
Eurolantic Leisure Limited

Annual report and financial statements

For the Year Ended 31 March 2020

Eurolantic Leisure Limited

Company Information

Director	Kanagaratnam Rajamenon
Registered number	04329157
Registered office	Singledge Lane Whitfield Dover Kent CT16 3EL
Independent auditors	Mantax Lynton Chartered Accountants & Statutory auditors 2nd Floor Equitable House 7 General Gordon Square London United Kingdom SE18 6FH
Accountants	Accountancy Group SVS House Oliver Grove South Norwood London SE25 6EJ
Bankers	HSBC Bank PLC

Eurolantic Leisure Limited

Contents

	Page
Strategic report	1 - 2
Director's report	3 - 4
Independent auditors' report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 26

**Strategic report
For the Year Ended 31 March 2020**

Introduction

The principal activity of the company during the year was hotels and similar accommodation at Singledge Lane, Whitfield, Dover, Kent, CT16 3EL.

Business review

During the year, the company carried out major refurbishment of its freehold property which led to its partial closure. Also the hotel was closed from 25 March 2020 following Government guidelines. These factors resulted into reduction of turnover from £2.5 million in 2019 to £2.2 million in the current year. Due to major refurbishment costs, company made operating losses of £92k (2019: profit £367k). Directors are satisfied with the performance of the company as the results are as expected despite these difficult market conditions. Net assets of the company has decreased from £4.3 million in 2019 to £4 million in the current year.

Principal risks and uncertainties

The business has performed as well as expected. We are currently seeing a turn for the better in the leisure industry. Plans have been approved on a £60 million St James's development in the town centre, set to become home to 120,000 sq. ft of retail and leisure space, including a 108-bed Travelodge, six-screen Cineworld cinema, M&S, Next, Frankie & Benny's and Bella Italia.

Due to BREXIT the occupancy in the hotels may reduce as the advance booking from European guests has reduced as compared to earlier years. Availability of staff may also be tricky after the exit from the EU. However these factors are likely to be compensated by other changes for example east Kent is now officially an international border which will create the demand for occupancy in hotel rooms generating more revenue. Both leisure and business sectors are likely to grow in Kent in general.

The current pandemic caused by COVID-19 outbreak has severe impact in the company's business as the company was obliged to close its business in line with Government guidance. However, at the time of approving these accounts, the full impact of the COVID-19 outbreak on the company's business remain uncertain. The company has taken advantage of support schemes provided by the UK Government including CJRS which has been instrumental for the business to cope with the crisis. Despite these extremely difficult trading conditions, the director is confident that with the help of Government support schemes and continued support from its lenders and shareholder, the company will bounce back to normal trading once the pandemic and Government restrictions are over.

The proposed 108 bed Travelodge in Dover will on the face of it pose a threat. However the group's hotels has its own distinct quality in terms of customer service. The director is considering to rebranding the Ramada Dover to Holiday Inn hotel which is part of IHG group. Being a stronger brand name Holiday Inn is expected to increase the occupancy in hotel.

Borrowing covenants are monitored every month and the group has never breached any covenants. The directors are reviewing the interest rates available with the view to reduce interest expenses.

The company considers health and safety to be a priority and very important issue. We have a positive and professional attitude towards health and hygiene, accordingly our restaurant is awarded 5 star rating from the council.

Given the straight forward nature of business, the directors are of the opinion that analysis using key performance indicator is not necessary for an understanding of the development, performance or position of the business.

Strategic report (continued)
For the Year Ended 31 March 2020

Financial key performance indicators

The directors regard turnover and earnings before interest, taxation, depreciation and amortisation (EBITDA) as the key performance indicators of the business

Other key performance indicators

Other key performance indicators of the group are occupancy ratio and quality of care provided to residents.

This report was approved by the board on 29 March 2021 and signed on its behalf.

K Rajamenon

Director

**Director's report
For the Year Ended 31 March 2020**

The director presents his report and the financial statements for the year ended 31 March 2020.

Director's responsibilities statement

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

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

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

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

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

Results and dividends

The loss for the year, after taxation, amounted to £308,561 (2019 - profit £156,472).

The directors do not recommend any dividends for this year.

Director

The director who served during the year was:

Kanagaratnam Rajamenon

Disclosure of information to auditors

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

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

Eurolantic Leisure Limited

Director's report (continued)
For the Year Ended 31 March 2020

Auditors

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

This report was approved by the board on 29 March 2021 and signed on its behalf.

Kanagaratnam Rajamenon
Director

Independent auditors' report to the members of Eurolantic Leisure Limited

Opinion

We have audited the financial statements of Eurolantic Leisure Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report 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

Independent auditors' report to the members of Eurolantic Leisure Limited (continued)

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's report.

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:

- 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's responsibilities statement on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Eurolantic Leisure Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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

Mr. Janak Raj Pokhrel (Senior statutory auditor)

for and on behalf of

Mantax Lynton

Chartered Accountants & Statutory auditors

2nd Floor Equitable House

7 General Gordon Square

London

United Kingdom

SE18 6FH

29 March 2021

Eurolantic Leisure Limited

Statement of comprehensive income
For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	2,235,847	2,528,189
Cost of sales		(1,040,837)	(1,226,973)
Gross profit		1,195,010	1,301,216
Administrative expenses		(945,730)	(934,171)
Exceptional item	11	(341,437)	-
Operating (loss)/profit		(92,157)	367,045
Interest payable and expenses	9	(146,160)	(164,252)
(Loss)/profit before tax		(238,317)	202,793
Tax on (loss)/profit	10	(70,244)	(46,321)
(Loss)/profit for the financial year		(308,561)	156,472

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 11 to 26 form part of these financial statements.

Eurolantic Leisure Limited
Registered number: 04329157

Statement of financial position
As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	8,075,425	7,806,313
		<u>8,075,425</u>	<u>7,806,313</u>
Current assets			
Stocks	13	34,235	36,130
Debtors: amounts falling due within one year	14	938,950	1,348,420
Cash at bank and in hand		642	-
		<u>973,827</u>	<u>1,384,550</u>
Creditors: amounts falling due within one year	16	(1,464,393)	(1,209,100)
Net current (liabilities)/assets		<u>(490,566)</u>	<u>175,450</u>
Total assets less current liabilities		<u>7,584,859</u>	<u>7,981,763</u>
Creditors: amounts falling due after more than one year	17	(3,472,313)	(3,630,900)
Provisions for liabilities			
Deferred tax	19	(85,575)	(15,331)
		<u>(85,575)</u>	<u>(15,331)</u>
Net assets		<u><u>4,026,971</u></u>	<u><u>4,335,532</u></u>
Capital and reserves			
Called up share capital	20	2	2
Revaluation reserve	21	3,947,687	3,971,967
Profit and loss account	21	79,282	363,563
		<u><u>4,026,971</u></u>	<u><u>4,335,532</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2021.

Kanagaratnam Rajamenon

Director

The notes on pages 11 to 26 form part of these financial statements.

Eurolantic Leisure Limited

Statement of changes in equity
For the Year Ended 31 March 2020

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2018	2	3,996,247	182,811	4,179,060
Comprehensive income for the year				
Profit for the year	-	-	156,472	156,472
Transfer from revaluation reserve	-	-	24,280	24,280
Other comprehensive income for the year	-	-	24,280	24,280
Total comprehensive income for the year	-	-	180,752	180,752
Transfer to profit and loss account	-	(24,280)	-	(24,280)
Total transactions with owners	-	(24,280)	-	(24,280)
At 1 April 2019	2	3,971,967	363,563	4,335,532
Comprehensive income for the year				
Loss for the year	-	-	(308,561)	(308,561)
Transfer from revaluation reserve	-	-	24,280	24,280
Other comprehensive income for the year	-	-	24,280	24,280
Total comprehensive income for the year	-	-	(284,281)	(284,281)
Transfer to profit and loss account	-	(24,280)	-	(24,280)
Total transactions with owners	-	(24,280)	-	(24,280)
At 31 March 2020	2	3,947,687	79,282	4,026,971

The notes on pages 11 to 26 form part of these financial statements.

**Notes to the financial statements
For the Year Ended 31 March 2020**

1. General information

EuroLantic Leisure Limited is a company limited by shares incorporated in England and Wales. The company's registration number and address of the registered office is given in the company information page of these financial statements.

The principal activities of the company in the year under review was that of a hotelier.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared in GBP which is the functional currency of the company. Monetary amounts are rounded to the nearest Pound Sterling.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Leaf Hotels Ltd as at 31 March 2020 and these financial statements may be obtained from Singledge Lane, Whitfield, Dover, Kent, CT16 3EL.

2.3 Going concern

At the balance sheet date the company had current liabilities in excess of current assets. However the financial statements have been prepared on a going concern basis as at the time of approving these financial statements, the director has a reasonable expectation that the company has adequate resources to continue its trade for the foreseeable future.

**Notes to the financial statements
For the Year Ended 31 March 2020**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Notes to the financial statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the financial statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	1%	of cost
Plant and machinery	-	15%	on straight line
Fixtures and fittings	-	15%	on straight line
Computer equipment	-	25%	on straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

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

Notes to the financial statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.14 Cash and cash equivalents

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

2.15 Creditors

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

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.17 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

Notes to the financial statements
For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

In preparing the financial statements, management are required to make estimates and judgments which may materially affect reported income, expenses, assets, liabilities or disclosure of contingent assets and liabilities, and the valuation of investment properties, which were based on open market transactions. The estimates and assumptions are reviewed on an on-going basis and are based on historical experience and other factors that are considered to be relevant. Actual results may defer from these estimates.

Revision to accounting estimates are recognised in the period in which the estimate is revised.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Provision of hotel services	2,235,847	2,528,189
	<u>2,235,847</u>	<u>2,528,189</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	2,235,847	2,528,189
	<u>2,235,847</u>	<u>2,528,189</u>

5. Operating (loss)/profit

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

	2020 £	2019 £
Depreciation	<u>127,150</u>	<u>127,150</u>

Eurolantic Leisure Limited

**Notes to the financial statements
For the Year Ended 31 March 2020**

6. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>3,500</u>	<u>3,500</u>

7. Employees

Staff costs, including director's remuneration, were as follows:

	2020	2019
	£	£
Wages and salaries	607,573	696,949
Social security costs	47,240	45,658
Cost of defined contribution scheme	12,423	8,009
	<u>667,236</u>	<u>750,616</u>

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

	2020	2019
	No.	No.
average number of employees	<u>60</u>	<u>60</u>

8. Director's remuneration

	2020
	£
Director's emoluments	12,857
	<u>12,857</u>

Eurolantic Leisure Limited

Notes to the financial statements
For the Year Ended 31 March 2020

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	146,160	164,252
	<u>146,160</u>	<u>164,252</u>

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	46,321
	<u>-</u>	<u>46,321</u>
Total current tax	<u>-</u>	<u>46,321</u>
Deferred tax		
Origination and reversal of timing differences	70,244	-
	<u>70,244</u>	<u>-</u>
Total deferred tax	<u>70,244</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>70,244</u>	<u>46,321</u>

Notes to the financial statements
For the Year Ended 31 March 2020

10. Taxation (continued)

Factors affecting tax charge for the year

There is no corporation tax payable for the year as the company made losses. Corporation tax assessed for the year is £Nil (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(238,317)</u>	<u>202,793</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	-	38,531
Effects of:		
Capital allowances for year in excess of depreciation	-	7,790
Short term timing difference leading to an increase (decrease) in taxation	<u>70,244</u>	<u>-</u>
Total tax charge for the year	<u><u>70,244</u></u>	<u><u>46,321</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Trading losses of approximately £535k are carried forward and available to offset against future profits.

11. Exceptional items

	2020 £	2019 £
Hotel refurbishment	<u>341,437</u>	<u>-</u>
	<u><u>341,437</u></u>	<u><u>-</u></u>

Notes to the financial statements
For the Year Ended 31 March 2020

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2019	7,919,273	395,858	801,877	89,859	9,206,867
Additions	-	119,922	276,340	-	396,262
At 31 March 2020	7,919,273	515,780	1,078,217	89,859	9,603,129
Depreciation					
At 1 April 2019	366,536	307,999	636,441	89,578	1,400,554
Charge for the year on owned assets	56,644	20,979	49,388	139	127,150
At 31 March 2020	423,180	328,978	685,829	89,717	1,527,704
Net book value					
At 31 March 2020	7,496,093	186,802	392,388	142	8,075,425

Cost or valuation at 31 March 2020 is as follows:

	Land and buildings £
At cost	3,825,902
At valuation:	
Open market value basis	4,093,371
	7,919,273

Notes to the financial statements
For the Year Ended 31 March 2020

12. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2020 £
Cost	3,825,902
Accumulated depreciation	(344,610)
Net book value	<u>3,481,292</u>

The freehold property was revalued at open market value by Knight Franks LLP on 22 Aug 2008. The company has taken advantage of the transitional provisions available on the introduction of FRS102 to carry those assets at the value less depreciation in subsequent years. Subsequent additions to freehold property were included at cost.

The Freehold property includes land with a value of £4,093,367 on which no depreciation charge is made.

There were no capital commitments at the balance sheet date.

13. Stocks

	2020 £	2019 £
Finished goods and goods for resale	34,235	36,130
	<u>34,235</u>	<u>36,130</u>

14. Debtors

	2020 £	2019 £
Trade debtors	80,926	69,896
Other debtors	840,138	1,259,855
Prepayments and accrued income	17,886	18,669
	<u>938,950</u>	<u>1,348,420</u>

**Notes to the financial statements
For the Year Ended 31 March 2020**

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	642	-
Less: bank overdrafts	(94,672)	(88,348)
	<u>(94,030)</u>	<u>(88,348)</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	94,672	88,348
Bank loans	191,830	187,934
Trade creditors	261,126	186,041
Other short term loans	454,778	308,030
Amounts owed to group undertakings	186,065	127,744
Corporation tax	46,316	108,923
Other taxation and social security	38,673	67,981
Other creditors	172,921	104,235
Accruals and deferred income	18,012	29,864
	<u>1,464,393</u>	<u>1,209,100</u>

The following liabilities were secured:

	2020 £	2019 £
Bank overdraft	94,672	88,348
Bank loans	191,830	187,934
	<u>286,502</u>	<u>276,282</u>

Details of security provided:

Composite company unlimited multilateral guarantee dated 23 Oct 2007 given by the company. Second legal charge over freehold property known as The Dover Posthouse, Whitfield, Dover. Composite company unlimited multilateral guarantee dated 18 Sep 2014 given by Whitfield Service Station Ltd.

Bank loans are secured by first legal charge over freehold land and building and debenture over all other assets of the company in favour of lenders. Interest is charged currently at @2.49% p.a.

Eurolantic Leisure Limited

Notes to the financial statements
For the Year Ended 31 March 2020

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	3,472,313	3,630,900
	<u>3,472,313</u>	<u>3,630,900</u>

The following liabilities were secured:

	2020 £	2019 £
Bank loans	3,472,313	3,630,900
	<u>3,472,313</u>	<u>3,630,900</u>

Details of security provided:

Bank loans are secured by first legal charge over freehold land and building and debenture over all other assets of the company in favour of lenders. Bank loan carried interest at variable rate, currently at @2.49% p.a.

Notes to the financial statements
For the Year Ended 31 March 2020

18. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	191,830	187,934
	<u>191,830</u>	<u>187,934</u>
Amounts falling due 1-2 years		
Bank loans	196,661	192,667
	<u>196,661</u>	<u>192,667</u>
Amounts falling due 2-5 years		
Bank loans	620,205	607,609
	<u>620,205</u>	<u>607,609</u>
Amounts falling due after more than 5 years		
Bank loans	2,655,447	2,830,624
	<u>2,655,447</u>	<u>2,830,624</u>
	<u><u>3,664,143</u></u>	<u><u>3,818,834</u></u>

19. Deferred taxation

	2020 £
At beginning of year	(15,331)
Charged to profit or loss	(70,244)
At end of year	<u><u>(85,575)</u></u>

Notes to the financial statements
For the Year Ended 31 March 2020

19. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(85,575)	(15,331)
	<u>(85,575)</u>	<u>(15,331)</u>

20. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
2 (2019 - 2) ordinary shares of £1.0 each	<u>2</u>	<u>2</u>

21. Reserves

Revaluation reserve

Revaluation reserve represents surplus on revaluation of the freehold property. This is non-distributable reserve.

Profit and loss account

Profit and loss account represents accumulated retained earnings and is a distributable reserve.

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £12,423 (2019: £8,795). Contributions totaling £2,436 (2019: £1,616) were payable to the fund at balance sheet date.

**Notes to the financial statements
For the Year Ended 31 March 2020**

23. Related party transactions

The company has taken exemption under FRS 102, not to disclose any transactions entered into between group companies that are eliminated on consolidation. The ultimate parent company, Leaf Hotels Limited, prepares group accounts. Copy of group accounts are available from Singledge Lane, Whitfield, Dover, CT16 3EL.

During the year the company had loan transactions with companies under common control by the same director as below:

	B/F £	Debit £	Credit £	C/F £
Dues from companies under common control	1,244,636	1,411,270	(1,882,878)	773,028
Dues to companies under common control	-	-	(2,000)	(2,000)
Director's Current account	<u>(64,556)</u>	<u>140,146</u>	<u>(120,200)</u>	<u>(44,610)</u>

24. Post balance sheet events

The impact of current pandemic triggered by COVID-19 is not reflected in the reporting period, although it may have severely impacted the company's business.

The company was obliged to close its business in line with Government guidance. This could potentially have a significant financial impact on the business depending on factors like continued spread of the outbreak, level of restriction from the Government and wider impact in the economy. The company has taken advantage of support schemes provided by the UK Government including CJRS which has been instrumental for the business to cope with the crisis. However, at the time of approving these accounts, the director is unable to determine a reliable estimate of the financial impact of COVID-19 on its profitability, liquidity and financial position.

Due to BREXIT there may be significant impact in hotel occupancy specially in Kent. Availability of staff may also be tricky after the exit from the EU. However these factors are likely to be compensated by other changes for example east Kent is now officially an international border which will create the demand for occupancy in hotel rooms generating more revenue. Both leisure and business sectors are likely to grow in Kent in general but at the time of approving these accounts, the director is unable to determine a reliable estimate of the financial impact of BREXIT on its profitability, liquidity and financial position.

25. Controlling party

The ultimate controlling party is Mr K Rajamenon, who owns entire share capital in ultimate parent company Leaf Hotels Limited.

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.