

**HUNTINGTOWER HOTEL (PERTH) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

**Company No: SC059734**

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**HUNTINGTOWER HOTEL (PERTH) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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# **HUNTINGTOWER HOTEL (PERTH) LIMITED**

## **COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Directors**

Daniel Roger  
Maher Nimer  
Yoram David Biton

**Registered number**

SC059734

**Registered office**

Leonardo Hotel  
Edinburgh City Centre  
1 Morrison Street Link  
Edinburgh  
Scotland EH3 8DN

**Independent statutory auditor**

Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

## HUNTINGTOWER HOTEL (PERTH) LIMITED

### DIRECTORS' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their annual report together with the audited financial statements for the year ended 31 December 2020.

#### Results and Dividends

The loss for the year after taxation, amounted to £37k (2019: profit after tax £224k). The directors authorised dividends of £nil during the year (2019: £nil).

#### Directors

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

Daniel Roger  
Maher Nimer  
Yoram David 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 account standard in conformity with the requirements of the Companies Act 2006. 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 international accounting standard in conformity with the requirements of Companies Act 2006 have been followed subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- 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.

#### Principal risks and uncertainties

Since the Company is leasing the hotel to a related company, the management sees no principal risks.

On 23 June 2016, the United Kingdom voted to formally resign its membership of the European Union and the country left the EU in December 2020 following a transition period. There is no expected impact to the company due to the principal activity of the company, however it may impact the hotel operator and ultimately rental payments.

The company has continued to receive rental income from the hotel during the pandemic and has continued receiving rental income for 2021 and therefore does not consider Covid-19 to impact the performance of the company.

#### Going Concern

The director has made an assessment on the company and its future trading projections. Following this assessment, which has included the potential effects of Covid-19, the company is in a strong net asset position of £1,155k (2019: £1,192k) and the company has received during the pandemic and continues to receive rental income from the hotel operator. They continue to adopt the going concern basis in preparing the Company's financial statements.

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

### **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Subsequent Events**

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

#### **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 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).

#### **Small Company Provisions**

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within the Companies Act 2006.

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



Daniel Koger  
Director

Date: 30 November 2021

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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##### **Opinion**

We have audited the financial statements of Huntingtower Hotel (Perth) Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, 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 accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity 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.

##### **Conclusions relating to going concern**

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

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

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

##### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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.

##### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT**

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

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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##### **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 Directors' 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUNTINGTOWER HOTEL (PERTH) LIMITED (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

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Our audit procedures in relation to fraud included but were not limited to:

Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;

- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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: 1 December 2021



**HUNTINGTOWER HOTEL (PERTH) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>2020 £000</b>	<b>2019 £000</b>
<b>Revenue</b>	<b>3</b>	<b>250</b>	<b>250</b>
Cost of sales		-	(3)
<b>Gross profit</b>		<b>250</b>	<b>247</b>
Administrative expenses		(12)	(16)
Impairment of investment property		(200)	-
<b>Operating profit</b>	<b>4</b>	<b>38</b>	<b>231</b>
Interest expenses	<b>6</b>	(27)	(43)
<b>Profit before tax</b>		<b>11</b>	<b>188</b>
Taxation	<b>7</b>	(48)	36
<b>(Loss)/profit after tax</b>		<b>(37)</b>	<b>224</b>
Other comprehensive income		-	-
<b>Total Comprehensive (loss)/income for the year</b>		<b>(37)</b>	<b>224</b>

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 2020****Company number: SC059734**

	<b>Note</b>	<b>2020 £000</b>	<b>2019 £000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	8	2,500	2,700
<b>Current assets</b>			
Trade and other receivables	9	-	-
Amounts owed by group undertakings		440	388
Cash at bank and in hand	10	39	80
		479	468
<b>TOTAL ASSETS</b>		2,979	3,168
<b>EQUITY</b>			
Share capital	17	1	1
Revaluation reserve	16	-	-
Retained earnings	16	1,154	1,191
<b>Total Shareholders' funds</b>		1,155	1,192
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	26	16
Amounts owed to group undertakings		650	650
<b>Long term liabilities</b>			
Other creditors	12	1,046	1,256
Deferred taxes	15	102	54
<b>Total liabilities</b>		1,824	1,976
<b>TOTAL EQUITY AND LIABILITIES</b>		2,979	3,168

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:

  
**Daniel Roger**  
Director

Date: 30 November 2021

**HUNTINGTOWER HOTEL (PERTH) LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2020**

	<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 2020	1	-	1,191	1,192
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(37)	(37)
Dividends paid	-	-	-	-
<b>At 31 December 2020</b>	<b>1</b>	<b>-</b>	<b>1,154</b>	<b>1,155</b>

**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2019**

	<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 2019	1	-	967	968
<b>Comprehensive expense for the year</b>				
Profit for the year	-	-	224	224
Dividends paid	-	-	-	-
<b>At 31 December 2019</b>	<b>1</b>	<b>-</b>	<b>1,191</b>	<b>1,192</b>

**HUNTINGTOWER HOTEL (PERTH) LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit after taxation		(37)	224
Adjustments to the profit and loss items:			
Depreciation		-	-
Financial expenses, net		27	43
Revaluation of investment property		200	-
Corporation tax (paid)		-	-
Interest paid		-	-
Taxation (credit)/charge		48	(36)
Changes in asset and liability items:			
Decrease in inventories		-	-
Decrease in trade and other receivables		-	-
Increase/(decrease) in trade and other payables		10	(31)
Changes in group undertakings balances		(289)	(553)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		<b>(41)</b>	<b>(353)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		-	-
Transfer of fixed assets to group undertakings		-	-
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amounts received from group undertakings		-	-
Loans repaid		-	-
Dividends paid		-	-
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(41)</b>	<b>(353)</b>
Cash and cash equivalents brought forward		80	433
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	10	<b>39</b>	<b>80</b>

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 2020

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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 Leonardo Boutique Huntingtower Perth, Crieff Road, Perth, PH1 3JT.

#### 2. ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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.

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'.

##### **Going Concern**

The directors have made an assessment on the company and the future trading and following this assessment, which has included the potential effects of Covid-19. The company is in a strong net asset position of £1,155k (2019: £1,192k) and the company has received during the pandemic and continues to receive rental income from the hotel operator. They continue to adopt the going concern basis in preparing the Company's financial statements.

##### **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 international accounting standards in conformity with the requirements of the Companies Act 2006. 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:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment): Definition of Material;
- IFRS 3 Business Combinations (Amendment): Definition of a Business;
- IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (Amendments): Interest Rate Benchmark Reform;
- Conceptual Framework (Amendment): Amendments to References to the Conceptual Framework in IFRS Standards;
- IFRS 16 Leases (Amendment): Covid-19-related Rent Concessions.

## HUNTINGTOWER HOTEL (PERTH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2. ACCOUNTING POLICIES (continued)

##### **Segment reporting**

There is one continuing class of business, operating hotels in the UK.

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

##### **Revenue recognition**

Revenue comprised of rental receipts which are recognised in line with the service being provided.

##### **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 substantively 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 basis 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.

##### **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 2020

#### 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 measured 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

	2020 £000	2019 £000
United Kingdom	250	250

All turnover relates to one class of business and all relates to rental income for the property.

#### 4. OPERATING PROFIT

	2020 £000	2019 £000
The operating profit is stated after charging:		
Auditor's remuneration – audit services	4	5

**HUNTINGTOWER HOTEL (PERTH) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2020****5. EMPLOYEES**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	-	-
Social security costs	-	-
Costs of defined contribution scheme	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

During the year, no director received any emoluments (2019: £Nil).

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Hotel Staff and Management	<u>1</u>	<u>1</u>

**6. INTEREST EXPENSES**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Intercompany interest expenses	<u>27</u>	<u>43</u>

**7. TAXATION**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
Adjustment in respect of prior years	-	(36)
<b>Total current tax</b>	<u>-</u>	<u>(36)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>48</u>	<u>-</u>
<b>Total deferred tax</b>	<u>48</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>48</u>	<u>(36)</u>



**HUNTINGTOWER HOTEL (PERTH) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2020****7. TAXATION (continued)**

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below.

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	11	188
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	2	36
Effects of:		
Fixed asset differences	38	-
Chargeable gains	42	(36)
Group relief claimed	(40)	(36)
Rate differences	6	-
<b>Total tax charge/(credit) for the years</b>	<b>48</b>	<b>(36)</b>

**Factors that may affect future tax charges**

The rate of UK corporation tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which was published on 11 March 2021 and received Royal Assent in May 2021, states that this rate is to be increased from 19% to 25% from 1 April 2023. These proposed changes had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements.

**8. INVESTMENT PROPERTY**

	<b>Freehold Investment Property £000</b>
<b>Valuation</b>	
At 1 January 2019	2,700
At 31 December 2019	2,700
At 1 January 2020	2,700
Impairment	(200)
<b>At 31 December 2020</b>	<b>2,500</b>

The property has been valued independently as at 31 December 2020. The independent valuation company holds relevant professional qualifications and has recent experience in the location and category of property being valued.

**HUNTINGTOWER HOTEL (PERTH) LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. TRADE AND OTHER RECEIVABLES**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	-	-
Other debtors	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**10. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	39	80
	<u>39</u>	<u>80</u>

**11. TRADE AND OTHER PAYABLES**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Other taxation and social security	21	8
Accruals and deferred income	5	8
	<u>26</u>	<u>16</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Intercompany loans	1,046	1,256
	<u>1,046</u>	<u>1,256</u>

**13. LOANS**

	<b>2020</b>	<b>2019</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 2-5 years</b>		
Intercompany loans	1,046	1,256
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	-
	<u>1,046</u>	<u>1,256</u>

## HUNTINGTOWER HOTEL (PERTH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 14. 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 year ended 31 December 2020.

##### Liquidity risk

At 31 December 2020 the cash position was £39k. 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 reviewed and approved by the company's management. The Company considers that trade receivables are exposed to limited credit risk.

#### 15. DEFERRED TAXATION

	2020 £000	2019 £000
At beginning of year	(54)	(54)
Charged to the profit or loss	(48)	-
Charged to other comprehensive income	-	-
	<u>(102)</u>	<u>(54)</u>

	2020 £000	2019 £000
The provision for deferred taxation is made up as follows:		
Accelerated capital allowances	-	-
Short term timing differences	-	-
Capital gains	(102)	(54)
	<u>(102)</u>	<u>(54)</u>

## HUNTINGTOWER HOTEL (PERTH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 16. 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.

#### 17. SHARE CAPITAL

	2020 £	2019 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
500 'A' Ordinary Shares of £1 each	500	500
500 'B' Ordinary 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.

#### 18. RELATED PARTY TRANSACTIONS

The company was due £440k by other group companies at 31 December 2020 (2019: £388k) as follows, £250k (2019: £299k) from Portland Hotel Management Limited, £190k (2019: £nil) from Leonardo John Dalton House Ltd, £nil (2019: £31k) from Speedbird Developments Limited, £nil (2019: £50k) from Hotel Property Fund (Syndicate 2) Limited and £nil (2019: £8k) from Hotel Property Fund (Syndicate 1) Limited. The company owed £1,696k to other group companies at 31 December 2020 (2019: £1,906k), which is wholly owed to its holding company, Etchecan Limited.

During the year, the company paid £nil (2019: £nil) to a fellow subsidiary in respect of management services provided to it during the year and received rent to the value of £250k (2019: £250k) from a related group company. The company also accrued interest to the value of £27k (2019: £43k) from other companies within the group.

#### 19. 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.

#### 20. SUBSEQUENT EVENTS

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