

**HUNTINGTOWER HOTEL (PERTH) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

**Company No: SC059734**



**HUNTINGTOWER HOTEL (PERTH) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

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**HUNTINGTOWER HOTEL (PERTH) LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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<b>Directors</b>	D Roger M Nimer Y D Biton
<b>Registered number</b>	SC059734
<b>Registered office</b>	Leonardo Hotel Edinburgh City Centre 1 Morrison Street Link Edinburgh Scotland EH3 8DN
<b>Independent statutory auditor</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

## **HUNTINGTOWER HOTEL (PERTH) LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their annual report together with the audited financial statements for the year ended 31 December 2018.

#### **Results and Dividends**

The profit for the period, after taxation, amounted to £153k (2017: £63k). The directors authorised dividends of £650k during the period (2017: £250k).

On 31 July 2017 the company and certain related companies were purchased by the Fattal group of hotels, an Israeli hotel group. Upon the purchase, an internal restructure occurred effective 31 July 2017 whereby the trade and certain assets of the hotel within the Company were transferred into a related UK company, Leonardo Portland Operations Limited, with the property remaining in the Company. From this date, the Company earns rental income on the lease of the property to Leonardo Portland Operations Limited.

The year end was shortened to 31 December in the prior period resulting in an 11 month period from 30 January 2017 to 31 December 2017.

#### **Directors**

The director who served during the year and to the date of this report were:

D Roger  
M Nimer  
Y D Biton

#### **Directors' responsibilities statement**

The directors are 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 the directors have elected to prepare the financial statements in accordance with International Reporting Standards ("IFRS") as adopted by the European Union ("EU") and to prepare the company financial statements in accordance with IFRS as adopted by the EU. 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 and profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **Brexit Implications**

On 23 June 2016, the United Kingdom voted to formally resign its membership of the European Union and the date of leaving is currently set to be 31 October 2019. At this point it is unclear as to the impact Brexit would have on the company.

**HUNTINGTOWER HOTEL (PERTH) LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Disclosure of information to auditor**

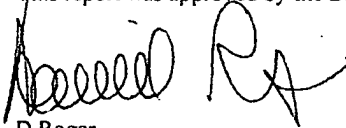
Each of the persons who are directors at the time when this Director's Report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- The director has taken all of the steps that ought to be have been taken as a director in order to be aware of any relevant audit information and to establish that company's auditor is aware of that information.

**Auditors**

It is proposed that Mazars LLP will continue in office in accordance with the Companies act 2006 section 487(2).

This report was approved by the Board and signed on its behalf by:



D Roger  
Director

Date: 25/09/2019

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF HUNTINGTOWER HOTEL (PERTH) LIMITED**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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##### **Opinion**

We have audited the financial statements of Huntingtower Hotel (Perth) Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement and Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditor's 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 UK, including the 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.

##### **The impact of uncertainties due to the United Kingdom exiting the European Union on our audit**

Director's view on the impact of Brexit is disclosed on page 2. Although the uncertainties relating to the effects of Brexit are relevant to the audit of the financial statements, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

As a result, we applied a standard firm wide approach in response to that uncertainty when assessing company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to Brexit.

##### **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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 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.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF HUNTINGTOWER HOTEL (PERTH) LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)**

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#### **Opinions 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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 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 directors' 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 directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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 or error, and to issue an auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit report**

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



Jonathan Seaman (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

Date:

30 September 2019

**HUNTINGTOWER HOTEL (PERTH) LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2018**

		<b>Year-ended 31 December 2018 £000</b>	<b>Period to 31 December 2017 £000</b>
	<b>Note</b>		
<b>Revenue</b>	3	250	1,145
<b>Cost of sales</b>		(1)	(697)
<b>Gross profit</b>		249	448
Administrative expenses		(10)	(205)
Impairment of tangible fixed assets		-	(152)
<b>Operating profit</b>	4	239	91
<b>Interest expenses</b>	6	(48)	(33)
<b>Profit before tax</b>		191	58
<b>Taxation</b>	7	(38)	5
<b>Profit after tax</b>		153	63
<b>Other comprehensive income</b>		-	-
<b>Total Comprehensive income for the year</b>		153	63

All amounts are continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.



**HUNTINGTOWER HOTEL (PERTH) LIMITED**

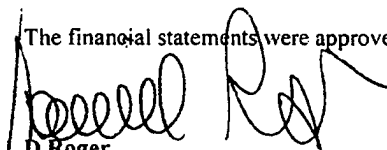
**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2018**

	Note	31 December 2018 £000	31 December 2017 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	8	-	-
Investment property	9	2,700	2,700
<b>Current assets</b>			
Trade and other receivables	10	-	16
Amounts owed by group undertakings		473	1,105
Cash at bank and in hand	11	433	268
		906	1,389
<b>TOTAL ASSETS</b>		<b>3,606</b>	<b>4,089</b>
<b>EQUITY</b>			
Share capital	18	1	1
Revaluation reserve	17	-	701
Retained earnings	17	967	763
<b>Total equity</b>		<b>968</b>	<b>1,465</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	47	136
Amounts owed to group undertakings		650	583
<b>Long term liabilities</b>			
Other creditors	13	1,887	1,853
Deferred taxes	16	54	52
<b>Total liabilities</b>		<b>2,638</b>	<b>2,624</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,606</b>	<b>4,089</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board by:

  
D Roger  
Director

Date: 29/09/2019

**HUNTINGTOWER HOTEL (PERTH) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Called up Share capital £000</b>	<b>Revaluation reserve £000</b>	<b>Profit and Loss account £000</b>	<b>Total Equity £000</b>
At 1 January 2018	1	701	763	1,465
<b>Comprehensive expense for the period</b>				
Profit for the period	-	-	153	153
<b>Other comprehensive income for the period</b>				
Revaluation of tangible fixed assets	-	-	-	-
Deferred tax on revaluation of tangible fixed assets	-	-	-	-
Transfer of revaluation reserve	-	(701)	701	-
Dividends paid	-	-	(650)	(650)
<b>At 31 December 2018</b>	<b>1</b>	<b>-</b>	<b>967</b>	<b>968</b>

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

	<b>Called up Share capital £000</b>	<b>Revaluation reserve £000</b>	<b>Profit and Loss account £000</b>	<b>Total Equity £000</b>
At 29 January 2017	1	280	950	1,231
<b>Comprehensive expense for the period</b>				
Profit for the period	-	-	63	63
<b>Other comprehensive income for the period</b>				
Revaluation of tangible fixed assets	-	475	-	475
Deferred tax on revaluation of tangible fixed assets	-	(54)	-	(54)
Dividends paid	-	-	(250)	(250)
<b>At 31 December 2017</b>	<b>1</b>	<b>701</b>	<b>763</b>	<b>1,465</b>

**HUNTINGTOWER HOTEL (PERTH) LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit after taxation		153	63
Adjustments to the profit and loss items:			
Depreciation		-	49
Financial expenses, net		48	33
Impairment of tangible fixed assets		-	152
Corporation tax (paid)		-	18
Interest paid		-	(33)
Taxation charge		38	8
Changes in asset and liability items:			
Decrease in inventories		-	15
Decrease in trade and other receivables		16	62
Increase/(decrease) in trade and other payables		10	(349)
Changes in group undertakings balances		(100)	(395)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<u>165</u>	<u>(377)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		-	(47)
Transfer of fixed assets to group undertakings		-	348
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>		<u>-</u>	<u>301</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amounts received from group undertakings		-	1,853
Loans repaid		-	(1,840)
Dividends paid		-	(250)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		<u>-</u>	<u>(237)</u>
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>165</u>	<u>(313)</u>
Cash and cash equivalents brought forward		<u>268</u>	<u>581</u>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	11	<u>433</u>	<u>268</u>

The accompanying accounting policies and notes are an integral part of these financial statements.

## HUNTINGTOWER HOTEL (PERTH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. GENERAL INFORMATION

Huntingtower Hotel (Perth) Limited is a private limited company incorporated and domiciled in Scotland, where its principal activity of operation is based. The address of its registered office is Leonardo Hotel, Edinburgh City Centre, 1 Morrison Street Link, Edinburgh, EH3 8DN. The Company's principal activities at the year-end are that of a property company and its trading address is Crieff Road, Perth, PH1 3JT.

#### 2. ACCOUNTING POLICIES

##### **Basis of accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below. This is the first accounting period the entity has adopted IFRS, however there were no changes noted on the adoption of IFRS.

The financial statements are presented in pounds sterling (£) which is the functional currency of the company.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Company are presented below under 'Statement of Compliance'.

##### **Critical Accounting Estimates and Judgements**

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to: valuation of investment property and impairment of receivables.

##### **Statement of compliance**

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective. The company does not plan to adopt these standards early.

- IFRS 16 Leases (effective for accounting years beginning on or after 1 January 2019)

##### **Segment reporting**

The company operated as a hotel until 31 July 2017 and from 1 August 2017 operating as a property management company.

All revenue arose within the UK therefore no further segmental information has been provided.

##### **Revenue recognition**

Revenue until 31 July 2017 comprises of room, food and beverage income net of value added tax, rebates and discounts. Revenue is recognised when the company has a right to that income, the transfer of risks to the customer has taken place and that income can be reliably measured. From 1 August 2017 revenue comprised of rental receipts which are recognised in line with the service being provided.

## HUNTINGTOWER HOTEL (PERTH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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## 2. ACCOUNTING POLICIES (continued)

### Current and deferred taxation

The current income tax charge is calculated on the basis of the 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 is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction does not affect either the accounting or taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line bases to profit and loss account.

### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

### Financial assets

The Company's financial assets comprise investment property, trade receivables and cash and cash equivalents.

### Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation in line with IAS 16. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Freehold property	- freehold land and core buildings are not depreciated, non-core buildings at 2% straight line.
Fixtures & fittings	- 10% - 20% straight line

### Investment property

Investment property is carried at fair value determined annually derived from the current market rents and investment property yields for comparable property, adjusted if necessary for any difference in the nature, location or condition of the specific asset in line with IAS 40. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

### Inventory

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

### Trade and other receivables

Trade and other receivables are recognised and carried at original invoice value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

# HUNTINGTOWER HOTEL (PERTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 2. ACCOUNTING POLICIES (continued)

##### Cash and cash equivalents

~~Cash and cash equivalents includes cash in hand, deposit held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.~~

##### Financial liabilities

The Company's financial liabilities comprise trade and other payables, accruals and amounts owed to group undertakings. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instruments.

##### Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Short term creditors are measure at the transition price. Long term creditors are measured at their fair value.

##### Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Revaluation reserve" represents the increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset.
- "Retained losses" represents retained losses.

#### 3. REVENUE

	Year ended 31 December 2018 £000	11 month period ended 31 December 2017 £000
United Kingdom	250	1,145

All turnover relates to one class of business.

#### 4. OPERATING PROFIT

	Year ended 31 December 2018 £000	11 month period ended 31 December 2017 £000
The operating profit is stated after charging:		
Employee benefit expense (see below)	-	378
Depreciation of tangible fixed assets	68	49
Loss on disposal of tangible fixed assets	-	152
Auditor's remuneration – audit services	5	4

**HUNTINGTOWER HOTEL (PERTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. EMPLOYEES**

	Year ended 31 December 2018 £000	11 month period ended 31 December 2017 £000
Wages and salaries	-	352
Social security costs	-	24
Costs of defined contribution scheme	-	2
	<u>-</u>	<u>378</u>

During the period, no director received any emoluments (2017 - £Nil).

The average monthly number of employees, including the directors, during the period was as follows:

	Year ended 31 December 2018 No.	11 month period ended 31 December 2017 No.
Hotel Staff and Management	<u>-</u>	<u>30</u>

**6. INTEREST EXPENSES**

	Year ended 31 December 2018 £000	11 month period ended 31 December 2017 £000
Bank interest expense	-	12
Intercompany interest expenses	<u>48</u>	<u>21</u>

**7. TAXATION**

	Year ended 31 December 2018 £000	11 month period ended 31 December 2017 £000
<b>Corporation tax</b>		
Current tax on profits for the year	<u>36</u>	<u>-</u>
<b>Total current tax</b>	<u>36</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>2</u>	<u>(5)</u>
<b>Total deferred tax</b>	<u>2</u>	<u>(5)</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>38</u></u>	<u><u>(5)</u></u>

# HUNTINGTOWER HOTEL (PERTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 7. TAXATION (continued)

The tax assessed for the period is higher than (2017 – lower than) the standard rate of corporation tax in the UK of 19% (2017 – 19%). The differences are explained below.

	Year ended 31 December 2018 £000	11 month period ended 31 December 2017 £000
Profit on ordinary activities before tax	191	55
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19%)	36	11
Effects of:		
Fixed assets differences	-	(2)
Non deductible expenditure	-	1
Group relief claimed	-	(19)
Rate differences	2	1
<b>Total tax charge/(credit) for the period</b>	<b>38</b>	<b>(8)</b>

#### 8. TANGIBLE FIXED ASSETS

	Freehold Property £000	Fixtures & Fittings £000	Total £000
<b>Cost or valuation</b>			
At 29 January 2017	2,219	1,828	4,047
Additions	47	-	47
Impairment	-	(152)	(152)
Transfer to related entity	-	(1,676)	(1,676)
Revaluation	475	-	475
Transfer to investment property	(2,741)	-	(2,741)
At 31 December 2017 and at 31 December 2018	-	-	-
<b>Depreciation</b>			
At 29 January 2017	39	1,250	1,289
Charge for the period on owned assets	2	47	49
Transfer to related entity	-	(1,297)	(1,297)
Transfer to investment property	(41)	-	(41)
At 31 December 2017 and at 31 December 2018	-	-	-
<b>Net book value</b>			
At 31 December 2018	-	-	-
At 31 December 2017	-	-	-



**HUNTINGTOWER HOTEL (PERTH) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2018****9. INVESTMENT PROPERTY**

	Freehold investment property £000
<b>Valuation</b>	
At 1 January 2018	2,700
At 31 December 2018	2,700

The property has been valued independently as at 31 December 2018. The independent valuation company holds relevant professional qualifications and has recent experience in the location and category of property being valued.

**10. TRADE AND OTHER RECEIVABLES**

	2018 £000	2017 £000
Trade debtors	-	14
Other debtors	-	2
	-	16

**11. CASH AND CASH EQUIVALENTS**

	2018 £000	2017 £000
Cash at bank and in hand	433	268

**HUNTINGTOWER HOTEL (PERTH) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2018****12. TRADE AND OTHER PAYABLES**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	-	29
Corporation tax	36	-
Other taxation and social security	8	74
Other creditors	-	22
Accruals and deferred income	3	11
	<u>47</u>	<u>136</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Intercompany loans	1,887	1,853
	<u>1,887</u>	<u>1,853</u>

**14. LOANS**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Analysis of the maturity of loans is given below:		
<b>Amounts falling due within one year</b>		
Bank loans	-	-
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	-
<b>Amounts falling due 2-5 years</b>		
Bank loans	-	-
Intercompany loans	1,887	1,853
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	-
	<u>1,887</u>	<u>1,853</u>

## HUNTINGTOWER HOTEL (PERTH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 15. FINANCIAL INSTRUMENTS

The company's activities give rise to a number of financial risks: market risk, credit risk and liquidity risk. Market risk includes foreign exchange risk and cash flow and fair value interest rate risk. The company has in place risk management policies that seek to limit the adverse effects on the financial performance.

##### Financial instruments

The company does not use derivative financial instruments. The company finances its operations using bank balances and overdraft facilities, plus debtors and creditors. The cash flow is regularly monitored and the overdraft is occasionally extended to meet requirements as they arise.

##### Capital risk management

The company manages capital and for the purpose of proper capital structure, in accordance with the economic conditions present on the market and decides if the retained earnings should be distributed to shareholders. The company's principal capital management objective is that of maximisation of returns to shareholders. Management seek to manage capital to meet this objective through organic growth and other strategies as deemed appropriate. The company's objectives, policies and processes have not been changed during the period ended 31 December 2017.

##### Liquidity risk

At 31 December 2018 the cash position was £433k. The available cash is managed by the Financial Controller who decides the optimum use of available cash.

##### Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit exposure is controlled by counterparty limits that are review and approved by the company's management. The Company considers that trade receivables are exposed to limited credit risk.

#### 16. DEFERRED TAXATION

	2018 £000	2017 £000
At beginning of year	(52)	(7)
Charged to the profit or loss	(2)	9
Charged to other comprehensive income	-	(54)
	<u>(54)</u>	<u>(52)</u>

	2018 £000	2017 £000
The provision for deferred taxation is made up as follows:		
Accelerated capital allowances	-	-
Short term timing differences	-	2
Capital gains	(54)	(54)
	<u>(54)</u>	<u>(52)</u>

# HUNTINGTOWER HOTEL (PERTH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 17. RESERVES

#### Retained earnings

The balance held on this reserve is the accumulated retained profits of the company.

#### Share capital

The balance on the share capital account represents the aggregate nominal value of all ordinary shares in issue.

#### Revaluation reserve

This reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset.

### 18. SHARE CAPITAL

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
500 'A' Ordinary Shares shares of £1 each	500	500
500 'B' Ordinary Shares shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

The holders of Class A and Class B ordinary shares are entitled to one vote on a show of hands and one vote per share held by them on a poll.

### 19. RELATED PARTY TRANSACTIONS

The company was due £473k by other group companies at 31 December 2018 (2017: £1,105k). The company owed £2,537k to other group companies at 31 December 2018 (2017: £2,436k). During the period, the company paid £nil (2017: £62k) to a fellow subsidiary in respect of management services provided to it during the period and received rent to the value of £250k (2017: £104k) from a related group company. The company also accrued interest to the value of £48k (2017: £21k) from other companies within the group.

### 20. CONTROLLING PARTY

The ultimate parent entity is Fattal Holdings (1998) Limited, a publicly listed company registered in Israel, by virtue of its indirect 100% shareholding.

The largest and smallest group into which the results of the company are consolidated is that headed by the ultimate parent company.

The directors consider David Fattal to be the ultimate controlling party.