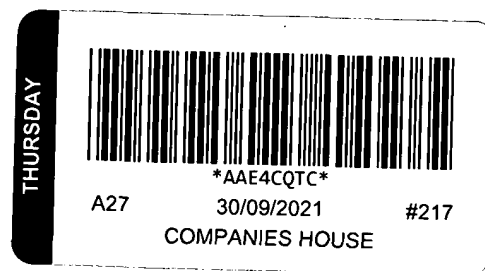


## ATLAS HOTELS (TRADING) LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2020



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## ATLAS HOTELS (TRADING) LIMITED

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### Company Information

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<b>Directors</b>	S J Lowe A P Bradley
<b>Registered number</b>	05854147
<b>Registered office</b>	4 Romulus Court Meridian Business Park Leicester LE19 1YG

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# ATLAS HOTELS (TRADING) LIMITED

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# ATLAS HOTELS (TRADING) LIMITED

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## Strategic Report For the Year Ended 31 December 2020

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The directors present their Strategic Report for the year ended 31 December 2020.

### Business review and future developments

The Company made a profit after taxation of £2,978,285 (2019: £5,065,876 restated). At the year end, the Company had net assets of £21,668,810 (2019: £18,690,525 restated).

Despite the significant consequences arising from C-19 and the national and regional restrictions impacting the economy, the sector and the hotels portfolio of the Company, the overall performance has been strong, consistently outperforming its peer set by +15% on RevPAR since July 2020. Occupancy was approximately 64% from July to September 2020 and 46% across October and November 2020 despite the introduction of further government restrictions. Following further lockdowns in December 2020, between December and January 2021, occupancy was 42% and 36% respectively. This performance demonstrates the resilience of the portfolio.

During 2020, management made significant efforts to streamline operations to keep hotels open, with a number of hotels securing contracts with councils and charities to house key workers, provide social care and since the year end to operate as quarantine hotels. Additionally, management have taken a number of actions to reduce costs and conserve cash, taking advantage of government support and payment deferral schemes as appropriate.

Since the year end, in line with the Government guidance and easing of lockdown restrictions, the Company has reopened all hotels to leisure guests since May 2021, unless already contracted for quarantine hotels or social care. This has seen performance starting to improve, with occupancy for June 2021 at approximately 65% compared to 47% for the first 6 months of 2021. Similarly, revenue per available room (RevPAR) is improving, although for the first 6 months of 2021 is still below the full year 2020 RevPAR. This is the result of the extended lockdown in 2021 and government restrictions on hotels opening to leisure guests until May 2021. The performance in the first half of 2021, post both the May initial reopening and more recently the wider reopening of the economy from 19 July gives cause for optimism that, subject to the continued easing of government restrictions, the operational and financial performance can markedly improve.

The directors consider the financial position and future prospects at 31 December 2020 to be satisfactory, however Covid-19 is expected to continue to impact the future trading and profitability of the Company.

### Financial key performance indicators

The directors use a number of KPIs to monitor and measure business performance in order to achieve the strategic plan for the group. The main KPIs used are as follows:

- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)
- Revenue per available room
- Client satisfaction

Full details of these are given in the Strategic Report of Titan Financing Holdco Limited 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 marketplace and is dependent on the franchised brands' effectiveness in generating and sustaining cost-effective channels of distribution. 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 Strategic Report of Titan Financing Holdco Limited which does not form part of this report.

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# ATLAS HOTELS (TRADING) LIMITED

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## Strategic Report (continued) For the Year Ended 31 December 2020

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### 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 Strategic Report of Titan Financing Holdco Limited which does not form part of this report.

### Section 172 (1) statement

The Company operates with a two-person Board, which helps facilitate flexible and swift decision making. The Directors meet regularly with the Executive team, ensuring that they are able to take key decisions on a timely basis. This helps to safeguard the success of the business, ensuring that it acts fairly in the interests of the stakeholders of the company, including maximising the financial returns to members.

The Board are fully aware of their duties under Section 172, along with the other directors' duties in the Companies Act 2006. Corporate Governance serves as a regular monthly board agenda item and during this time in each meeting the Board reflects on various processes and arrangements for discharging their duties and discusses enhancements.

As with all companies, decision making within the Company is complex and the Board takes into account many factors, sometimes conflicting, when reaching decisions. Quality decision-making is supported by comprehensive board papers that are distributed to directors ahead of board meetings. The directors' decisions are always driven by the need to promote the success of the Company, and therefore wider Group (the "Group"), for the benefit of its members as a whole and whilst taking decisions they consider all of their duties under the Companies Act 2006, including having regard to all of the matters under Section 172 (1) a) to f).

The impact of decisions on stakeholders is considered in detail and such discussions are captured in comprehensive board and management minutes.

With regard to the stakeholders and matters set out in s172(1)(a-f) of the Act, the Board of Directors of Atlas Hotels (Trading) Limited consider both individually and collectively that they have acted in good faith, in a manner likely to promote the success of the Company, and wider Group in which it is included, for the benefit of its members in the decisions taken during the year.

### Stakeholders

The Company considers that, aside from shareholders, the primary stakeholder groups who are impacted by the Company's, and therefore wider Group's, business activities and decision making are the Group's lenders, employees, customers, suppliers, and local communities. We understand the importance of our stakeholders in the success of the business and in particular appreciate the company's responsibilities to our customers, staff and other stakeholders in how the business operates within the local community and our responsibility to sustainability and reducing the environmental impact of our operations.

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## ATLAS HOTELS (TRADING) LIMITED

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### Strategic Report (continued) For the Year Ended 31 December 2020

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#### Section 172 (1) statement (continued)

##### *Lenders:*

Relationships with the external lenders to the Group are key business relationships. The Group engages with their lenders where required, including where the Group has been required to seek waivers during the C-19 lockdown. These relationships are key to the long-term success of the Group due to the ongoing requirement for liquidity across the Group and to facilitate a suitable return to the shareholders through responsible financial leveraging of assets. The Board is actively involved in establishing and monitoring the financing strategy of the Group, seeking to obtain the best outcome for the companies within the Group.

##### *Employees:*

We aim to be a responsible employer and engage with our employees as they are fundamental in contributing to the success of both the Company and the Group in delivering the best possible service to our customers. The Group engage with employees regularly through a number of channels.

Employee forums, chaired by the HR and Operations Directors, are held monthly with elected staff representatives from all hotels to discuss employment matters. At individual hotels there are quarterly meetings held with staff representatives from each department to ensure that all teams are engaged with and their views are considered in the decisions taken by the subsidiaries of the business. In addition, employee surveys are conducted annually, alongside monthly "pulse" surveys. These are open to all employees and the Group receives high levels of participation, as such these provide valuable insight for management to regularly understand the concerns and areas of focus regarding employees. During the recent C-19 pandemic employee communication has been even more vital. In addition to the existing communication channels the Executive team have provided employees with daily email updates on actions the Group has taken alongside regular 'town hall' meetings hosted by the Executive team. This is in addition to holding staff events at individual hotels to improve staff morale and build teamwork.

##### *Customers:*

The customer experience in our hotels is integral to the brand of both the Group, our individual hotels, and in turn, the success of the business. The Group tracks customer satisfaction and feedback within the hotels in the Group, through various online review sites to ensure that feedback is factored into improving the hotel operations and customer experience. Client satisfaction is monitored through the InterContinental Hotels Group monitoring process, in which the Group consistently outperforms other Holiday Inn Express hotels within the UK.

During the year, the customer stakeholder group has been expanded to include councils, charities and government departments with the operation of social care and key worker accommodation and since the year end, quarantine hotels.

##### *Suppliers:*

Suppliers are engaged with regularly both centrally through our procurement team and locally through Hotel management. At individual hotels regular meetings are held with key operational suppliers to build and maintain relationships. With respect to national contracts the central procurement team regularly engage with suppliers to ensure awareness of new developments.

##### Key Decisions:

The Board are involved in the decision making process for significant decisions, while day-to-day decision making is undertaken by the Executive team, with appropriate oversight and challenge from the Directors on a monthly basis, through review of the monthly reporting packs and regular Board meetings. Ensuring the appointment of the correct individuals to the Executive team is therefore critical.

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## ATLAS HOTELS (TRADING) LIMITED

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### Strategic Report (continued) For the Year Ended 31 December 2020

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#### Section 172 (1) statement (continued)

Key decisions made in the year are considered to be:

- The restructure of the hotel operational model and staffing levels which concluded in February 2020; and
- The Group's response to C-19 following trading restrictions placed directly and indirectly on the Group by the Government, including:
  - hotel closures and subsequent reopenings
  - participation in the Government Coronavirus Job Retention Scheme (CJRS or "furlough")
  - provision of hotels for social care, key workers and quarantine.

#### *Restructuring hotel operations:*

During the year, the Group undertook a restructuring of hotel operations to improve the operational efficiency of the portfolio and put guest experience and employee satisfaction at the heart of the Group's operational focus. The Board acknowledged that the decision to restructure the hotel operations created concerns for some employees, however the Group engaged with them as openly through a full consultation process. Despite the uncertainty created during the process, the Board firmly believe that the restructuring undertaken will provide the best long term results for all stakeholder interests including a clear progression for all employees alongside a uniform and transparent structure providing improved work / life balance and development opportunities.

#### *Response to C-19:*

C-19 has provided an unprecedented challenge for the whole of the hospitality industry. Throughout the nine and a half months from March 2020 when the World Health Organisation declared the pandemic, the Directors have been forced to take numerous decisions, which all impacted multiple stakeholders.

The Group closed the majority of hotels in March 2020. With the uncertainty surrounding the duration of the closure, all key stakeholders were impacted as the government-enforced restrictions on trading activities impacted our suppliers and customers and subsequently cash flows which resulted in uncertainty regarding job security for our employees alongside uncertainty in cash flows for the Group, it's financial commitments and the ability to comply with loan covenants.

The Group decided to furlough a number of hotel and central office employees. Despite the potential for negative public perception through the acceptance of Government support, the decision was taken as it was considered to be in the best interests of the employees, providing them with an element of security during the uncertain times. In total, the group received £2,318,126 in the year through the furlough scheme. As a result of accepting the Government support, the Group has not needed to make any staff redundant as a direct result of C-19.

Throughout the first national lockdown the Group were able to continue operating across almost half of the portfolio through contracting hotels to local charities, supporting the homeless and socially vulnerable, alongside providing hotels to support front line key workers. These were decisions which were taken to enable the survival of the Group and provide much needed cash flow, however the decision to provide these services was not taken lightly as these contracts were not "normal" operating contracts. The key consideration was the impact of providing these services on front line employees. It was only through undertaking thorough risk assessments and ensuring that charities and local government provided additional operational services and support to our guests, safeguarding our employees, that these contracts were agreed.

Following the easing of Government restrictions in July 2020 the Group reopened the remaining hotels. Similar to the initial decision to close the hotels, the Board considered all stakeholders when making this decision.

The ability to open the hotels safely was a key consideration, ensuring a safe environment for both employees and guests. Maintaining the highest standards of health and safety has always been of paramount importance to the Directors. As part of the re-opening of the hotels, we have installed protective screening, ensured availability of sanitiser and personal protective wear and implemented social distancing measures, such as oneway systems to minimise the risk to employees and guests.

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## ATLAS HOTELS (TRADING) LIMITED

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Strategic Report (continued)  
For the Year Ended 31 December 2020

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### Section 172 (1) statement (continued)

We have worked with key suppliers to maintain our supply chain and enhance housekeeping procedures to once again minimise the risk to employees and guests.

The Board gave in-depth consideration to the financial implications of reopening the hotels, both from the perspective of the members and lenders, acknowledging the cash flow risk and potential losses that may be suffered by opening the hotels in a period with lockdown restrictions in place. Given the lean operational model and ongoing support from the government through CJRS, reduction in VAT rates and the reduction to business rates, it was deemed reopening would provide an incremental cash benefit alongside providing some employees the ability to earn 100% of their salaries and provide suppliers with much needed support.

This report was approved by the board on 29 - 9 - 21 and signed on its behalf.



S. Lowe  
Director



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# ATLAS HOTELS (TRADING) LIMITED

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## Directors' Report For the Year Ended 31 December 2020

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The directors present their report and the audited financial statements for the year ended 31 December 2020.

### Principal activities

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

### Results and dividends

The profit for the financial year, after taxation, amounted to £2,978,285 (2019: £5,065,876 restated).

No ordinary dividends were paid during the year (2019: £nil). The directors do not recommend the payment of a final dividend (2019: £nil).

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

### Directors

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

S J Lowe

A P Bradley

### Going concern

The Company's assets are secured against a bank loan taken out by a fellow group undertaking, Titan Acquisition Limited. As a direct result of Covid-19, the loan covenants were breached at 30th September 2020. Since the year end, a cure for the covenant breach has been agreed. Further disclosure is given in the financial statements of Titan Acquisition Limited.

Cash flow management and forecasting are controlled at a Group level and indicates the Group has sufficient liquidity to pay external obligations as they fall due. Further disclosure is given in the consolidated financial statements of Titan Financing Holdco Limited, the ultimate parent in the UK.

The directors continue to adopt the going concern basis of preparing the financial statements.

### Engagement with employees and stakeholders

The Company regularly provides information to employees on matters that directly affect them. Where practical employees are consulted on matters likely to affect their interests, so their views can be taken into account.

Company policy in relation to disabled people is to offer the same opportunities as to all others in respect of recruitment and career advancement, provided their disability does not prevent them from carrying out the duties required of them.

Further details relating to employee engagement and stakeholder engagement is provided within the Section 172 Statement which forms part of the Strategic Report.

# ATLAS HOTELS (TRADING) LIMITED

## Directors' Report (continued) For the Year Ended 31 December 2020

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### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. 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.

### Qualifying third party indemnity provisions

The Group, on behalf of the Company, maintains appropriate Directors' and Officers' Liability Insurance on behalf of the directors and General Counsel and Company Secretary. In addition, individual qualifying third-party indemnities are given to the directors and General Counsel and Company Secretary which comply with the provisions of Section 234 of the Companies Act 2006, and were in force throughout the year and up to the date of signing the Annual Report.

### 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 each 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.

# ATLAS HOTELS (TRADING) LIMITED

## Directors' Report (continued) For the Year Ended 31 December 2020

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This report was approved by the board on 29-9-21 and signed on its behalf.



S J Lowe  
Director

# ATLAS HOTELS (TRADING) LIMITED

## Independent Auditors' Report to the Members of Atlas Hotels (Trading) Limited

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### Report on the audit of the financial statements

#### Opinion

In our opinion, Atlas Hotels (Trading) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year 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 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

#### 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.

## **ATLAS HOTELS (TRADING) LIMITED**

### **Independent Auditors' Report to the Members of Atlas Hotels (Trading) Limited (continued)**

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#### **Reporting on other information (continued)**

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 year ended 31 December 2020 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with health and safety regulations, Companies Act 2006 requirements, UK tax regulations and General Data Protection Regulation (GDPR), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the risk that management may record inappropriate journal entries and the risk of bias in accounting estimates and judgements.

## ATLAS HOTELS (TRADING) LIMITED

### Independent Auditors' Report to the Members of Atlas Hotels (Trading) Limited (continued)

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#### Auditors' responsibilities for the audit of the financial statements (continued)

Audit procedures performed by the engagement team included:

- Enquiring of management and those charged with governance, of the policies and procedures to prevent and detect fraud as well as enquiries around actual and potential litigation and claims;
- Enquiring of those charged with governance as to whether management have knowledge of any actual, suspected or alleged fraud;
- Auditing the risk of management override of controls by identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; and
- Assessing the reasonableness of key accounting estimates (because of the risk of management bias), including challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

#### 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.

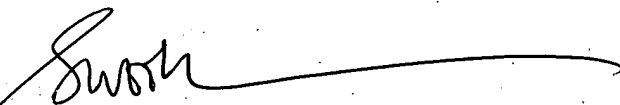
#### Other required reporting

##### Companies Act 2006 exception reporting

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

- we have not obtained 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

30 September 2021

# ATLAS HOTELS (TRADING) LIMITED

## Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	As restated * 2019 £
Turnover	5	61,128,159	45,068,159
Cost of sales		(31,563,902)	(25,492,012)
<b>Gross profit</b>		<b>29,564,257</b>	<b>19,576,147</b>
Administrative expenses		(32,122,768)	(14,086,894)
Exceptional administrative expenses		78,061	204,384
Other operating income	6	2,296,249	-
<b>Operating (loss)/profit</b>	7	<b>(184,201)</b>	<b>5,693,637</b>
Interest receivable and similar income	9	6,646,185	6,880,872
Interest payable and similar expenses	10	(5,275,965)	(5,504,874)
<b>Profit before tax</b>		<b>1,186,019</b>	<b>7,069,635</b>
Tax on profit	11	1,792,266	(2,003,759)
<b>Profit for the financial year</b>		<b>2,978,285</b>	<b>5,065,876</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2,978,285</b>	<b>5,065,876</b>

\* Details of restatement are included in Note 4.

The notes on pages 15 to 30 form part of these financial statements.


# ATLAS HOTELS (TRADING) LIMITED

Registered number:05854147

## Statement of Financial Position As at 31 December 2020

	Note	2020 £	2020 £	As restated * 2019 £	As restated * 2019 £
<b>Fixed assets</b>					
Tangible assets	12		20,539,402		27,069,619
			<u>20,539,402</u>		<u>27,069,619</u>
<b>Current assets</b>					
Stocks	13	229,995		446,855	
Debtors	14	182,978,665		159,651,761	
Cash at bank and in hand		1,789,104		18,792,024	
		<u>184,997,764</u>		<u>178,890,640</u>	
Creditors: amounts falling due within one year	15	(182,704,759)		(183,570,356)	
- Net current assets/(liabilities)			<u>2,293,005</u>		<u>(4,679,716)</u>
<b>Total assets less current liabilities</b>			<u>22,832,407</u>		<u>22,389,903</u>
<b>Provisions for liabilities</b>					
Deferred tax	16	(244,589)		(2,702,309)	
Other provisions	17	(919,008)		(997,069)	
<b>Net assets</b>			<u>21,668,810</u>		<u>18,690,525</u>
<b>Capital and reserves</b>					
Called up share capital	18	35,000,001		35,000,001	
Merger reserve	19	(13,942,470)		(13,942,470)	
Retained deficit	19	611,279		(2,367,006)	
<b>Total equity</b>			<u>21,668,810</u>		<u>18,690,525</u>

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

  
S J Lowe  
Director

29.9.21

\* Details of the restatement are included in Note 4.

The notes on pages 15 to 30 form part of these financial statements.



## ATLAS HOTELS (TRADING) LIMITED

### Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Merger reserve	Retained deficit	Total equity
	£	£	£	£
<b>At 1 January 2019</b>	<b>35,000,001</b>	<b>-</b>	<b>(7,432,882)</b>	<b>27,567,119</b>
Profit and total comprehensive income for the year (as previously stated)	-	-	6,910,394	6,910,394
Prior year restatement *	-	-	(1,844,518)	(1,844,518)
Profit and total comprehensive income for the year (as restated)	-	-	5,065,876	5,065,876
Arising on business transfer	-	(13,942,470)	-	(13,942,470)
<b>At 31 December 2019 (as restated)</b>	<b>35,000,001</b>	<b>(13,942,470)</b>	<b>(2,367,006)</b>	<b>18,690,525</b>
Profit and total comprehensive income for the year	-	-	2,978,285	2,978,285
<b>At 31 December 2020</b>	<b><u>35,000,001</u></b>	<b><u>(13,942,470)</u></b>	<b><u>611,279</u></b>	<b><u>21,668,810</u></b>

\* Details of restatement are included in Note 4.

The notes on pages 15 to 30 form part of these financial statements.

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# ATLAS HOTELS (TRADING) LIMITED

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## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 1. General information

Atlas Hotels (Trading) Limited is a private company limited by shares and incorporated in the United Kingdom and registered in England. 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. 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.

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.

#### 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 Titan Financing Holdco Limited. The financial statements of Titan Financing Holdco Limited can be obtained from the address provided in note 23.

- 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.

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# ATLAS HOTELS (TRADING) LIMITED

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## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The Company's assets are secured against a bank loan taken out by a fellow group undertaking, Titan Acquisition Limited. As a direct result of Covid-19, the loan covenants were breached at 30th September 2020. Since the year end, a cure for the covenant breach has been agreed. Further disclosure is given in the financial statements of Titan Acquisition Limited.

Cash flow management and forecasting are controlled at a Group level and indicates the Group has sufficient liquidity to pay external obligations as they fall due. Further disclosure is given in the consolidated financial statements of Titan Financing Holdco Limited, the ultimate parent in the UK.

The directors continue to adopt the going concern basis of preparing the financial statements.

#### 2.4 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.

#### 2.5 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.

The assets' residual values, useful lives of 3 to 20 years and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Depreciation on assets under construction does not commence until they are complete and available for use.

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.

#### 2.6 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.

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# ATLAS HOTELS (TRADING) LIMITED

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## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.7 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.

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# ATLAS HOTELS (TRADING) LIMITED

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## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.7 Financial instruments (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.

#### 2.8 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in "other income" within the Statement of Comprehensive Income in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough') and Eat Out to Help Out Scheme. The Group has not directly benefited from any other forms of government assistance.

#### 2.9 Finance costs

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

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# ATLAS HOTELS (TRADING) LIMITED

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## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 2. Accounting policies (continued)

#### 2.10 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.

#### 2.11 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 profit or loss 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.

#### 2.12 Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

#### 2.13 Interest income

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

#### 2.14 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 year. 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.

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# ATLAS HOTELS (TRADING) LIMITED

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## Notes to the Financial Statements For the Year Ended 31 December 2020

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### 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 year 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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical judgements in applying the entity's accounting policies:*

The directors have not applied any judgements in applying the Company's accounting policies.

*Critical accounting estimates and assumptions:*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (a) 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.

See note 12 for the carrying value of the assets and note 2 for the accounting policy.

#### (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.

See note 14 for the carrying value of the assets and note 2 for the accounting policy.

# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 4. Prior year adjustment

The comparative financial statements presented have been restated as a result of the below error. The impact of this error on each financial statement line item has been presented in the table below.

#### Marketing fees

Marketing fees amounting to £1,844,518 were correctly deducted from the Statement of Comprehensive Income, following the receipt of a credit note; however a re-invoice for the same amount was omitted in error. The restatement resulted in a reduction in the profit for the year of £1,844,518, a reduction in the VAT liability of £368,904 and an reduction in amounts due from related parties, who paid the re-invoice, of £2,213,422.

	As previously stated £	Restatement £	As restated £
<b>Impact on Statement of Comprehensive Income</b>			
Administrative expenses	(12,242,376)	(1,844,518)	(14,086,894)
Profit for the financial year	6,910,394	(1,844,518)	5,065,876
	As previously stated £	Restatement £	As restated £
<b>Impact on Statement of Financial Position</b>			
Debtors	161,865,183	(2,213,422)	159,651,761
Creditors: Amounts falling due within one year	(183,939,260)	368,904	(183,570,356)
Net assets	20,535,043	(1,844,518)	18,690,525

### 5. Turnover

An analysis of turnover, which all arose within the United Kingdom, by class of business is as follows:

	2020 £	2019 £
Hotel operations	61,128,159	45,068,159
	<u>61,128,159</u>	<u>45,068,159</u>

### 6. Other operating income

	2020 £	2019 £
Government grants receivable	2,296,249	-
	<u>2,296,249</u>	<u>-</u>



# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 7. Operating (loss)/profit

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

	2020 £	2019 £
Depreciation of tangible assets	7,831,028	1,453,406
Reversal of previously recognised onerous lease provision	(78,061)	(204,384)
Operating lease expense	9,031,136	7,226,195

### Auditors' remuneration

Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements were £25,000 (2019: £2,325).

### 8. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	14,422,546	5,939,022
Social security costs	918,859	374,234
Other pension costs	400,051	167,160
	15,741,456	6,480,416

The directors received no remuneration for their services as directors of this Company (2019: £nil).

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

	2020 No.	2019 No.
Hotel Administration	889	419

### 9. Interest receivable and similar income

	2020 £	2019 £
Interest receivable from group undertakings	5,590,131	5,747,361
Interest receivable from related undertakings	1,055,866	1,133,176
Other interest receivable	188	335
	6,646,185	6,880,872

# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 10. Interest payable and similar expenses

	2020 £	2019 £
Loan interest payable to group undertakings	<u>5,275,965</u>	<u>5,504,874</u>

### 11. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax for the year	-	211,493
<b>Total current tax</b>	<u>-</u>	<u>211,493</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	266,146	1,792,266
Changes to tax rates	(28,015)	-
Adjustments in respect of previous periods	(2,030,397)	-
<b>Total deferred tax</b>	<u>(1,792,266)</u>	<u>1,792,266</u>
<b>Taxation for the year</b>	<u><u>(1,792,266)</u></u>	<u><u>2,003,759</u></u>

# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 11. Taxation (continued)

#### Factors affecting tax for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	As restated 2019 £
Profit before tax	1,186,019	7,069,635
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	225,344	1,343,231
Effects of:		
Expenses not deductible for tax purposes	135,323	-
Income not taxable for tax purposes	(99,275)	(22,047)
Deferred tax not recognised	985,345	(1,020,219)
Change in tax rate	(28,015)	(330,881)
Adjustments in respect of previous periods	(2,030,397)	-
Group relief surrendered	66,442	-
Transfer pricing adjustments	(1,047,033)	-
Other movements	-	2,033,675
<b>Total tax for the year</b>	<b>(1,792,266)</b>	<b>2,003,759</b>

#### Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020 and has resulted in deferred tax assets and liabilities, which were previously measured at 17% being remeasured at 19% as part of the current year movement, as detailed above.

# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 12. Tangible assets

	Fixtures and fittings £	Asset under construction £	Total £
<b>Cost or valuation</b>			
At 1 January 2020	38,855,051	90,775	38,945,826
Additions	1,180,907	119,904	1,300,811
At 31 December 2020	40,035,958	210,679	40,246,637
<b>Accumulated depreciation</b>			
At 1 January 2020	11,876,207	-	11,876,207
Charge for the year on owned assets	7,831,028	-	7,831,028
At 31 December 2020	19,707,235	-	19,707,235
<b>Net book value</b>			
At 31 December 2020	20,328,723	210,679	20,539,402
At 31 December 2019	26,978,844	90,775	27,069,619

### 13. Stocks

	2020 £	2019 £
Stocks	229,995	446,855

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 (2019: £nil).

# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 14. Debtors

	2020 £	As restated * 2019 £
Trade debtors	462,122	1,053,632
Amounts owed by group undertakings	150,284,593	125,491,848
Amounts owed by related undertakings	25,907,918	22,703,174
Other debtors	2,872,678	1,226,839
Tax recoverable	1,947,485	5,284,441
Deferred taxation (note 16)	244,589	910,043
Prepayments and accrued income	1,259,280	2,981,784
	<b>182,978,665</b>	<b>159,651,761</b>

Trade debtors are stated after provision for impairment of £nil (2019: £nil).

The amounts owed by group undertakings and amounts owed by related undertakings are due on demand, unsecured and carry an interest rate ranging from 0% to 3.86% (2019: 0% to 4.8%).

\* Details of the restatement are included in Note 4.

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

	2020 £	As restated * 2019 £
Bank overdrafts	1,510	-
Trade creditors	2,303,151	2,575,388
Amounts owed to group undertakings	158,213,598	146,205,896
Amounts owed to related undertakings	81,785	81,785
Other taxation and social security	524,815	16,554,084
Other creditors	9,418,755	11,215,021
Accruals and deferred income	12,161,145	6,938,182
	<b>182,704,759</b>	<b>183,570,356</b>

The amounts owed to group undertakings and amounts owed by related undertakings are due on demand, unsecured and carry an interest rate ranging from 0% to 3.86% (2019: 0% to 4.8%).

\* Details of the restatement are included in Note 4.

# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 16. Deferred taxation

	2020 £
At beginning of year	(1,792,266)
Credited to profit or loss	1,792,266
<b>At end of year</b>	<b>-</b>

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.

The deferred tax balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(244,589)	(1,532,618)
Short term timing differences	-	(1,169,691)
Tax losses carried forward	244,589	910,043
	-	(1,792,266)
<b>Comprising:</b>		
Asset - due within one year	244,589	910,043
Liability	(244,589)	(2,702,309)
	-	(1,792,266)

# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 17. Other provisions

	Onerous lease £
At 1 January 2020	997,069
Utilised in year	(78,061)
<b>At 31 December 2020</b>	<b>919,008</b>

The onerous lease provision relates to a property lease for a hotel and has been calculated based on the extent that the obligation is considered to be onerous. The provision will reverse over a period of 6 years and a 1% increase in the discount rate would reduce the liability at 31 December 2020 by £22,020 (2019 - £29,000). The amount of the provision is dependent upon management's estimate of the onerous element of the lease and this is reviewed at each reporting date based on up to date financial information.

### 18. Called up share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
35,000,001 (2019 - 35,000,001) Ordinary shares of £1 each	<b>35,000,001</b>	35,000,001

### 19. Reserves

#### Retained deficit

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

#### Merger Reserve

Merger reserve reflects the difference between the consideration paid and the book value of assets and liabilities acquired on a group reconstruction.

### 20. 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 £400,051 (2019: £167,160). Contributions totalling £52,357 (2019 - £71,602) were payable to the fund at the reporting date and are included in creditors.

# ATLAS HOTELS (TRADING) LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 21. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	8,943,323	9,358,625
Later than 1 year and not later than 5 years	35,773,293	37,434,500
Later than 5 years	76,496,445	88,018,090
	<u>121,213,061</u>	<u>134,811,215</u>

### 22. Related party transactions

As the Company is a wholly owned subsidiary of Titan Investment Limited, 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.

The Company has financing transactions with related parties which generate interest income. Details of the transactions and the year end balance are given below. All entities are considered to be related parties due to common ultimate ownership.

	2020 £	As restated 2019 £
<b>Balance outstanding at 31 December</b>		
Atlas Hotels Limited	25,817,574	22,662,021
Solid Foundations Limited	74	74
Atlas Bermuda 2 Holdings Limited	41,079	41,079
Atlas Hamilton Limited	(81,785)	(81,785)
Atlas (Edinburgh City West) Limited	49,181	-
London and Regional Group Hotel Holdings Limited	10	-
	<u>25,826,133</u>	<u>22,621,389</u>

Interest income in the year to 31 December 2020 associated with the balance outstanding with Atlas Hotels Limited amounted to £1,055,866 (2019: £1,133,176).

All other balances are interest free.



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## ATLAS HOTELS (TRADING) LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2020

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#### 23. Controlling party

The Company's immediate parent undertaking is Atlas Hotels Group Limited, a company incorporated in England and Wales.

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

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

The Company's ultimate parent is Titan Investment Limited, a company incorporated in Jersey.

The ultimate controlling parties are Elcan Nominees Ltd and Mohul Nominees Ltd through their ownership of Titan Investment Limited.