Glasgow Manor Operations Limited

Director's report and financial statements

Period ended 30 June 2022

Registered number: 09819532

Glasgow Manor Operations Limited

Director's report and financial statements

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Director and other information

Director	Christos Dimitriadis
Registered office	60 Welbeck Street London W1G 9XB United Kingdom
Independent auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Registered number	09819532

Glasgow Manor Operations Limited

Strategic report

Principal activity

The main activity of Glasgow Manor Operations Limited ("the Company") was the operation of the Doubletree by Hilton Glasgow Central Hotel.

On 1 October 2021, the trade and assets of the Company were sold to a newly incorporated subsidiary DT Glasgow Opco Limited and the Company ceased to trade. The shares of DT Glasgow Opco Limited were sold on 1 November 2021. The Director intends to wind the Company up within the next 12 months.

Review of business

The Company achieved a turnover of £5.1million in the 18 month period ended 30 June 2022 *(year ended 31 December 2020: £4.6 million).*

The Company produced an operating profit of £8.6million in the 18 month period ended 30 June 2022 *(year ended 31 December 2020: £0.4 million operating loss).*

The key performance indicators for the Company are highlighted in the below table:

	Period ended 30 June 2022	Year ended 31 December 2020
Gross profit %	54	21
Operating profit / (loss) %	160	(8)

The Company continued to experience the impact of COVID-19 on the hospitality sector for the first six months of 2021. The hospitality industry was significantly impacted by mandated travel restrictions and low occupancy expectations during this time and certain strategic decisions were made in response to the effects of COVID-19.

- Closing hotels for extended periods of time, with the exception of key worker occupancy. Hotels we opened to the general public of a phased basis from May 2021 and fully re-opened in July 2021;
- Restructuring hotel operations (following a period of collective consultation) and taking other actions to reduce hotel operating costs;
- During 2020, in agreement with the outgoing landlord all outstanding rent liabilities were deferred until 2021 and a pause was implemented on all rental charges from 1 April 2020 until 31 March 2021. All outstanding rental liabilities were subsequently forgiven on 30 September 2021; and
- On 1 October 2021, the trade and assets of the Company were sold to DT Glasgow Opco Limited and the Company ceased to trade from this date. The Director intends to wind the Company up within the next 12 months.

Trading in 2021 increased following the reductions of mandated COVID-19 restrictions.

Principal risks and uncertainties

As noted above, the Director intends to wind the Company up and consequently the Company is no longer exposed to any principal risks or uncertainties.

Key performance indicators

Key financial performance indicators included:

- Monitoring of industry standard measures such as occupancy and average room rates against prior year and budget against competitors;
- Monitoring of department revenues and profitability; and
- Working capital management.

Key non-financial performance indicators included:

- Monitoring of quality: the Company monitors a number of quality indicators using data from a number of sources including guest questionnaires, mystery guest programs and feedback on third-party travel review websites; and
- Success of advertising and marketing campaigns, measured by indicators such as the number of guests making direct bookings through the Company website.

By order of the board and signed on 29 March 2023 on its behalf by

Christos Dimitriadis
Director

Glasgow Manor Operations Limited

Director's report

The director submits his director's report and the audited financial statements of Glasgow Manor Operations Limited ("the Company") for the 18 month period ended 30 June 2022 ("the period").

Comparative results are presented for the period of 12 months. Therefore, comparative amounts in the financial statements, including the notes, may not be comparable in relation to the profit and loss account items.

Principal activity

The principal activity of the Company during the period was the operation of the DoubleTree by Hilton Glasgow Central Hotel.

Basis of preparation – non-going concern

On 1 October 2021, the Company disposed of its trade and assets to DT Glasgow Opco Limited and the Company ceased to trade as this date. The director intends to wind the Company up within the next 12 months and accordingly the financial statements have been prepared on a non-going concern basis.

Results and dividends

The results of the Company for the period are set out in the profit and loss account and other comprehensive income on page 11 and in the related notes.

There were no dividends proposed during the 18 month period ended 30 June 2022 *(year ended 31 December 2020: £Nil)*.

Director and his interest

The director of the Company who was in office during the period and up to the date of signing the financial statements was:

Christos Dimitriadis

The director who held office at 30 June 2022 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate controlling party.

Subsequent events

The year end was extended from 31 December 2021 to 30 June 2022.

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

Political contributions

The Company made no political contributions or incurred any political expenditure during the period (*year ended 31 December 2020: £nil*).

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk and interest rate risk.

Glasgow Manor Operations Limited

Director's report *(continued)*

Liquidity risk

The Company's funding structure is designed to ensure that the Company has sufficient available funds for operations and planned expansion.

Disclosure of information to the auditor

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

Independent auditor

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

On behalf of the board on 29 March 2023

Christos Dimitriadis
Director

Glasgow Manor Operations Limited

Statement of director's responsibilities in respect of the strategic and director's reports and the financial statements

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 period. Under that law he has elected to prepare the financial statements in accordance with FRS 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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;
- use the going concern basis of accounting unless he either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so and as explained in note 2.5, the director does not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is responsible for such internal controls as he determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board on 29 March 2023

Christos Dimitriadis
Director

KPMG

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

Independent auditor's report to the members of Glasgow Manor Operations Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Glasgow Manor Operations Limited ("the Company") for the 18 month period ended 30 June 2022 set out on pages 11 to 26, which comprise the profit and loss account 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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.

Emphasis of matter – non-going concern basis of accounting

We draw attention to the disclosure made in note 2.5 to the financial statements which explains that the financial statements are not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

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 director. In addition, our risk assessment procedures included: inquiring with the director as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the director has 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.

KPMG

Independent auditor's report to the members of Glasgow Manor Operations Limited *(continued)*

Report on the audit of the financial statements *(continued)*

Detecting irregularities including fraud *(continued)*

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 director 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. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

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.

Other information

The director is responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the director's 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.

KPMG

Independent auditor's report to the members of Glasgow Manor Operations Limited *(continued)*

Report on the audit of the financial statements *(continued)*

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 director's report or the strategic report;
- in our opinion, the information given in the director's report and the strategic report is consistent with the financial statements;
- in our opinion, the director's report and the strategic 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 director's 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.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the director's responsibilities statement set out on page 7, the director is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as he determines 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 he either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.

KPMG

Independent auditor's report to the members of Glasgow Manor Operations Limited *(continued)*

Respective responsibilities and restrictions on use *(continued)*

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 ***(Senior Statutory Auditor)***
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St. Stephens Green
Dublin 2
Ireland

30 March 2023

Glasgow Manor Operations Limited

Profit and loss account and other comprehensive income

for the 18 month period ended 30 June 2022

Discontinued operations

	Note	**18 month period ended 30 June 2022 £'000**	Year ended 31 December 2020 £'000
Turnover	*3*	**5,104**	4,560
Cost of sales		**(2,333)**	(3,598)
Gross profit		**2,771**	962
Administrative expenses		**(1,621)**	(793)
Other operating costs		**-**	(1,375)
Other operating income	*4*	**2,558**	842
Profit on disposal of business	*8*	**4,882**	-
Profit / (loss) on ordinary activities before taxation	*5,6*	**8,590**	(364)
Tax on profit / (loss) on ordinary activities	*9*	**(449)**	7
Profit / (loss) for the financial period / year		**8,141**	(357)
Other comprehensive income		-	-
Total comprehensive income / (expense) for the period / year		**8,141**	(357)

The notes on pages 14 to 26 form an integral part of these financial statements.

Glasgow Manor Operations Limited

Balance sheet
as at 30 June 2022

	Note	**30 June 2022 £'000**	31 December 2020 £'000
Fixed assets			
Tangible assets	*10*	-	732
		-	732
Current assets			
Stock	*12*	-	46
Debtors: amounts due within one year	*13*	-	1,261
Debtors: amounts due in more than one year	*13*	-	448
Cash in hand and at bank		-	311
		-	2,066
Creditors: amounts due within one year	*14*	-	(10,939)
Net current assets / (liabilities)		-	(8,873)
Total assets less current liabilities		-	(8,141)
Net assets / (liabilities)		-	(8,141)
Capital and reserves			
Called up share capital	*16*	-	-
Profit and loss account		**6,208**	(1,933)
Other reserve	*17*	**(6,208)**	(6,208)
Total shareholders' funds / (deficit)		-	(8,141)

The notes on pages 14 to 26 form part of these financial statements.

These financial statements were approved by the board of directors on 29 March 2023 and were signed on its behalf by:

Christos Dimitriadis
Director

Company registration number: 09819532

Glasgow Manor Operations Limited

Statement of changes in equity
for the period ended 30 June 2022

	Called up share capital £'000	Profit and loss account £'000	Other reserves £'000	Total shareholders' funds/(deficit) £'000
At 1 January 2020	-	(1,576)	(6,208)	(7,784)
Comprehensive expense for the year				
Loss for the financial year	-	(357)	-	(357)
Total comprehensive expense for the year	-	(357)	-	(357)
At 31 December 2020	-	(1,933)	(6,208)	(8,141)
Comprehensive income for the period				
Profit for the financial period	-	8,141	-	8,141
Total comprehensive income for the period	-	8,141	-	8,141
At 30 June 2022	**-**	**6,208**	**(6,208)**	**-**

The notes on pages 14 to 26 form part of these financial statements.

Glasgow Manor Operations Limited

Notes
forming part of the financial statements

1 Reporting entity

Glasgow Manor Operations Limited (the "Company") is a private company limited by shares and is incorporated, domiciled and registered in England. The Company's registration number is 09819532 and its registered address is 60 Welbeck Street, London, W1G 9XB.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 102 ("FRS 102") *The Financial Reporting Standard applicable in the UK and Republic of Ireland.* There have been no material departures from the standard. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Comparative results are presented for the period of 12 months. Therefore, comparative amounts in the financial statements, including the notes, may not be comparable in relation to the profit and loss account items.

The Company's ultimate parent undertaking, LRC Real Estate Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of LRC Real Estate Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and can be obtained from Companies House, Cyprus.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has adopted certain disclosure exemptions available under FRS 102. These include:

- a cash flow statement and related notes; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of LRC Real Estate Limited include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosures:

- the disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments Issues* in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

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 director 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.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis.

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 Significant accounting policies *(continued)*

2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's 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.

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

2.5 Non-going concern

On 1 October 2021, the Company disposed of its trade and assets to DT Glasgow Opco Limited and the Company ceased to trade as this date. The director intends to wind the Company up within the next 12 months and accordingly the financial statements have been prepared on a non-going concern basis.

2.6 Revenue

Revenue represents sales (excluding VAT and similar taxes) of goods and services, net of trade discounts provided in the normal course of business.

Revenue is derived from hotel operations and includes the rental of rooms, food and beverage sales, and other revenue. Revenue is recognised when rooms are occupied, and food and beverages are sold.

2.7 Leases

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's balance sheet. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.8 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

2 Significant accounting policies *(continued)*

2.9 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 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.

2.10 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

2 Significant accounting policies *(continued)*

2.11 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and impairment. Impairment losses are recognised in profit and loss.

Depreciation

Tangible fixed assets are depreciated to a residual value over their estimated useful lives.

The estimated useful lives are as follows:

Computer equipment, fixtures and fittings	-	5 years

Depreciation is charged to the income statement on a straight line basis over the estimated useful life. Residual value is reassessed annually.

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.

2 Significant accounting policies *(continued)*

2.12 Financial instruments *(continued)*

(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.

Cash and cash equivalents
Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(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.

(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 Pension

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2.14 Stock

Stock is measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle.

2.15 Trade and other debtors

Trade and other debtors are initially measured at fair value. Subsequent to initial recognition they are measured at amortised cost. An allowance is made when collection of the full amount is no longer considered probable.

2.16 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 these.

2 Significant accounting policies *(continued)*

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.18 Provisions and contingent liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

3 Turnover

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom. Turnover analysis is not presented due to its commercial sensitivity.

4 Other operating income

	18 month period ended 30 June 2022 £'000	Year ended 31 December 2020 £'000
Furlough income	**126**	842
Rent write off	**2,432**	-
	2,558	842

The rent was waived by the Landlord on 30 September 2021 as part of the wider disposal process.

5 Profit / (loss) on ordinary activities before taxation

	18 month period ended 30 June 2022 £000	Year ended 31 December 2020 £000
Profit / (loss) on ordinary activities before taxation is stated after charging / (crediting):		
Depreciation of tangible assets	**110**	99
Government grants	**(126)**	(842)
Operating lease rentals	**-**	1,275

Auditors' remuneration was borne by another group company in the current period and preceding year.

6 Staff numbers and costs

	18 month period ended 30 June 2022 £'000	Year ended 31 December 2020 £'000
Staff costs were as follows:		
Wages and salaries	**672**	1,846
Social security costs	**66**	131
Pension costs	**27**	49
Restructuring costs	**-**	204
	765	2,230

The average monthly number of employees, including the director, employed by the Company during the period was 51 *(year ended 31 December 2020:* 46*)*. The Company received £126k (*year ended 31 December 2020: £842k*) in government support in respect of employee costs.

7 Director's remuneration

There was no remuneration paid to the director by the Company during the period *(year ended 31 December 2020: £Nil)*. There were no retirement benefits accruing to the director *(year ended 31 December 2020: £Nil)*.

Notes *(continued)*

8 Profit on disposal of business

On 1 October 2021, the trade and assets of the Company were sold to DT Glasgow Opco Limited, a newly established wholly owned subsidiary. As part of a wider group sales process, on 1 November 2021, DT Glasgow Op Co Limited was sold to a third party for consideration of £1.

	£'000
Assets sold:	
Creditors: amounts due within one year	**(5,975)**
Debtors: amounts due within one year	**295**
Tangible assets	**686**
Stocks	**58**
Cash in hand and at bank	**54**
Net liabilities	**(4,882)**
Consideration	**-**
Profit on sale	**4,882**

9 Tax on profit / (loss) on ordinary activities

	18 month period ended 30 June 2022 £'000	Year ended 31 December 2020 £'000
Corporation tax		
Current tax on profit / (loss) for the period / year	**-**	-
Prior year credit	**-**	-
Total current tax	**-**	-
Deferred tax		
Origination and reversal of timing differences	**591**	45
Effects of changes in tax rates	**(142)**	(52)
Total deferred tax	**449**	(7)
Tax charge / (credit) on profit / (loss) on ordinary activities	**449**	(7)

Notes *(continued)*

9 Tax on profit / (loss) on ordinary activities *(continued)*

The tax assessed differs from the standard rate of corporation tax in the UK of 19% *(year ended 31 December 2020: 19%)*. The differences are explained below:

Reconciliation of effective tax rate	**18 month period ended 30 June 2022 £'000**	Year ended 31 December 2020 £'000
Profit / (loss) on ordinary activities before taxation	**8,590**	(364)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(year ended 31 December 2020: 19%)*	**1,632**	(69)
Effects of:		
Fixed asset differences	**72**	10
Expenses not deductible for tax purposes	**47**	12
Income not taxable for tax purposes	**(1,167)**	(56)
Deferred tax not recognised	**(235)**	157
Change in rate	**100**	(61)
Other tax adjustments/reliefs and transfers		
Total tax charge / (credit) for the period / year	**449**	(7)

Factors that may affect future tax charges

A change in the future UK Corporation tax rate to 25% with effect from 1 April 2023 was announced in the March 2021 budget and substantively enacted on 24 May 2021. This change will have a consequential effect on the Company's future tax charge in the UK, as the 25% tax rate was substantively enacted prior to the reporting date.

Glasgow Manor Operations Limited

Notes *(continued)*

10 Tangible assets

	Fixtures, fittings and equipment £'000
Cost	
At 1 January 2021	860
Additions in the period	64
Disposals in the period	(924)
At 30 June 2022	-
Accumulated depreciation	
At 1 January 2021	128
Charge for the period	110
Disposals in the period	(238)
At 30 June 2022	-
Net book value	
At 30 June 2022	-
At 31 December 2020	732

11 Investments

On 17 August 2021, DT Glasgow Opco Limited was incorporated as a subsidiary of the Company with a share capital of £1. On 1 October 2021, the trade and assets of the Company were sold to DT Glasgow Opco Limited (see note 8). On 1 November 2021, the company was sold to K2 Hospitality (UK) Limited at no profit or loss.

12 Stocks

	30 June 2022 £000	31 December 2020 £000
Food and beverage stocks	-	46
	-	46

Glasgow Manor Operations Limited

Notes *(continued)*

13 Debtors	**30 June 2022 £'000**	31 December 2020 £'000
Trade debtors	-	98
Prepayments and other debtors	-	59
Amounts owed by fellow group undertakings	-	1,104
Total within one year	-	1,261
Deferred tax (due later than one year) (note 15)	-	448
	-	1,709

14 Creditors: amounts falling due within one year	**30 June 2022 £'000**	31 December 2020 £'000
Trade creditors	-	3,281
Accruals and other creditors	-	456
Deferred income	-	588
VAT	-	143
Amounts due to fellow group undertakings	-	6,471
	-	10,939

15 Deferred taxation	**£'000**
At 1 January 2021	(448)
Deferred tax charge to income statement for the period	448
At 30 June 2022	-

The provision for deferred taxation is made up as follows:

	2022 £'000	2020 £'000
Capital allowances	-	(448)
	-	(448)

16 Called up share capital

	30 June 2022 **£**	31 December 2020 £
Allotted, called up and fully paid		
1 ordinary share of £1	**1**	1

17 Other reserve

The other reserve was created on the acquisition of the trade and certain assets and liabilities of the Doubletree by Hilton Glasgow Hotel on 30 June 2017.

18 Commitments

(a) Capital commitments

At 30 June 2022, the Company had no capital commitments *(31 December 2020: £Nil)*.

(b) Operating lease commitments

	30 June 2022 **£'000**	31 December 2020 £'000
Not later than 1 year	**-**	5,100
Later than 1 year and not later than 5 years	**-**	20,400
Later than 5 years	**-**	15,300
Total	**-**	40,800

The total operating lease charge in the period was nil (*year ended 31 December 2020: £1,275k*).

The leases in place include discretionary termination clauses that are exercisable by the Company or the landlord. On 1 October 2021, the trade and assets of the Company were sold to DT Glasgow Opco Limited together with associated lease contracts and the Company ceased to trade.

19 Group relationships and ultimate controlling parties

The immediate parent Company is Ziferk Limited, a Company registered in Cyprus. The ultimate controlling party is LRC Real Estate Limited. The largest group in which the results of the Company are consolidated is that headed by LRC Real Estate Limited. The financial statements of LRC Real Estate Limited can be obtained from Companies House, Cyprus.

20 Related party transactions

The Company has availed of the exemptions available in FRS 102 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.

21 Subsequent events

The year end was extended from 31 December 2021 to 30 June 2022.

There have been no other events subsequent to the balance sheet date that require adjustment or disclosure in the financial statements.

22 Approval of the financial statements

The financial statements were approved by the director on 29 March 2023.