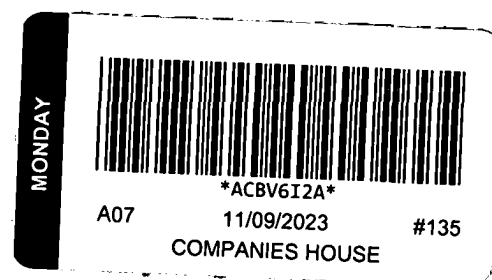


Registered number: 10165831

Titan Financing Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022



Titan Financing Limited

Company Information

Directors	I M Livingstone R J Livingstone D L M Taljaard
Company secretary	L Shelley
Registered number	10165831
Registered office	8th Floor, South Block 55 Baker Street London W1U 8EW

Titan Financing Limited

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Titan Financing Limited

Strategic Report For the Year Ended 31 December 2022

The directors present their Strategic Report for the year ended 31 December 2022.

Business review and future developments

The Company made a profit before tax of £1,024k (2021: £809k). At 31 December 2022, the Company had net assets of £6,359k (2021: £5,335k).

The directors consider the financial position and future prospects at 31 December 2022 to be satisfactory.

Financial key performance indicators

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

Principal risks and uncertainties

The Company is an investment holding company and therefore the directors do not consider there to be any significant risks which aren't linked to the subsidiary companies owned. Risks and uncertainties have been covered in the individual subsidiary financial statements.

Financial risk management

The Company is an investment holding company and therefore the directors do not consider there to be any significant financial risks which aren't linked to the subsidiary companies owned. Financial risk management has been covered in the individual subsidiary financial statements.

Section 172 (1) statement

The Company is a financing and holding company, and therefore its stakeholders are considered to be the stakeholders of the wider Group, all of whom are discussed below.

The Company operates with a three-person Board (the "Board"), which helps facilitate flexible and swift decision making. The Directors meet regularly with the Executive team (collectively "Management"), 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 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 Management takes into account many factors, sometimes conflicting, when reaching decisions. Quality decision-making is supported by comprehensive board papers that are distributed ahead of meetings. Managements' decisions are always driven by the need to promote the success of the Company, and therefore wider 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.

With regard to the stakeholders and matters set out in s172(1)(a-f) of the Act, the Board of Directors of Titan Financing 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 for the benefit of its members in the decisions taken during the year.

Titan Financing Limited

Strategic Report (continued) For the Year Ended 31 December 2022

Section 172 (1) statement (continued)

Stakeholders

The Company considers that, aside from shareholders, the primary stakeholder groups who are impacted by the Company's, and therefore Group's, business activities and decision making are the Group's employees, customers, suppliers, lenders 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.

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 engages 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 regular "engagement" 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. 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 through various online review sites. This ensures that feedback is factored into improving the hotel operations and customer experience. Client satisfaction is monitored through the use of available Guest Service Indexes, in which the Group consistently outperforms comparable competitor sets.

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 and provide feedback to ensure levels of standards are maintained.

Lenders:

Relationships with the external lenders to the Group are key business relationships. The Group engages with their lenders where required. These relationships are important 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.

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.

Titan Financing Limited

**Strategic Report (continued)
For the Year Ended 31 December 2022**

Section 172 (1) statement (continued)

Key decisions made in the year are considered to be:

- The impact of inflation and decisions relating to operational efficiencies, staff pay and pricing;
- Energy consumption and hedging strategy; and
- Loan hedging strategy.

The impact of inflation and decisions relating to operational efficiencies, staff pay and pricing:

The cost of fossil fuels significantly increased during the year, leading to increased business and household utility costs. Similarly, the global food supply has seen a reduction in availability and an increase in production costs, which has increased the buying costs for business and households. The combination of price increases in both utilities and food has resulted in a significant rise in inflation. These price increases, along with labour shortages and the recovery post Covid-19 have resulted in inflation in the UK.

While inflation has impacted the hotel trading performance, Management also increased pay at all levels so that the company could continue to attract and retain staff in a competitive job market.

Energy consumption and hedging strategy:

Other than salary, utilities are one of the most significant costs of operating hotels and as such the Group attempts to minimise the impact of changes in market rates by forward buying energy. While this has mitigated the impact of the price increases, the forward contracts expire Q4 2023.

Therefore, Management have taken steps to manage the utilities cost increases, including:

- Entering into new contracts.
- Setting up an energy purchasing management group, working alongside our existing consultants.
- Assessing options for investing in renewable energy, whether this is ensuring minimum percentages of the total consumption is purchased from renewable sources, or investing in the infrastructure for generating our own renewable energy.
- Investing in energy saving and low consumption technologies, such as a re-bulbing process across the hotel portfolio, changing light bulbs for energy efficiency LED bulbs.
- Trialling the impact on guests of adjusting the air conditioning reset level for guest rooms to reduce existing energy consumption through heating empty rooms.

A number of the steps identified above will require continuing investment over the portfolio. Management will continue to monitor the energy environment across the portfolio.

Loan hedging strategy:

During the year, interest rates and borrowing costs have increased.

The Group's existing interest rate cap expired in December 2022 was renewed. Management assessed their options, and in agreement with the lender's agent, agreed a hedging arrangement capping the interest rate at 3% per annum.

This report was approved by the board on 29 June 2023.

DocuSigned by:
Desmond Taljaard
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D L M Taljaard
Director

Titan Financing Limited

Directors' Report For the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activities

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

Results and dividends

The profit for the year, after taxation, amounted to £1,024k (2021 - £809k).

No ordinary dividends were paid during the year (2021: £nil). The directors do not recommend the payment of a final dividend (2021: £nil).

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

Directors

The directors who served during the year were:

I M Livingstone
R J Livingstone
D L M Taljaard

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Titan Financing Limited

**Directors' Report (continued)
For the Year Ended 31 December 2022**

Going concern

The Company is a non-trading holding company with intercompany debtors and creditors. The recoverability of these debtors and therefore going concern assumption is linked to the underlying performance and going concern of its subsidiary undertakings.

The Company's assets are secured against a bank loan taken out by a fellow group undertaking, Titan Acquisition Limited.

All loan covenants have been satisfied during the year and post year end.

The Directors and management have prepared detailed cash flow forecasts to December 2024, which indicates that the Group will have sufficient liquidity to meet obligations as they fall due and have sufficient headroom on covenant levels.

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

Disclosure of information to auditors

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

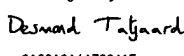
- so far as the directors is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors has taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the Company's auditors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

Auditors

Following the signing of the year ended 31 December 2021 financial statements, the auditors, PricewaterhouseCoopers LLP, resigned and KPMG LLP have been appointed in their place.

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

This report was approved by the board on 29 June 2023 and signed on its behalf.

DocuSigned by:

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D L M Taljaard
Director

Titan Financing Limited

Independent Auditors' Report to the Members of Titan Financing Limited

Opinion

We have audited the financial statements of Titan Financing Limited ("the Company") for the year ended 31 December 2022, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Titan Financing Holdco Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

Titan Financing Limited

Independent Auditors' Report to the Members of Titan Financing Limited

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Titan Financing Limited

Independent Auditors' Report to the Members of Titan Financing Limited

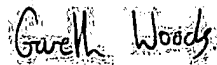
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's 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.



Gareth Woods (Senior statutory auditor)

for and on behalf of

KPMG LLP
Statutory Auditor
Chartered Accountants
EastWest
Tollhouse Hill
Nottingham
NG1 5FS
29 June 2023

Titan Financing Limited

**Statement of Income and Retained Earnings
For the Year Ended 31 December 2022**

	Note	2022 £000	2021 £000
Administrative expenses		(49)	-
Operating (loss)/profit	4	(49)	-
Interest receivable and similar income	5	6,145	4,630
Interest payable and similar expenses	6	(5,072)	(3,821)
Profit before tax		1,024	809
Profit after tax		1,024	809
Retained earnings at the beginning of the year		5,335	4,526
		5,335	4,526
Profit for the year		1,024	809
Retained earnings at the end of the year		6,359	5,335

The notes on pages 11 to 20 form part of these financial statements.

Titan Financing Limited
Registered number: 10165831

Statement of Financial Position
As at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Current assets					
Debtors	9	137,991		131,895	
		<u>137,991</u>		<u>131,895</u>	
Creditors: amounts falling due within one year	10	(131,632)		(126,560)	
Net current assets			6,359		5,335
Total assets less current liabilities			<u>6,359</u>		<u>5,335</u>
Net assets			<u>6,359</u>		<u>5,335</u>
Capital and reserves					
Retained earnings	12		6,359		5,335
			<u>6,359</u>		<u>5,335</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf 29 June 2023.

DocuSigned by:
Desmond Taljaard
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D L M Taljaard
Director

The notes on pages 11 to 20 form part of these financial statements.

Titan Financing Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. General information

Titan Financing Limited is a private company limited by shares, 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 years 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, as modified by the recognition of certain financial assets and liabilities at fair value.

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

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

2.2 Going concern

The Company is a non-trading holding company with intercompany debtors and creditors. The recoverability of these debtors and therefore going concern assumption is linked to the underlying performance and going concern of its subsidiary undertakings.

The Company's assets are secured against a bank loan taken out by a fellow group undertaking, Titan Acquisition Limited.

All loan covenants have been satisfied during the year and post year end.

The Directors and management have prepared detailed cash flow forecasts to December 2024, which indicates that the Group will have sufficient liquidity to meet obligations as they fall due and have sufficient headroom on covenant levels.

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

Titan Financing Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.3 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 14.

- 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 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Financial instruments

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

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

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

Basic financial assets

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

Impairment of financial assets

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

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

Titan Financing Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.5 Financial instruments (continued)

Impairment of financial assets (continued)

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

Derecognition of financial assets

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

Classification of financial liabilities

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

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.

Titan Financing Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.6 Hedge accounting

The Company applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in 'interest payable and similar charges'.

The gain or loss recognised in other comprehensive income is reclassified to retained earnings when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

2.7 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.

2.8 Interest income

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

2.9 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.

Titan Financing Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

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) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors, including amounts owed by group undertakings. When assessing impairment of trade and other debtors, management considers factors including current credit ratings of the debtors, the aging profile of debtors, the ability of the entity to repay the amounts owed and historical experience.

See note 9 for the carrying values of the assets and note 2 for the accounting policy.

4. Operating (loss)/profit

Auditors' remuneration

Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements were £2k (2021: £4k). The fees are paid by fellow group undertakings and not recharged.

Employees and Directors' emoluments

The Company has no employees (2021: none).

The directors received no remuneration for their services as directors of this Company (2021: nil).

5. Interest receivable and similar income

	2022 £000	2021 £000
Interest receivable from group undertakings	6,145	4,630

Titan Financing Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

6. Interest payable and similar expenses

	2022 £000	2021 £000
Loans from group undertakings	5,072	3,821
	<u>5,072</u>	<u>3,821</u>

7. Taxation

	2022 £000	2021 £000
Current tax for the year	-	-
Taxation	<u>-</u>	<u>-</u>

Factors affecting tax for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit before tax	1,024	809
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	195	154
Effects of:		
Expenses not deductible for tax purposes	9	-
Group relief	(204)	(154)
Total tax for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

Titan Financing Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

8. Investments

Investments in subsidiary undertakings have a cost and net book value of £1 (2021: £1).

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

Titan Financing Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

8. Investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Titan Acquisition Holdco Limited	Ordinary	100%
Titan Acquisition Limited	Ordinary	100%
Atlas Hotels Group Limited	Ordinary	100%
Atlas Hotels (Borrowings 2) Limited	Ordinary	100%
Atlas Hotels (Property and Trading) Limited	Ordinary	100%
Atlas Hotels (Trading) Limited	Ordinary	100%
Atlas Hotels (Property) Limited	Ordinary	100%
Atlas Hotels (Bristol Property) Limited	Ordinary	100%
Atlas Hotels (Group 3 Property) Limited	Ordinary	100%
Atlas Hotels (Group 4 Property 1) Limited	Ordinary	100%
Atlas Hotels (Group 4 Property 2) Limited	Ordinary	100%
Atlas Hotels (Bath) Limited	Ordinary	100%
Atlas Hotels (Bedford) Limited	Ordinary	100%
Atlas Hotels (Bristol North) Limited	Ordinary	100%
Atlas Hotels (Chingford) Limited	Ordinary	100%
Atlas Hotels (Derby) Limited	Ordinary	100%
Atlas Hotels (Exeter) Limited	Ordinary	100%
Atlas Hotels (Glasgow) Limited	Ordinary	100%
Atlas Hotels (Greenwich) Limited	Ordinary	100%
Atlas Hotels (Inverness) Limited	Ordinary	100%
Atlas Hotels (Lincoln) Limited	Ordinary	100%
Atlas Hotels (Liverpool) Limited	Ordinary	100%
Atlas Hotels (Oldbury) Limited	Ordinary	100%
Atlas Hotels (Group 2) Limited	Ordinary	100%
Atlas Hotels (Salford Quays) Limited	Ordinary	100%
Atlas Hotels (Stoke On Trent) Limited	Ordinary	100%
Atlas Hotels (Taunton) Limited	Ordinary	100%
Atlas Hotels (Warwick) Limited	Ordinary	100%
Atlas Hotels (Luton Airport) Limited	Ordinary	100%
Atlas Hotels (Hemel Hempstead) Limited	Ordinary	100%
Atlas Hotels (Cambridge) Limited	Ordinary	100%
Atlas Hotels (Edinburgh Waterfront) Limited	Ordinary, Deferred	100%
Atlas Hotels (Glasgow Airport) Limited	Ordinary	100%
Atlas Hotels (Stirling) Limited	Ordinary	100%
Atlas Hotels (Dartford - Jersey) Limited	Ordinary	100%
Atlas Hotels (Leeds - Jersey) Limited	Ordinary	100%
Atlas Hotels (Glasgow Airport - Jersey) Limited	Ordinary	100%
Atlas Hotels (Newcastle - Jersey) Limited	Ordinary	100%
Atlas Hotels (Poole - Jersey) Limited	Ordinary	100%
Atlas Hotels (Stevenage) Limited	Ordinary	100%
Atlas Hotels (Cambridge 2) Limited	Ordinary	100%
Atlas Hotels (Exeter City Centre) Limited	Ordinary	100%
Atlas (Portsmouth) Limited	Ordinary	100%
LR (York) Limited	Ordinary	100%

Titan Financing Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

8. Investments (continued)**Subsidiary undertakings (continued)**

Titan Acquisition Holdco Limited is the only company owned directly.

All subsidiaries are incorporated in the UK, with the exception of Atlas Hotels (Dartford - Jersey) Limited, Atlas Hotels (Leeds - Jersey) Limited, Atlas Hotels (Newcastle - Jersey) Limited, Atlas Hotels (Glasgow Airport - Jersey) Limited and Atlas Hotels (Poole - Jersey) Limited, which are incorporated in Jersey.

The registered address of Titan Acquisition Holdco Limited, Titan Acquisition Limited, Atlas (Portsmouth) Limited, Atlas Hotels (Exeter City Centre) Limited and LR (York) Limited is 8th Floor, South Block, 55 Baker Street, London, W1U 8EW.

The registered address of Atlas Hotels (Dartford - Jersey) Limited, Atlas Hotels (Leeds - Jersey) Limited, Atlas Hotels (Newcastle - Jersey) Limited, Atlas Hotels (Glasgow Airport - Jersey) Limited and Atlas Hotels (Poole - Jersey) Limited is 28 Esplanade, St Helier, Channel Islands, Jersey, JE2 3QA.

The registered address of Atlas Hotels (Luton Airport) Limited, Atlas Hotels (Hemel Hempstead) Limited, Atlas Hotels (Cambridge) Limited, Atlas Hotels (Edinburgh Waterfront) Limited, Atlas Hotels (Glasgow Airport) Limited and Atlas Hotels (Stirling) Limited is Brodies, Capital Square 58 Morrison Street, Edinburgh, EH3 8EP.

The registered address of all other subsidiary undertakings is 4 Romulus Court, Meridian Business Park, Leicester LE19 1YG.

9. Debtors

	2022	2021
	£000	£000
Amounts owed by group undertakings	137,991	131,846
Other debtors	-	49
	137,991	131,895

The amounts owed by group undertakings are due on demand, unsecured and carry an interest rate of between 0% and 4.96% (2021: between 0% and 3.64%).

Titan Financing Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

10. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	131,632	126,560
	<u>131,632</u>	<u>126,560</u>

The amounts owed to group undertakings are due on demand, unsecured and carry an interest rate of between 0% and 4.96% (2021: between 0% and 3.64%).

11. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
1 (2021 - 1) Ordinary share of £1	-	-
	<u>-</u>	<u>-</u>

12. Reserves**Retained earnings**

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

13. Related party transactions

As the Company is a wholly owned member of the Group headed by 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.

14. Controlling party

The Company's immediate parent undertaking is Titan Financing Holdco 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 Titan Financing 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 8th Floor, South Block, 55 Baker Street, London W1U 8EW..

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

The ultimate controlling party is Affinity Nominees Limited through their ownership of Titan Investment Limited.