

Atlas Hotels (Property and Trading) Limited

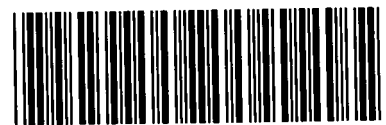
Annual Report and Financial Statements

Period Ended

31 December 2018

Company Number 04018884

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Atlas Hotels (Property and Trading) Limited

Company Information

Directors	S J Lowe A P Bradley
Registered number	04018884
Registered office	Bridgeway House Bridgeway Stratford-Upon-Avon Warwickshire England CV37 6YX

Atlas Hotels (Property and Trading) Limited

Contents

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Income Statement	7
Statement of Total Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 19

Atlas Hotels (Property and Trading) Limited

Strategic Report For the Period Ended 31 December 2018

Introduction

The directors present their Strategic Report for the 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.

Change of ownership

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.

Business review and future developments

The Company made a loss before taxation of £8,008,718 (year ended 30 September 2017: loss of £7,554,854).

The directors consider the financial position and future prospects at 31 December 2018 to be satisfactory.

Financial key performance indicators

The company is an investment holding company and therefore the directors do not use any KPIs to monitor and measure the performance of the company. Performance is considered at the subsidiary company level.

In addition, the Company is managed by the directors in accordance with the strategies of its ultimate parent company, London and Regional Group Hotels Ltd. These strategies and key performance indicators are discussed in the Company's ultimate parent's group Strategic Report which does not form part of this report.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to the fact that the Company operates within a highly competitive market place. The directors of the Company have reviewed the Company's exposure to credit risk, liquidity risk and cash flow risk. These risks and uncertainties are discussed in the Company's ultimate parent's group Strategic Report which does not form part of this report.

Financial risk management

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies, in the context of the group as a whole, are discussed in the Company's ultimate parent's group Annual Report which does not form part of this report.

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



S J Lowe
Director

Atlas Hotels (Property and Trading) Limited

Directors' Report For the Period Ended 31 December 2018

The directors present their report and the audited financial statements for the 15 month period ended 31 December 2018.

Principal activities

The principal activity of the Company is that of a holding company.

Results and dividends

The loss for the financial period, after taxation, amounted to £8,008,718 (loss for the year ended 30 September 2017 - £7,554,854).

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

The business review and financial risk management are included in the Strategic Report.

Directors

The directors who served during the period and/or up to 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)

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London and Regional Group Hotel Holdings Ltd. The directors have received confirmation that London and Regional Group Hotel Holdings Ltd intend to support the Company for at least one year after the date these financial statements are signed.

Statement of directors' responsibilities

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

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.

Atlas Hotels (Property and Trading) Limited

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

Statement of directors' responsibilities (continued)

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.

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

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



S J Lowe
Director

Atlas Hotels (Property and Trading) Limited

Independent auditors' Report to the members of Atlas Hotels (Property and Trading) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Atlas Hotels (Property and Trading) 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 loss for the 15 months 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 months period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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.

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 (Property and Trading) Limited

Independent auditors' Report to the members of Atlas Hotels (Property and Trading) Limited (continued)

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 Strategic Report and 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:

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and 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 Strategic Report and 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 pages 2 and 3, 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 they 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.

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. This description forms part of our auditors' report.

Atlas Hotels (Property and Trading) Limited

Independent auditors' Report to the members of Atlas Hotels (Property and Trading) Limited (continued)

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

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 have 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.



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

25 September 2019

Atlas Hotels (Property and Trading) Limited

Income Statement For the Period Ended 31 December 2018

		Period ended 31 December 2018 £	Year ended 30 September 2017 £
	Note		
Interest receivable and similar income	5	959,100	904,746
Interest payable and similar expenses	6	(8,967,818)	(8,459,600)
Loss on ordinary activities before taxation	4	(8,008,718)	(7,554,854)
Tax on loss on ordinary activities	7	-	-
Loss for the financial period/year		(8,008,718)	(7,554,854)

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

The notes on pages 11 to 19 form part of these financial statements.

Atlas Hotels (Property and Trading) Limited

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

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
Loss for the financial period/year	(8,008,718)	(7,554,854)
Other comprehensive income		
Revaluation of investments	14,838,346	32,376,095
Other comprehensive income for the period/year	14,838,346	32,376,095
Total comprehensive income for the period/year	6,829,628	24,821,241

The notes on pages 11 to 19 form part of these financial statements.

Atlas Hotels (Property and Trading) Limited


Registered number: 04018884

Statement of Financial Position As at 31 December 2018

	Note	31 December 2018 £	30 September 2017 £
Fixed assets			
Investments	8	178,112,099	163,273,753
		<u>178,112,099</u>	<u>163,273,753</u>
Current assets			
Debtors	9	16,918,062	15,958,964
		<u>16,918,062</u>	<u>15,958,964</u>
Creditors: amounts falling due within one year	10	(158,186,153)	(149,218,337)
Net current liabilities		<u>(141,268,091)</u>	<u>(133,259,373)</u>
Total assets less current liabilities		<u>36,844,008</u>	<u>30,014,380</u>
Net assets		<u><u>36,844,008</u></u>	<u><u>30,014,380</u></u>
Capital and reserves			
Called up share capital	11	1,200	1,200
Share premium account	12	9,800	9,800
Revaluation reserve	12	96,913,602	82,075,256
Retained deficit	12	(60,080,594)	(52,071,876)
Total equity		<u><u>36,844,008</u></u>	<u><u>30,014,380</u></u>

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

25th September 2019



S J Lowe
Director

The notes on pages 11 to 19 form part of these financial statements.

Atlas Hotels (Property and Trading) Limited

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

	Called up share capital	Share premium account	Revaluation reserve	Retained deficit	Total equity
	£	£	£	£	£
At 1 October 2016	1,200	9,800	49,699,161	(44,517,022)	5,193,139
Comprehensive (expense)/income for the year					
Loss for the financial year	-	-	-	(7,554,854)	(7,554,854)
Revaluation of investments	-	-	32,376,095	-	32,376,095
Other comprehensive income for the year	-	-	32,376,095	-	32,376,095
At 30 September 2017	1,200	9,800	82,075,256	(52,071,876)	30,014,380
Loss for the financial period	-	-	-	(8,008,718)	(8,008,718)
Revaluation of investments	-	-	14,838,346	-	14,838,346
At 31 December 2018	1,200	9,800	96,913,602	(60,080,594)	36,844,008

The notes on pages 11 to 19 form part of these financial statements.

Atlas Hotels (Property and Trading) Limited

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

1. General information

Atlas Hotels (Property and Trading) 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" (FRS 102) and the requirements of the Companies Act 2006.

2. 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 investments.

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 are significant to the financial statements are disclosed in note 3.

The Company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of Titan Financing Holdco Limited. Details of the parent in whose consolidated financial statements the Company is included are shown in note 14 to the financial statements. These financial statements are separate financial statements, presenting information about the Company as an individual entity and not about its group.

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 14.

- 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.

Atlas Hotels (Property and Trading) Limited

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

2. Accounting policies (continued)

2.3 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London and Regional Group Hotel Holdings Ltd. The directors have received confirmation that London and Regional Group Hotel Holdings Ltd intend to support the Company for at least one year after the date these financial statements are signed.

2.4 Valuation of investments

Investments in subsidiaries are measured at the net assets of the subsidiary undertakings. Movements in the valuation are recognised in Other Comprehensive Income.

2.5 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.

Atlas Hotels (Property and Trading) Limited

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

2. Accounting policies (continued)

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.

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.

2.6 Finance costs

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

2.7 Interest income

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

2.8 Taxation

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

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.

Atlas Hotels (Property and Trading) Limited

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

2. Accounting policies (continued)

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.

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) Impairment of investments

The Company assess the carrying value of investments in subsidiaries at the end of each reporting period. The carrying value of investments in subsidiaries is adjusted to reflect the underlying net assets.

(b) 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.

Atlas Hotels (Property and Trading) Limited

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

4. Loss on ordinary activities before taxation

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).

The Company has no employees other than the directors (year ended 30 September 2017: none).

5. Interest receivable and similar income

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
Interest receivable from group undertakings	959,100	904,746

6. Interest payable and similar expenses

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
Loan interest payable to group undertakings	8,967,818	8,459,600

7. Tax on loss on ordinary activities

	Period ended 31 December 2018 £	Year ended 30 September 2017 £
Corporation tax		
Total current tax	-	-

Atlas Hotels (Property and Trading) Limited

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

7. Tax on loss on ordinary activities (continued)

Factors affecting tax result for the period/year

The tax assessed for the period is higher than (year ended 30 September 2017 - higher 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 £
Loss on ordinary activities before taxation	<u>(8,008,718)</u>	<u>(7,554,854)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (year ended 30 September 2017 - 19.50%)	(1,521,656)	(1,473,197)
Effects of:		
Group relief	<u>1,521,656</u>	<u>1,473,197</u>
Total tax result for the period/year	<u>-</u>	<u>-</u>

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.

Atlas Hotels (Property and Trading) Limited

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

8. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2017	163,273,753
Revaluations	14,838,346
At 31 December 2018	<u>178,112,099</u>
Net book value	
At 31 December 2018	<u>178,112,099</u>
At 30 September 2017	<u>163,273,753</u>

A list of subsidiary undertakings is set out in note 15.

The directors believe that the carrying value of the investments is supported by the underlying net assets.

9. Debtors

	31 December 2018 £	30 September 2017 £
Amounts owed by group undertakings	16,917,863	15,958,764
Prepayments and accrued income	199	200
	<u>16,918,062</u>	<u>15,958,964</u>

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

Atlas Hotels (Property and Trading) Limited

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

10. Creditors: Amounts falling due within one year

	31 December 2018 £	30 September 2017 £
Amounts owed to group undertakings	<u>158,186,153</u>	<u>149,218,337</u>

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

11. Called up share capital

	31 December 2018 £	30 September 2017 £
Allotted, called up and fully paid		
1,000 (30 September 2017 - 1,000) Ordinary A shares of £1 each	1,000	1,000
20,000 (30 September 2017 - 20,000) Ordinary B shares of £0.01 each	200	200
	<u>1,200</u>	<u>1,200</u>

12. Reserves

Share premium account

Amount subscribed for share capital in excess of nominal value.

Revaluation reserve

Gains above depreciated historical cost arising on the revaluation of the Company's investments.

Retained deficit

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

13. 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 (Property and Trading) Limited

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

14. Controlling party

At 1 October 2017, the company's immediate parent undertaking was Atlas Hotels (Borrowings 2) 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 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 (Property and Trading) 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 (Property and Trading) 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.

15. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Principal activity
Atlas Hotels (Trading) Limited	Ordinary	Hotel operations and management
Atlas Hotels (Property) Limited	Ordinary	Holding company
Atlas Hotels (Group 3 Property) Limited	Ordinary	Investment property
Atlas Hotels (Group 4 Property 1) Limited	Ordinary	Holding company
Atlas Hotels (Bristol Property) Limited	Ordinary	Investment property
Atlas Hotels (Group 4 Property 2) Limited	Ordinary	Investment property
Atlas Hotels (Wembley NT) Limited	Ordinary	Non Trading
Atlas Hotels (Birmingham NT 1) Limited	Ordinary	Non Trading
Atlas Hotels (Stafford NT 1) Limited	Ordinary	Non Trading
Atlas Hotels (Swindon NT) Ltd	Ordinary	Non Trading
Atlas Hotels (Birmingham NT 3) Ltd	Ordinary	Non Trading
Atlas Hotels (Birmingham NT 2) Ltd	Ordinary	Non Trading

Atlas Hotels (Property) Limited and Atlas Hotels (Trading) Limited are the only subsidiaries that are owned directly. All subsidiaries are 100% owned and incorporated in England and Wales.

The registered address of all subsidiary undertakings is the same as Atlas Hotels (Property and Trading) Limited, which is given on the Company Information page.