas Hotels (Derby) Limited**  
Registered number: 03397960

**Statement of Financial Position**  
**As at 31 December 2018**

		31 December 2018 £	30 September 2017 £
	Note		
<b>Fixed assets</b>			
Tangible assets	9	8,500,000	8,600,000
		<u>8,500,000</u>	<u>8,600,000</u>
<b>Current assets</b>			
Stocks	10	4,124	4,262
Debtors	11	2,144,371	1,004,619
Cash at bank and in hand		106,536	83,786
		<u>2,255,031</u>	<u>1,092,667</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(464,121)	(431,612)
<b>Net current assets</b>		<u>1,790,910</u>	<u>661,055</u>
<b>Total assets less current liabilities</b>		<u>10,290,910</u>	<u>9,261,055</u>
<b>Provisions for liabilities</b>			
Deferred tax	13	(837,253)	(810,862)
<b>Net assets</b>		<u><u>9,453,657</u></u>	<u><u>8,450,193</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	2	2
Revaluation reserve	15	5,241,057	5,142,359
Retained earnings	15	4,212,598	3,307,832
<b>Total equity</b>		<u><u>9,453,657</u></u>	<u><u>8,450,193</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



**S J Lowe**  
Director

*25th September 2019*

The notes on pages 10 to 22 form part of these financial statements.

# Atlas Hotels (Derby) Limited

## Statement of Changes in Equity For the Period Ended 31 December 2018

	Called up share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 October 2016	2	3,557,407	2,823,723	6,381,132
<b>Comprehensive income for the year</b>				
Profit for the financial year	-	-	643,559	643,559
Surplus on revaluation of freehold property	-	1,627,583	-	1,627,583
Tax relating to components of other comprehensive income	-	-	(202,081)	(202,081)
<b>Other comprehensive income for the year</b>	-	1,627,583	(202,081)	1,425,502
<b>Total comprehensive income for the year</b>	-	1,627,583	441,478	2,069,061
<b>Transfer from revaluation reserve</b>	-	(42,631)	42,631	-
At 30 September 2017	2	5,142,359	3,307,832	8,450,193
<b>Comprehensive income for the period</b>				
Profit for the financial period	-	-	837,595	837,595
Surplus on revaluation of freehold property	-	194,788	-	194,788
Tax relating to components of other comprehensive income	-	-	(28,919)	(28,919)
<b>Other comprehensive income for the period</b>	-	194,788	(28,919)	165,869
<b>Total comprehensive income for the period</b>	-	194,788	808,676	1,003,464
<b>Transfer from revaluation reserve</b>	-	(96,090)	96,090	-
<b>At 31 December 2018</b>	<b>2</b>	<b>5,241,057</b>	<b>4,212,598</b>	<b>9,453,657</b>

The notes on pages 10 to 22 form part of these financial statements.

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

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### 1. General information

Atlas Hotels (Derby) Limited is a private company limited by shares and incorporated in England and Wales. The address of the registered office is given on the Company Information page. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

These financial statements are presented in Sterling which is the currency of the primary economic environment in which the Company operates.

#### 1.1 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the requirements of the Companies Act 2006.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include the revaluation of hotel properties.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates and significant to the financial statements are disclosed in note 3.

#### 2.2 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" because equivalent disclosures are included in the consolidated financial statements of London and Regional Group Hotels Ltd. The financial statements of London and Regional Group Hotels Ltd can be obtained from the address provided in note 18.

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

#### 2.3 Turnover

Turnover is primarily derived from hotel operations, including the rental of rooms and food and beverage sales. Turnover is recognised when rooms are occupied and food and beverages are sold. Turnover is recognised exclusive of Value Added Tax and trade discounts.

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

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### 2. Summary of significant accounting policies (continued)

#### 2.4 Tangible assets

Tangible assets, with the exception of Hotel properties, 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.

Hotel properties are carried at fair value less any subsequent accumulated depreciation. Revaluations are undertaken with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Fair values are determined from market evidence normally undertaken by professional qualified valuers.

Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in the Income Statement.

Repairs and maintenance are charged to the Income Statement during the year in which they are incurred.

In line with the Guidance Notes for the Hotel Industry, issued by the British Association of Hospitality Accountants, the Company splits its hotel properties into two elements, the core of the building and the surface finishes.

Depreciation is provided on all other items of tangible assets so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

- Freehold land and buildings	- 50 years
- Fixtures, fittings and equipment	- 3 to 20 years

Freehold land is not depreciated and leasehold land is depreciated over the lease period. Depreciation on assets under construction does not commence until they are complete and available for use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

#### 2.5 Stocks

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

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

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

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### 2. Summary of significant accounting policies (continued)

#### 2.6 Financial instruments

The Company has elected to apply provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position where the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

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### 2. Summary of significant accounting policies (continued)

#### Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

#### 2.7 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Income Statement on a straight line basis over the term of the relevant lease.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard, 1 January 2016, to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### 2.8 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.9 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

#### 2.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

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### 2. Summary of significant accounting policies (continued)

#### Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

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### 3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty:

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

(a) Hotel property valuations

For the purposes of calculating the fair value of its properties, the Company uses valuations carried out by independent valuers on the basis of fair value. The valuations are based upon assumptions including the future trading performance of the hotels and investment properties.

(b) Useful lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Management take account of the Guidance Notes for the Hotel Industry on Tangible Assets, issued by the British Association of Hospitality Accountants when determining useful lives. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investments, economic utilisation and the physical condition of the asset.

(c) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including current credit ratings of the debtors, the aging profile of debtors and historical experience.

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

### 5. Operating profit

The operating profit is stated after charging:

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
Depreciation of tangible assets	304,424	250,398

### Auditors' remuneration

Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements were borne by a fellow group company.

### Directors' Emoluments

The directors received no remuneration for their services as directors of this Company (year ended 30 September 2017: £Nil).

### 6. Employees

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

	Period ended 31 December 2018 No.	Year ended 30 September 2017 No.
Employees	24	18

### 7. Interest receivable and similar income

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
Loan interest receivable from group undertakings	52,641	51,947
Interest receivable from related undertakings	56,084	-
	108,725	51,947

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

### 8. Tax on profit on ordinary activities

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,338	17,827
Adjustments in respect of previous periods	(6,866)	2,866
<b>Total deferred tax</b>	<b>(2,528)</b>	<b>20,693</b>
<b>Tax on profit on ordinary activities</b>	<b>(2,528)</b>	<b>20,693</b>

#### Factors affecting tax (credit)/charge for the period/year

The tax assessed for the period is lower than (year ended 30 September 2017 - lower than) the standard rate of corporation tax in the UK of 19% (year ended 30 September 2017 - 19.50%). The differences are explained below:

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
Profit on ordinary activities before taxation	835,067	664,252
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (year ended 30 September 2017 - 19.50%)	158,663	129,519
<b>Effects of:</b>		
Expenses not deductible for tax purposes	55,934	39,630
Chargeable (losses)/gains	(14,854)	29,702
Transfer pricing adjustments	(21,882)	(16,644)
Group relief claimed	(169,609)	(132,058)
Adjustments in respect of previous periods - deferred tax	(6,866)	2,866
Changes in tax rates	(3,914)	(32,322)
<b>Total tax (credit)/charge for the period/year</b>	<b>(2,528)</b>	<b>20,693</b>

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

### 8. Tax on profit on ordinary activities (continued)

#### Factors that may affect future tax charges

With effect from 1 April 2020, the UK corporate tax rate will be reduced to 17%. This change, which was announced in the March 2015 budget and affirmed in the March 2016 budget, will have no significant impact on these financial statements.

### 9. Tangible assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 October 2017	8,219,909	1,486,817	9,706,726
Additions	-	9,636	9,636
Revaluations	(51,809)	-	(51,809)
At 31 December 2018	8,168,100	1,496,453	9,664,553
<b>Accumulated depreciation</b>			
At 1 October 2017	-	1,106,726	1,106,726
Charge for the period	246,597	57,827	304,424
On revalued assets	(246,597)	-	(246,597)
At 31 December 2018	-	1,164,553	1,164,553
<b>Net book value</b>			
At 31 December 2018	8,168,100	331,900	8,500,000
At 30 September 2017	8,219,909	380,091	8,600,000

The hotel properties were externally valued as at 7 November 2018 at £8,500,000. The current period valuation was performed by Savills (UK) Limited. The valuation was performed on a market value basis, which the directors consider to be the same as fair value.

In the directors' opinion there has been no material change that would impact the valuation between 7 November 2018 and 31 December 2018 and therefore they consider the Savills value to be period end value.

The property has been charged to secure the bank loan of a fellow group company.

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

### 9. Tangible assets (continued)

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

	31 December 2018 £	30 September 2017 £
Cost	5,824,301	5,814,665
Accumulated depreciation	(2,575,570)	(2,367,236)
<b>Net book value</b>	<b>3,248,731</b>	<b>3,447,429</b>

### 10. Stocks

	31 December 2018 £	30 September 2017 £
Stocks	4,124	4,262

There is no material difference between the replacement cost of stocks and the amounts stated above.

Stocks are stated after provisions for impairment of £nil (30 September 2017: £nil).

### 11. Debtors

	31 December 2018 £	30 September 2017 £
Trade debtors	39,570	29,680
Amounts owed by group undertakings	918,223	909,163
Amounts owed by related undertakings	989,283	-
Other debtors	19,885	65,776
Tax recoverable	134,229	-
Prepayments and accrued income	43,181	-
	<b>2,144,371</b>	<b>1,004,619</b>

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

### 11. Debtors (continued)

Trade debtors are stated after provision for impairment of £nil (30 September 2017: £nil).

The amounts owed by group undertakings and amounts owed by related undertakings are due on demand, unsecured and carry an interest rate of 4.8% (30 September 2017 - 6.128%).

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

	31 December 2018 £	30 September 2017 £
Trade creditors	114,242	73,957
Taxation and social security	77,981	78,552
Other creditors	170,961	215,363
Obligations under finance lease	100,937	63,740
	<u>464,121</u>	<u>431,612</u>

### 13. Deferred tax

	31 December 2018 £	31 December 2017 £
At beginning of period/year	(810,862)	(588,088)
Credited/(charged) to profit or loss	2,528	(20,693)
Charged to other comprehensive income	(28,919)	(202,081)
<b>At end of period/year</b>	<u><b>(837,253)</b></u>	<u><b>(810,862)</b></u>

Deferred tax liabilities have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax liabilities where the directors believe it is probable that these liabilities will be due.

# Atlas Hotels (Derby) Limited

## Notes to the Financial Statements For the Period Ended 31 December 2018

### 13. Deferred tax (continued)

The provision for deferred tax is made up as follows:

	31 December 2018 £	30 September 2017 £
Short term differences	-	(155,211)
Fixed asset timing differences	(169,019)	-
Capital gains	(668,234)	(655,651)
	<u>(837,253)</u>	<u>(810,862)</u>

### 14. Called up share capital

	31 December 2018 £	30 September 2017 £
<b>Allotted, called up and fully paid</b>		
2 (30 September 2017 - 2) Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 15. Reserves

#### Revaluation reserve

Gains above depreciated historical cost arising on the revaluation of the Company's properties excluding deferred tax.

#### Retained earnings

All other net gains and losses and transactions with owners, such as dividends, that are not recognised elsewhere.

### 16. Pension commitments

The Company operates a defined contributions 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 £8,316 (30 September 2017 - £4,772). Contributions totalling £461 (30 September 2017 - £nil) were payable to the fund at the reporting date.

### 17. Related party transactions

As the Company is a wholly owned subsidiary of London and Regional Group Hotels Ltd, the Company has taken advantage of the exemption under section 33.1A of FRS 102 from disclosing transactions or balances with entities which form part of the group.

# **Atlas Hotels (Derby) Limited**

## **Notes to the Financial Statements For the Period Ended 31 December 2018**

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### **18. Controlling party**

At 1 October 2017, the company's immediate parent undertaking was Atlas Hotels Limited, a Company incorporated in England and Wales. At this date the Company's ultimate parent was Loopsign Limited, a company incorporated in England and Wales.

From 3 November 2017, the Company's immediate parent undertaking became Atlas Hotels Group Limited, a company incorporated in England and Wales.

From the 21 December 2018, the Company's ultimate parent became London and Regional Group Hotels Ltd, a Company incorporated in England and Wales.

The smallest group for which financial statements are drawn up which incorporate the results of Atlas Hotels (Derby) Limited Limited is that headed by Titan Financing Holdco Limited, a Company incorporated in England and Wales.

The largest group for which financial statements are drawn up which incorporate the results of Atlas Hotels (Derby) Limited is that headed by London and Regional Group Hotels Ltd, a company incorporated in England and Wales.

The consolidated financial statements of Titan Financing Holdco Limited and London and Regional Group Hotels Ltd can be obtained from the Company Secretary at Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW.

The ultimate controlling parties are I M Livingstone and R J Livingstone through their ownership of London and Regional Group Hotels Ltd.