

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
DRAGONGLASS MILTON KEYNES LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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DRAGONGLASS MILTON KEYNES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS:

L M Becker
J D Levy
J P Levy
N S Rubin
M D Rubin

REGISTERED OFFICE:

Greenhill House
90/93 Cowcross Street
London
EC1M 6BF

REGISTERED NUMBER:

06398416 (England and Wales)

AUDITORS:

Goldwyns Limited
Statutory Auditors and Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company during the year under review was a hotel operating under the Delta Marriott franchise.

REVIEW OF BUSINESS

The results for the year show revenues generated of £2,672,918 (2018 - £3,472,706) and a loss before tax of £593,097 (2018 - profit of £246,713).

Following a change of ownership in April 2019, substantial moneys were spent on the refurbishment of the underlying hotel which significantly reduced trade in the interim, particularly when coupled with the inevitable disruption arising from changing managing agents. With refurbishment works now concluded the hotel is in a much stronger (and more appealing) position and the directors are anticipating a steady improvement in trade over the coming years.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the business is inadequate occupancy of its available rooms and therefore an inability to generate sufficient revenues to service operations. The directors closely monitor the company's performance against similar companies operating in comparable markets and respond accordingly.

The company is also susceptible to any loss in key members of operational staff and therefore operates a number of performance reward and incentive programmes to mitigate these risks.

Furthermore, since balance sheet date the company, and of course the wider economy, has been severely affected by the spread of Covid-19 (Coronavirus) and the resultant Government restrictions on the leisure industry and the free movement of individuals. The directors have acted quickly to mitigate the damage in the short-term, but this has severely hampered the company's ability to trade successfully during 2020. The company therefore remains at risk of further restrictions and / or loss of trade.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

SECTION 172(1) STATEMENT

The board of directors have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a board handle this responsibility.

Decision making

Regular operational and strategic meetings are held by the directors and general managers. This ensures the board has access to the key factors affecting all areas of the business' decision making, shorter term or longer.

Furthermore, the company is in constant communication with Marriott and various industry specific news sources. This enables the directors to keep abreast of, and address, all longer-term shifts in the company's operating markets.

Employee engagement

The company maintains a diverse workforce of local employees spanning all aspects of the hotel delivery, supplemented by outsourced staff and suppliers where necessary. Staff are rewarded in line with comparable local markets, provided with specific training relevant to their needs and have access to wider industry opportunities as a result of the same.

Business relationships

The company actively maintains strong relationships with its key suppliers and support functions, to ensure it has access to the resources it needs to operate effectively.

The wider franchise ensures the company has access to a broad array of customers, visiting for various purposes. The company monitors compliance with brand standards to ensure all customers' expectations are satisfied and deliver the best possible service it can achieve.

Community and environmental impact

The directors remain ever conscious of the impact their business has on the local community and environment. As well as being a supportive local employer, the company also complies with all franchise environmental incentives.

Business conduct

The directors closely monitor the company's service delivery to ensure at all times the business is honest, fair and professional in its conduct with all stakeholders.

Shareholder engagement

The company is actively managed by its shareholders, who are all represented on the board of directors.

ON BEHALF OF THE BOARD:

J D Levy - Director

22 December 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2019 will be £ 6,918,888 .

DIRECTORS

The directors who have held office during the period from 1 January 2019 to the date of this report are as follows:

L M Becker - appointed 8 April 2019
Ms S Broughton - resigned 8 April 2019
N M Chadwick - resigned 8 April 2019
J D Levy - appointed 8 April 2019
J P Levy - appointed 8 April 2019
N S Rubin - appointed 8 April 2019
M D Rubin - appointed 8 April 2019
T M Tolley - resigned 8 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

AUDITORS

The auditors, Goldwyns Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J D Levy - Director

22 December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DRAGONGLASS MILTON KEYNES LIMITED

Disclaimer of opinion

We have audited the financial statements of Dragonglass Milton Keynes Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 accompanying financial statements of the company. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to provide for an audit opinion on these financial statements.

Basis for disclaimer of opinion

After the company debranded from its previous franchise in March 2019 (and further compounded by a change of ownership and managing agents shortly thereafter) access to the hotel's historic income and booking ledgers was lost. We have therefore been unable to obtain sufficient audit evidence for reported hotel turnover arising in the first 3 months of the year.

The above issues, compounded with other operational changes, meant we have been unable to obtain sufficient audit evidence over the company's opening balance sheet at 1 January 2019 (see below in respect of the prior year's audit opinion). Furthermore, the significance of the missing ledgers may continue to have an adverse effect on the company's ability to trade normally thereafter or defend itself against historic claims and enquiries.

These matters are so significant to the company's accounts that we have been unable to offer an audit opinion thereon.

Prior year

We would also draw attention to the disclaimer of audit opinion issued on 27 February 2020, in respect of the financial statements for the year ended 31 December 2018. This may affect the comparability of the prior year figures included in these financial statements.

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matters described in the basis for disclaimer of opinion of our report, we have been unable to form an opinion whether (based on the work undertaken in the course of the audit):

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DRAGONGLASS MILTON KEYNES LIMITED

Matters on which we are required to report by exception

Notwithstanding our disclaimer of opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitations described above, we have not identified material misstatements in the Strategic Report or the Directors Report.

Arising from the limitations of our work referred to above:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; and
- we have not received all the information and explanations we require for our audit.

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
- certain disclosures of directors' remuneration specified by law are not made.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditors' report.

However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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

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 a Report of the Auditors 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.

S T Blundell ACA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors and Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

23 December 2020

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 as restated £
TURNOVER		2,672,918	3,472,706
Cost of sales		<u>1,854,200</u>	<u>1,857,507</u>
GROSS PROFIT		818,718	1,615,199
Administrative expenses		<u>1,111,511</u> (292,793)	<u>1,045,272</u> 569,927
Gain/loss on revaluation of assets		<u>-</u>	<u>(181,926)</u>
OPERATING (LOSS)/PROFIT	4	(292,793)	388,001
Interest receivable and similar income		<u>-</u> (292,793)	<u>7,800</u> 395,801
Interest payable and similar expenses	5	<u>300,304</u> (593,097)	<u>149,088</u> 246,713
(LOSS)/PROFIT BEFORE TAXATION			
Tax on (loss)/profit	6	<u>(456,671)</u>	<u>575,532</u>
LOSS FOR THE FINANCIAL YEAR		<u>(136,426)</u>	<u>(328,819)</u>

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	as 2018 restated £
LOSS FOR THE YEAR		(136,426)	(328,819)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(136,426)</u>	<u>(328,819)</u>

BALANCE SHEET
31 DECEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		3,269,776		3,180
Tangible assets	10		<u>11,390,287</u>		<u>8,517,680</u>
			14,660,063		8,520,860
CURRENT ASSETS					
Stocks	11	10,614		14,865	
Debtors	12	2,157,776		9,914,159	
Investments	13	-		13,744	
Cash at bank and in hand		<u>79,768</u>		<u>644,124</u>	
		2,248,158		10,586,892	
CREDITORS					
Amounts falling due within one year	14	<u>1,129,433</u>		<u>1,065,146</u>	
NET CURRENT ASSETS			<u>1,118,725</u>		<u>9,521,746</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,778,788		18,042,606
CREDITORS					
Amounts falling due after more than one year	15		(10,840,387)		(5,592,220)
PROVISIONS FOR LIABILITIES	19		<u>(275,700)</u>		<u>(732,371)</u>
NET ASSETS			<u>4,662,701</u>		<u>11,718,015</u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Retained earnings	21		<u>4,662,601</u>		<u>11,717,915</u>
SHAREHOLDERS' FUNDS			<u>4,662,701</u>		<u>11,718,015</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2020 and were signed on its behalf by:

J D Levy - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	-	12,046,734	12,046,734
Changes in equity			
Issue of share capital	100	-	100
Total comprehensive income	-	(328,819)	(328,819)
Balance at 31 December 2018	<u>100</u>	<u>11,717,915</u>	<u>11,718,015</u>
Changes in equity			
Dividends	-	(6,918,888)	(6,918,888)
Total comprehensive income	-	(136,426)	(136,426)
Balance at 31 December 2019	<u>100</u>	<u>4,662,601</u>	<u>4,662,701</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. **STATUTORY INFORMATION**

Dragonglass Milton Keynes Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company trades from its leased property in Milton Keynes, Buckinghamshire.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents the income receivable by the company from its trading activities as a hotel. Sales encompass room hire, food and beverage income and all other associated ancillary hotel and guest services. Turnover is recognised in the period in which the physical goods are sold, as services are performed or otherwise as entitlement accrues to the company.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

- | | |
|----------------------------------|-------------------------------|
| Long leasehold | - over a period of 175 years |
| Fixtures, fittings and equipment | - 33% on cost and 20% on cost |

3. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	as restated £
Wages and salaries	1,011,003	1,004,782
Social security costs	54,658	42,789
Other pension costs	11,084	13,687
	<u>1,076,745</u>	<u>1,061,258</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

3. **EMPLOYEES AND DIRECTORS - continued**

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

	2019	as	2018 restated
Hotel staff	51		48
Directors	5		-
	<u>56</u>		<u>48</u>

	2019	as	2018 restated
	£		£
Directors' remuneration	<u>-</u>		<u>-</u>

4. **OPERATING (LOSS)/PROFIT**

The operating loss (2018 - operating profit) is stated after charging:

	2019	as	2018 restated
	£		£
Hire of plant and machinery	3,463		-
Depreciation - owned assets	58,305		249,503
Depreciation - assets on finance leases	46,286		-
Other intangibles amortisation	14,074		-
Computer software amortisation	-		2,325
Auditors' remuneration	<u>9,500</u>		<u>4,060</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	as	2018 restated
	£		£
Loan interest payable	101,031		146,561
Other interest	9,724		2,527
Leasing interest	189,549		-
	<u>300,304</u>		<u>149,088</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2019 £	as 2018 restated £
Current tax:		
UK corporation tax	-	85
Deferred tax	(456,671)	575,447
Tax on (loss)/profit	<u>(456,671)</u>	<u>575,532</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	as 2018 restated £
(Loss)/profit before tax	<u>(593,097)</u>	<u>246,713</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(112,688)	46,875
Effects of:		
Expenses not deductible for tax purposes	644	39,467
Income not taxable for tax purposes	-	(2,611)
Capital allowances in excess of depreciation	-	(100,908)
Depreciation in excess of capital allowances	67,843	-
Adjustments to tax charge in respect of previous periods	-	85
Group relief	-	(35,205)
Deferred tax on fair value movement	(628,462)	627,829
Losses carried forward	<u>215,992</u>	<u>-</u>
Total tax (credit)/charge	<u>(456,671)</u>	<u>575,532</u>

7. DIVIDENDS

	2019 £	as 2018 restated £
Interim	<u>6,918,888</u>	<u>-</u>

8. PRIOR YEAR ADJUSTMENT

For the prior period, the depreciation charge of £145,446 relating to the fixtures, fittings and equipment and management fees of £104,463 have been re-presented under administration costs rather than cost of sales. These are presentational adjustments only and they have no affect on the profit and loss charge for 2018.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

9. INTANGIBLE FIXED ASSETS

	Other intangibles £	Computer software £	Totals £
COST			
At 1 January 2019	-	21,555	21,555
Additions	3,283,850	-	3,283,850
Disposals	-	(21,555)	(21,555)
At 31 December 2019	<u>3,283,850</u>	<u>-</u>	<u>3,283,850</u>
AMORTISATION			
At 1 January 2019	-	18,375	18,375
Amortisation for year	14,074	-	14,074
Eliminated on disposal	-	(18,375)	(18,375)
At 31 December 2019	<u>14,074</u>	<u>-</u>	<u>14,074</u>
NET BOOK VALUE			
At 31 December 2019	<u>3,269,776</u>	<u>-</u>	<u>3,269,776</u>
At 31 December 2018	<u>-</u>	<u>3,180</u>	<u>3,180</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures, fittings and equipment £	Totals £
COST				
At 1 January 2019	7,910,000	-	2,282,506	10,192,506
Additions	-	10,800,000	707,868	11,507,868
Disposals	(7,910,000)	-	(2,295,496)	(10,205,496)
At 31 December 2019	<u>-</u>	<u>10,800,000</u>	<u>694,878</u>	<u>11,494,878</u>
DEPRECIATION				
At 1 January 2019	100,555	-	1,574,271	1,674,826
Charge for year	-	46,286	58,305	104,591
Eliminated on disposal	(100,555)	-	(1,574,271)	(1,674,826)
At 31 December 2019	<u>-</u>	<u>46,286</u>	<u>58,305</u>	<u>104,591</u>
NET BOOK VALUE				
At 31 December 2019	<u>-</u>	<u>10,753,714</u>	<u>636,573</u>	<u>11,390,287</u>
At 31 December 2018	<u>7,809,445</u>	<u>-</u>	<u>708,235</u>	<u>8,517,680</u>

The group's bankers hold legal charges over all of the company's property in support of the group's financing facilities.

On 8 April 2019 the company entered into agreement to sell and then leaseback the property from which it trades, over a period of 175 years. This lease substantially amounts to a financing lease, as the company will derive benefit from the property throughout a major part of its useful life, and has been recognised accordingly.

The disposal event created an accounting loss which has been recognised as an intangible fixed asset (above) and is being written down over the same period as the property.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

10. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under finance leases are as follows:

	Long leasehold £
COST	
Additions	10,800,000
At 31 December 2019	<u>10,800,000</u>
DEPRECIATION	
Charge for year	46,286
At 31 December 2019	<u>46,286</u>
NET BOOK VALUE	
At 31 December 2019	<u>10,753,714</u>

11. **STOCKS**

	2019 £	as 2018 restated £
Stocks	<u>10,614</u>	<u>14,865</u>

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	as 2018 restated £
Trade debtors	52,019	71,711
Amounts owed by group undertakings	2,040,254	9,325,870
Other debtors	2,857	268,015
Corporation tax	-	179,595
VAT	6,333	-
Prepayments and accrued income	56,313	68,968
	<u>2,157,776</u>	<u>9,914,159</u>

13. **CURRENT ASSET INVESTMENTS**

	2019 £	as 2018 restated £
Other	<u>-</u>	<u>13,744</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	as	2018 restated
	£		£
Trade creditors	440,244		141,487
Amounts owed to group undertakings	-		625,572
Social security and other taxes	18,145		11,412
Other creditors	617,953		39,101
Accrued expenses	53,091		247,574
	<u>1,129,433</u>		<u>1,065,146</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	as	2018 restated
	£		£
Bank loans (see note 16)	-		5,592,220
Finance leases (see note 17)	10,840,387		-
	<u>10,840,387</u>		<u>5,592,220</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2019	as	2018 restated
	£		£
Amounts falling due between one and two years:			
Bank loans	-		5,592,220
	<u>-</u>		<u>5,592,220</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2019	2018
	as	restated
	£	£
Gross obligations repayable:		
Within one year	259,119	-
Between one and five years	1,057,497	-
In more than five years	75,973,470	-
	<u>77,290,086</u>	<u>-</u>
Finance charges repayable:		
Within one year	259,119	-
Between one and five years	1,057,497	-
In more than five years	65,133,083	-
	<u>66,449,699</u>	<u>-</u>
Net obligations repayable:		
In more than five years	<u>10,840,387</u>	<u>-</u>
	Non-cancellable	operating
	2019	2018
	as	restated
	£	£
Within one year	28,174	-
Between one and five years	51,652	-
	<u>79,826</u>	<u>-</u>

On 8 April 2019 the company entered into an agreement to lease the property from which it trades for a period of 175 years. This transaction amounts to a finance lease and has been recognised accordingly. The company is liable for an annual rent of £168,210, adjusted for changes in the retail price index but subject to a minimum of 1% and a maximum of 4% increase per year.

Throughout the initial period of the lease the annual interest arising will exceed the rental payments due and therefore the company's recognised finance liability will continue to increase.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

18. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	as 2018 restated £
Bank loans	-	5,592,220
Finance leases	10,840,387	-
	<u>10,840,387</u>	<u>5,592,220</u>

The group's bank loans are secured by fixed and floating charge over the company's property and equipment and all assets

Finance lease liabilities are secured on the assets to which they relate.

19. PROVISIONS FOR LIABILITIES

	2019 £	as 2018 restated £
Deferred tax	<u>275,700</u>	<u>732,371</u>
		Deferred tax £
Balance at 1 January 2019		732,371
Accelerated capital allowances		171,791
Fair value movements		(628,462)
Balance at 31 December 2019		<u>275,700</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 as restated £
100	Ordinary	£1	<u>100</u>	<u>100</u>

21. RESERVES

	Retained earnings £
At 1 January 2019	11,717,915
Deficit for the year	(136,426)
Dividends	(6,918,888)
At 31 December 2019	<u>4,662,601</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. PENSION COMMITMENTS

The company operates a defined contribution scheme in respect of its eligible employees. During the year, total contributions to this scheme amounted to £11,084 (2018 - £13,687). There was a contribution of £3,388 outstanding at the balance sheet date (2018 - £1,378).

23. RELATED PARTY DISCLOSURES

The company utilises management services provided by a company under common control. During the year total costs arising for these management services amounted to £22,144 (2018 - £nil). At the balance sheet date £605,000 was owed to companies under common control (2018 - £nil).

There has also been a substantial restructure of the company's affairs, further to its change of ownership in April 2019. Current year costs arising from previous group companies for management services amounted to £18,685 (2018 - £104,463). During the year, amounts owed by previous companies totalling £8,700,298 at 31 December 2018 and the company's bank loan of £5,592,220 at the same date, were also both fully repaid following the change in ownership.

BGAM Hotels (MK) Limited is regarded by the directors as being the company's ultimate parent company.

24. GOING CONCERN

Since the balance sheet date, but prior to the completion of these financial statements, the UK was struck by the Covid-19 pandemic. This resulted in the widescale restriction of free movement and an enforced closure of hotels such as the company's. Although the company has since been able to start re-opening, it has been adversely affected by a substantial period of no turnover, and still remains below normal occupancy levels.

The directors acted quickly to mitigate the short-term damage to the company. However, various ongoing restrictions, operational challenges and the ever present risk of further lockdowns (local or national) prove challenging. These represent uncertainties beyond the company's control, which could therefore hamper the company's ability to settle its liabilities as they fall due, should the situation continue for the foreseeable future.

Whilst these uncertainties are significant, early signs are encouraging and the company has a number of contingency options in place. The financial statements are therefore still drawn up on a going concern basis.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.