

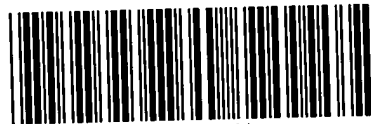
Registered number: 05999250

SUMMERHILL CARDIFF LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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SUMMERHILL CARDIFF LIMITED

COMPANY INFORMATION

Directors	A I Matyas E O Wojakowski (resigned 15 October 2020) R E Robertson (resigned 9 October 2018)
Registered number	05999250
Registered office	3 Park Place St James's London SW1A 1LP
Independent auditors	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF

SUMMERHILL CARDIFF LIMITED

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SUMMERHILL CARDIFF LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Introduction

The directors present their strategic report of Summerhill Cardiff Limited ('the Company') for the year ended 30 September 2019.

Business review

The principal activity of the Company during the period was that of a holding company and accordingly it is not exposed to any trading risks.

The loss for the year ended 30 September 2019 was £139,396 (2018; loss £176,829). The directors consider that the results for the period are in line with expectations.

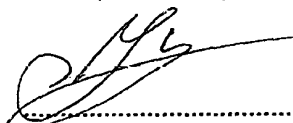
Financial key performance indicators

In the opinion of the directors there are no key performance indicators apart from the financial results discussed above.

Other key performance indicators

The directors have no future expansion plan for the Company other than continue as a holding company.

This report was approved by the board and signed on its behalf.


.....
A I Matyas
Director

Date: 31/03/2021

SUMMERHILL CARDIFF LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The director presents his report and the financial statements for the year ended 30 September 2019.

Director's responsibilities statement

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The loss for the year, after taxation, amounted to £139,396 (2018 - loss £176,829).

Since 2017, TH Holdings Limited and its subsidiaries (including this company), Tonstate Group Limited (a related company under common control) and their Directors have been involved in protracted litigation in relation to unauthorised cash extractions from these companies during the period 2006 to 2013.

To date, matters have not been fully resolved and there remains uncertainty in respect of the sums extracted. Therefore, within these financial statements, there is uncertainty over the intercompany balances between TH Holdings, its subsidiaries, and Tonstate Group Limited and any potential outstanding liabilities to HMRC as at 1 October 2017, 30 September 2018 and 30 September 2019 and related amounts in the Profit and loss account and other comprehensive income for the years ended 30 September 2018 and 30 September 2019.

It is believed by the Company's current management that these matters will be resolved and the outcome reflected in the financial statements following the resolution.

Directors

The directors who served during the year were:

A I Matyas
E O Wojakovski (resigned 15 October 2020)
R E Robertson , resigned 9 October 2018)

SUMMERHILL CARDIFF LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- has taken all the steps that ought to have been 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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

During the year Adler Shine LLP were appointed auditors to the Company. Adler Shine LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

31/03/2021

and signed on its behalf.



.....
A I Matyas
Director

SUMMERHILL CARDIFF LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMMERHILL CARDIFF LIMITED

Disclaimer of opinion

We have audited the financial statements of Summerhill Cardiff Limited (the 'Company') for the year ended 30 September 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the financial statements. Due to the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

The audit evidence available to us was limited due to the protracted litigation in relation to unauthorised cash extractions as further explained in note 2.1. We were unable to determine the appropriateness of historic payments forming part of the intercompany balances. As a result, we have been unable to obtain sufficient appropriate audit evidence concerning intercompany balances and tax liabilities as at 1 October 2017, 30 September 2018 and 30 September 2019 and related amounts in the Profit and loss account and other comprehensive income for the years ended 30 September 2018 and 30 September 2019. In addition, as stated in note 2.1 to the financial statements, group accounts, as required by the Companies Act 2006, have not been prepared. The auditors for the previous financial year, KPMG LLP, qualified their audit opinion on the financial statements for the year ended 30 September 2018 with regard to this same disagreement.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the Company's ability to continue to as a going concern is dependent on the Company continuing to hold its investment in a subsidiary and the continued financial support of its immediate parent company. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

SUMMERHILL CARDIFF LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMMERHILL CARDIFF LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In respect solely of the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made

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

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director either intends 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

SUMMERHILL CARDIFF LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUMMERHILL CARDIFF LIMITED
(CONTINUED)

Adler Shine LLP

Christopher Taylor FCA (Senior Statutory Auditor)

for and on behalf of

Adler Shine LLP

Chartered Accountants
Statutory Auditor

Aston House
Cornwall Avenue
London
N3 1LF

Date: *31/03/2021*

SUMMERHILL CARDIFF LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Administrative expenses		(100,555)	(138,010)
Operating loss		(100,555)	(138,010)
Interest receivable and similar income	6	59	81
Interest payable and expenses	7	(38,900)	(38,900)
Loss before tax		(139,396)	(176,829)
Loss for the financial year		(139,396)	(176,829)

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

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

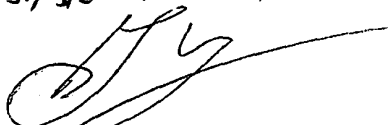
SUMMERHILL CARDIFF LIMITED
REGISTERED NUMBER: 05999250

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	9	-	-
		-	-
Current assets			
Debtors: amounts falling due within one year	10	37,704	61,718
Cash at bank and in hand	11	23,614	23,526
		<u>61,318</u>	<u>85,244</u>
Creditors: amounts falling due within one year	12	<u>(30,808,377)</u>	<u>(30,692,907)</u>
Net current liabilities		<u>(30,747,059)</u>	<u>(30,607,663)</u>
Total assets less current liabilities		<u>(30,747,059)</u>	<u>(30,607,663)</u>
Net liabilities		<u>(30,747,059)</u>	<u>(30,607,663)</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		<u>(30,747,159)</u>	<u>(30,607,763)</u>
		<u>(30,747,059)</u>	<u>(30,607,663)</u>

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

31/03/2021.



.....
A. Matyas
 Director

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

SUMMERHILL CARDIFF LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	100	(30,430,934)	(30,430,834)
Comprehensive income for the year			
Loss for the year	-	(176,829)	(176,829)
Total comprehensive income for the year	-	(176,829)	(176,829)
At 1 October 2018	100	(30,607,763)	(30,607,663)
Comprehensive income for the year			
Loss for the year	-	(139,396)	(139,396)
Total comprehensive income for the year	-	(139,396)	(139,396)
At 30 September 2019	100	(30,747,159)	(30,747,059)

SUMMERHILL CARDIFF LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(139,396)	(176,829)
Adjustments for:		
Interest paid	38,900	38,900
Interest received	(59)	(81)
Decrease/(increase) in debtors	24,014	(24,015)
Increase in creditors	-	182,716
(Decrease)/increase in amounts owed to groups	(44,091)	-
Increase in amounts owed to participating ints	159,561	-
Net cash generated from operating activities	38,929	20,691
Cash flows from investing activities		
Interest received	59	81
Net cash from investing activities	59	81
Cash flows from financing activities		
Interest paid	(38,900)	(38,900)
Net cash used in financing activities	(38,900)	(38,900)
Net increase/(decrease) in cash and cash equivalents	88	(18,128)
Cash and cash equivalents at beginning of year	23,526	41,654
Cash and cash equivalents at the end of year	23,614	23,526
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	23,614	23,526
	23,614	23,526

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

SUMMERHILL CARDIFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Summerhill Cardiff Limited is a private company limited by shares and incorporated, domiciled and registered in England and Wales in the UK. The registered number is 05999250 and the registered address is 3 Park Place, St James's, London, SW1A 1LP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Since 2017, TH Holdings Limited and its subsidiaries (including this company), Tonstate Group Limited (a related company under common control) and their Directors have been involved in protracted litigation in relation to unauthorised cash extractions from these companies during the period 2006 to 2013.

To date, matters have not been fully resolved and there remains uncertainty in respect of the sums extracted. Therefore, within these financial statements, there is uncertainty over the intercompany balances between TH Holdings Limited, its subsidiaries, and Tonstate Group Limited and any potential outstanding liabilities to HMRC as at 1 October 2017, 30 September 2018 and 30 September 2019 and related amounts in the Profit and loss account and other comprehensive income for the years ended 30 September 2018 and 30 September 2019.

It is believed by the Company's current management that these matters will be resolved and the outcome reflected in the financial statements following the resolution.

These financial statements present information about the Company as an individual undertaking and not about its group. For the year ended 30 September 2016 and previous years, the Company has not prepared consolidated financial statements as it was exempt from the requirements to do so by Section 400 of the Companies Act 2006 as it was a wholly owned subsidiary of TH Holdings Limited and its results were included in the consolidated financial statements of that entity which were filed with Companies House within the Company's financial statements filing deadline. From 2017 onwards, consolidated financial statements of TH Holdings Limited have not been prepared and have not been filed with Companies House within the Company's financial statements filing deadline and, as such, the Company is not able to take advantage of the exemption in Section 400 and is therefore required to file consolidated financial statements. The Company has chosen not to do so, due to the amount of time it would take to prepare consolidated financial statements and the urgent requirement to file the financial statements at Companies House.

SUMMERHILL CARDIFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

As the Company is a wholly owned subsidiary of TH Holdings Limited, the Company has taken advantage of the exemption available under FRS102 section 33.1A: Related Party Disclosures and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Company's principal activity is that of an intermediate holding company of one indirect subsidiary, which owns and manages a hotel. The directors of the subsidiary are considering the future of the Company, options which may include disposal of the hotel and subsequent liquidation of the company or disposal of the business altogether. Should the subsidiary be liquidated or disposed of, the Company will no longer act as an intermediate holding company.

The ability of the Company to continue to settle its liabilities as they fall due in the ordinary course of business is also dependent on the company's fellow subsidiary company and the Company's related undertaking, Tonstate Group Limited, not seeking repayment of the amounts currently due to the group, which at 30 September 2019 amounted to £5,500,000 and £2,391,075 respectively.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Of the amounts owed to other group undertakings, £22,912,910 is owed to subsidiary undertakings which are controlled by the Company. The Company therefore has control over when these amounts are required to be repaid.

However, the intention of these companies to continue to provide this support is dependent on the Company continuing to act as an intermediate holding company to its only subsidiary. Should the directors of the subsidiary elect to liquidate the subsidiary, Summerhill Cardiff Limited would no longer act as an intermediate holding company.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these conditions constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.3 Interest income

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

SUMMERHILL CARDIFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.4 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.

2.5 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

SUMMERHILL CARDIFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.10 Financial instruments (continued)

or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from these estimates.

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.

SUMMERHILL CARDIFF LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Auditors' remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,400	6,000

In 2019 and 2018, auditor's remuneration was paid by another group company.

The fees paid to the Company's auditors, Adler Shine LLP (2018: KPMG and its associates) for the services other than the statutory audit of the Company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the accounts of the Company's intermediate parent TH Holdings Limited.

5. Employees

The directors of the Company are also directors of other undertakings and the directors' remuneration for the period was paid by other undertakings. The directors do not believe that is practicable to apportion this amount between services as directors of the Company and their services as directors of fellow subsidiary undertakings.

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

	2019	2018
	No.	No.
Directors	2	3

6. Interest receivable

	2019	2018
	£	£
Other interest receivable	59	81

7. Interest payable and similar expenses

	2019	2018
	£	£
Other loan interest payable	38,900	38,900

SUMMERHILL CARDIFF LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Taxation

	2019 £	2018 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Loss on ordinary activities before tax	(139,396)	(176,829)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(26,485)	(33,598)
Effects of:		
Group relief	26,485	33,598
Total tax charge for the year	-	-

Factors that may affect future tax charges

Potential deferred tax assets measured at 17% (2018: 17%) totalling £81,280 (2018: £81,280) in respect of carried forward losses have not been recognised as it is not expected that these assets can be utilised to offset taxable profits in the foreseeable future.

The rate of taxation is expected to follow the standard rate of UK Corporation tax in future years. A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the deferred tax liability as at 30 September 2019 has been calculated based on this rate. In the 11 March 2020 budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020.

SUMMERHILL CARDIFF LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2018	33,907,500
At 30 September 2019	<u>33,907,500</u>
Impairment	
At 1 October 2018	33,907,500
At 30 September 2019	<u>33,907,500</u>
Net book value	
At 30 September 2019	<u>-</u>
At 30 September 2018	<u>-</u>

The investment represents the Company's interest in 100% of the ordinary share capital of its subsidiary undertaking, Hotel Innovations (Cardiff) Limited. Hotel Innovations (Cardiff) Limited is incorporated in England and its principal activity is that of a holding company. The Company holds an indirect 100% interest in the ordinary share capital of Summerhill Properties Limited, a company incorporated in England and its principal activity is that of a hotel operator. The registered office of both subsidiaries is 3 Park Place, London, SW1A 1LP.

10. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	12,500	12,500
Other debtors	25,204	49,218
	<u>37,704</u>	<u>61,718</u>

SUMMERHILL CARDIFF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	23,614	23,526
	<u>23,614</u>	<u>23,526</u>

12. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	28,412,910	28,457,001
Amounts owed to Tonstate Group Limited	2,391,075	2,231,514
Other creditors	4,392	4,392
	<u>30,808,377</u>	<u>30,692,907</u>

13. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	23,614	23,526
Financial assets that are debt instruments measured at amortised cost	37,704	37,703
	<u>61,318</u>	<u>61,229</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(30,808,377)</u>	<u>(30,692,907)</u>

Financial assets measured at fair value through profit or loss comprise cash and bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise amounts due from group companies.

Financial liabilities measured at amortised cost comprise amounts owed to group companies.

SUMMERHILL CARDIFF LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

14. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
97 (2018 - 97) Ordinary shares A shares of £1.00 each	97	97
3 (2018 - 3) Ordinary shares B shares of £1.00 each	3	3
	<u>100</u>	<u>100</u>

15. Related party transactions

As the company is a wholly owned subsidiary of TH Holdings Limited, the company has taken advantage of the exemption under FRS 102 section 33.1A: Related Party Disclosures, and has therefore not disclosed transactions or balances with TH Holdings Limited and its wholly owned subsidiaries or its subsidiary undertakings.

The other related party balances are:

	2019 £	2018 £
Owed to Tonstate Group Limited	2,391,075	2,231,514
	<u>2,391,075</u>	<u>2,231,514</u>

During the period management fees of £100,000 (2018: £121,500) and loan interest of £38,900 (2018: £38,900) were charged by Tonstate Group Limited.

16. Post balance sheet events

Included in creditors is £5.5m which was owed to a group undertaking. This group undertaking was dissolved on 19 November 2019.

17. Controlling party

The Company is a subsidiary undertaking of TH Holdings Limited, incorporated in England. The registered address is 3 Park Place, St James's, London, SW1A 1LP.

The ultimate parent company is Overseas Holdings Capital Group Limited, registered in British Virgin Islands. Okara Building, 24 De Castro Street, Wickams Cay No. 1, Road Town, Tortola, BVI.

No other group financial statements include the results of the company.