

Luton South Hotel Propco Limited

Directors' report and
financial statements

Year ended 31 December 2022

Registered number: 11645387

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Luton South Hotel Propco Limited

Directors' report and financial statements

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Luton South Hotel Propco Limited

Directors and other information

Directors	Alon Levy (appointed on 07 November 2022) Aroundtown Real Estate Management (UK) Limited (appointed on 07 November 2022) Sivan Jerushalmi (resigned 12 December 2022)
Registered office	2 nd Floor Kingsbourne House, 229-231 High Holborn, London, England, WC1V 7DA
Independent auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Registered number	11645387

Luton South Hotel Propco Limited

Directors' report

The Directors submit the Directors' report together with the audited financial statements of Luton South Hotel Propco Limited (the "Company") for the year ended 31 December 2022.

Principal activity

The principal activity of the Company continued to be that of management of Real Estate.

Future developments

The Directors expect the activities of the Company to continue for the foreseeable future.

Risk and uncertainties

The emergence of the current economic environment has created a number of uncertainties and risks that may affect the Company's performance going forward. The Company objectives, policies and processes for managing these risks are set out below:

Property valuations

The value of the Company's property portfolio is affected by the conditions prevailing in the property investment market and the general economic environment. The impact of the United Kingdom leaving the European Union is uncertain and the effects of this, together with the Covid-19 coronavirus outbreak and the rise of cost of living, are continuing to cause uncertainty which may have future economic impacts to property valuations. Accordingly, the Company's net asset value can rise and fall due to external factors beyond the Directors' control.

Results and dividends

The results of the Company for the period are set out in the profit and loss account on page 9 and in the related notes.

There were no dividends proposed during the year (2021: £nil).

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Alon Levy (appointed on 07 November 2022)

Aroundtown Real Estate Management (UK) Limited (appointed on 07 November 2022)

Sivan Jerushalmi (resigned on 12 December 2022)

The Directors who held office at 1 January 2022 and 31 December 2022 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

Going concern

The Directors, having made enquires, believe the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements. The Company's parent has agreed to provide it with financial support, if required, for a period of at least one year from the date of approval of the financial statements.

Luton South Hotel Propco Limited

Directors' report *(continued)*

Subsequent events

There have been no events subsequent to the year end date that require adjustment to or disclosure in the financial statements.

Political contributions

The Company made no political contributions during the year (2021: £nil).

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as he is aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and each Directors has taken all the steps that he ought to have taken as a Directors to make himself aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information.

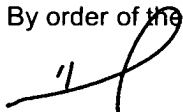
Small companies' exemption

The Company has availed of the exemption under Section 414B of the Companies Act 2006 ("Strategic Report and Directors' Report") Regulations 2013 from implementing the Strategic Report requirements as the Company qualifies as a small Company for Company law purposes.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office.

By order of the board



Alon Levy
Director

Date: 10 July 2023

2nd Floor Kingsbourne House,
229-231 High Holborn,
London,
England,
WC1V 7DA

Luton South Hotel Propco Limited

Directors' report *(continued)*

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors is responsible for preparing 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 FRS 101 *Reduced Disclosure Framework*.

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 year. In preparing these financial statements, the Directors is 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Alon Levy
Director

Date: 10 July 2023



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUTON SOUTH HOTEL PROPCO LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Luton South Hotel Propco Limited ('the Company') for the year ended 31 December 2022 set out on pages 9 to 19, which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 Reduced Disclosure Framework.

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 loss for the year then ended;

- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the financial statements 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to 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.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUTON SOUTH HOTEL PROPCO LIMITED (continued)

Conclusions relating to going concern (continued)

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

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

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The 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.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

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 (irregularities) 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 remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUTON SOUTH HOTEL PROPCO LIMITED (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report 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; or
- the directors were entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including 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.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUTON SOUTH HOTEL PROPCO LIMITED

(continued)

Auditor's 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities. ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

Eamon Dillon

Eamon Dillon
for and on behalf of
KPMG
Statutory Auditor
1 Stokes Place
St Stephen's Green
Dublin

11 July 2023

Luton South Hotel Propco Limited

Profit and loss account and other comprehensive income for the year ended 31 December 2022

	Note	2022	2021
		£'000	£'000
Turnover	4	675	300
Other income		594	-
Gross profit		1,269	300
Administrative expenses		(483)	(874)
Fair value (loss)/gain on investment property	10	(3)	424
Operating profit/(loss)	5	783	(150)
Interest payable and similar charges	8	(548)	(513)
Interest receivable and other similar income		22	-
Profit/(Loss) on ordinary activities before taxation		257	(663)
Taxation charge on loss on ordinary activities	9	(13)	(3)
Profit/ (Loss) for the financial period		244	(666)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		244	(666)

The notes on pages 12 - 19 form part of these financial statements.

Luton South Hotel Propco Limited

Balance sheet

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Investment property	10	-	7,600
		-	7,600
Current assets			
Debtors: amounts due within one year	11	151	545
Cash at bank and in hand		217	102
Deferred Tax		-	13
		368	660
Creditors: amounts falling due within one year	12	(456)	(1,466)
Net current liabilities		(89)	(806)
Total assets less net current liabilities		(89)	6,794
Creditors: amounts falling due after more than one year	13	(2,747)	(9,874)
Net liabilities		(2,836)	(3,080)
Capital and reserves			
Share Capital	15	-	-
Profit and loss account		(2,836)	(3,080)
Shareholder deficit		(2,836)	(3,080)

The notes on pages 12 - 19 form part of these financial statements.

The financial statements were approved by the board of Directors on 10 July 2023 and were signed on its behalf by:



Alon Levy
Director

Company registration number: 11645387

Luton South Hotel Propco Limited

Statement of changes in equity for the year ended 31 December 2022

	Share capital £'000	Profit and loss account £'000	Total Shareholders deficit £'000
Balance as at 1 January 2021	-	(2,414)	(2,414)
Year ended 31 December 2021			
Loss and total comprehensive loss for the year	-	(666)	(666)
Balance at 31 December 2021	-	(3,080)	(3,080)
Balance as at 1 January 2022		(3,080)	(3,080)
Year ended 31 December 2022			
Profit and total comprehensive income for the year	-	244	244
Balance at 31 December 2022	-	(2,836)	(2,836)

Luton South Hotel Propco Limited

Notes

forming part of the financial statements

1 Reporting entity

Luton South Hotel Propco Limited (the "Company") is a private Company limited by shares incorporated in England and Wales. The registered number is 11645387 and registered office is 2nd Floor, Kingsbourne House, 229-231 High Holborn, London, England, WC1V 7DA. The Company's principal activities and nature of its operations are disclosed in the Directors' report.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). There have been no material departures from the Standards.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company's ultimate parent undertaking, Aroundtown S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of Around town S.A. are prepared in accordance with international Financial Reporting Standards and are available to the public and may be obtained from 40, Rue du Curé, L-1368 Luxembourg

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information; and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements of Aroundtown S.A. include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- certain disclosures required by IAS 36 *Impairment of Assets*.

The accounting policies set out below have unless otherwise stated been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Luton South Hotel Propco Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis with the exception of investment property which is initially measured at cost and subsequently at fair value.

2.3 Functional currency

These financial statements are presented in Sterling, being the functional currency of the Company. All financial information presented in Sterling has been rounded to the nearest thousand, except where otherwise stated.

2.4 Going concern

The Directors, having made enquires, believe the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements. The Company's parent has agreed to provide it with financial support, if required, for a period of at least one year from the date of approval of the financial statements.

2.5 Use of estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

The key accounting judgement and estimate in these financial statements is:

- Carrying amount of investment property – note 10

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively

2.6 Revenue

Turnover comprises rental income, net of value added tax. Rentals receivable under operating leases are credited to the profit and loss account on an accruals basis over the term of the lease. Any initial advance receipt in relation to operating leases is treated as part of the rentals receivable and accordingly these receipts are credited to the profit and loss account on a straight-line basis over the period of the lease and are classified within deferred income.

Luton South Hotel Propco Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.7 Finance income and finance costs

Interest income or expenses are recognised using the effective interest method.

2.8 Taxation

Income tax expense comprises current and deferred tax. It is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.9 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

2.10 Trade and other receivables

Trade and other receivables are measured at their nominal amount less any allowance for doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

For trade receivables, the Company applies IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected allowance. Trade receivables are considered impaired when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the agreement.

Luton South Hotel Propco Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.11 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short-term nature of the business.

2.12 Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Luton South Hotel Propco Limited

Notes (continued)

2 Significant accounting policies (continued)

2.12 Financial instruments (continued)

(iv) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

2.13 Cash and cash equivalent

Cash and cash equivalents comprise cash balances and call deposits.

3 Accounting period

The financial statements are for 12 months year ended 31 December 2022.

4 Turnover

All turnover is derived from the Company's main activity and comprises of rental income, excluding value added tax.

5 Operating profit/(loss)

Auditor's remuneration was borne by another group Company in both years.

6 Staff costs

The Company had no employees during the year (2021: £nil).

7 Directors' remuneration

There was no remuneration paid to the Directors by the Company during the year (2021: £nil). There were no retirement benefits accruing to the Directors.

8 Interest payable and similar charges

	2022 £'000	2021 £'000
Interest payable on related Company loans	548	513
	<hr/>	<hr/>
	548	513
	<hr/>	<hr/>

Luton South Hotel Propco Limited

Notes (continued)

9 Tax on profit/(loss) on ordinary activities

	2022 £'000	2021 £'000
Corporation tax		
Current tax on loss for the period	-	-
Total current tax charge	-	-
Deferred tax		
Credit for the year	13	-
Adjustment in respect of previous periods	-	6
Effect of changes in tax rates	-	(3)
Tax charge on loss on ordinary activities	13	3

Factors affecting tax charge for the period

The tax assessed differs from the standard rate of corporation tax in the UK of 19.00%. The differences are explained below:

	2022 £'000	2021 £'000
Profit/(loss) on ordinary activities before taxation	257	(663)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00%	49	(126)
Effects of:		
Property revaluation	-	(81)
Adjustments in respect of prior years	-	6
Tax rate changes	-	(3)
Expenses not deductible	(123)	-
Effects of group relief/other reliefs	87	110
Amounts not recognised	-	97
Movement in deferred tax liability	-	-
Total tax charge for the period	13	3

Factors that may affect future tax charges

In the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Luton South Hotel Propco Limited

Notes (continued)

10 Investment property	2022 £'000	2021 £'000
Valuation		
Balance at 1 January 2022	7,600	7,150
Additions	3	26
Fair value adjustments	(3)	424
Disposal	(7,600)	0
Balance at 31 December 2022	-	7,600

The fair value of investment property is based on a valuation by an independent and competent valuator. The valuation is determined based on open-market valuations, taking into account the size, nature, state and use of the investment property. The fair value is determined as the most probable price reasonably obtainable in the market at the balance sheet date and is established on the basis of current prices in an active market. In evaluating the properties to assess the market values, the experts of Management adopted the discounted cash flow method (the "DCF"), which one of the known used methods in the International Valuation Standards (the "IVS"). The relevant assumptions for the DCF method are the following estimated rental values, non-recoverable operational costs, yields and multipliers.

The Investment property was sold for £ 8,350,000 and the deal closed on 5 December 2022.

11 Debtors: amounts due within one year	2022 £'000	2021 £'000
Trade debtors	151	105
Other debtors	-	15
Amounts owed by group undertakings	-	425
	151	545

Amounts owed by group undertakings are charged at a variable and fixed interest rates. The loans are unsecured and mature within 12 months after year end.

12 Creditors: amounts falling due within one year	2022 £'000	2021 £'000
Trade creditors	3	5
Other creditors	231	-
Social security and other taxes	222	187
Amounts owed to group undertakings	-	1,274
	456	1,466

Loans owed to the group Company are charged at a variable and fixed interest rates. The loans are unsecured and mature within 12 months after year end.

Luton South Hotel Propco Limited

Notes (continued)

13 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Amount owed to group undertakings	2,747	11,148
	<u>2,747</u>	<u>11,148</u>

Loans owed to the group Company are charged at a variable and fixed interest rates. The loans are unsecured and do not mature within 12 months after year end.

14 Financial instruments

	2022 £'000	2021 £'000
The Company had the following financial instruments:		
Financial assets		
Financial assets measured at amortised cost	368	1,418
Financial liabilities		
Financial liabilities measured at amortised cost	2,871	(11,151)

15 Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

The shares have attached to them full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

16 Group relationships and ultimate controlling parties

The Company's immediate parent company is Trarian Limited. The Company is a subsidiary undertaking of Aroundtown S.A. which is the ultimate parent Company registered in Luxembourg. The ultimate controlling party is Aroundtown S.A. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained on www.aroundtown.de.

17 Related party transactions

The Company has availed of the exemptions available in FRS 101 from disclosing transactions entered into between two or more members of a group and also key management personnel compensation disclosures.

There were no other related party transactions.

18 Subsequent events

There were no events subsequent to the balance sheet date that require adjustment disclosure in the financial statements.

19 Approval of the financial statements

The financial statements were approved by the Directors on 10 July 2023.