

Registration number: 05945314
(England and Wales)

Hallmark Hotels (Carlton) Limited

Annual Report and Financial Statements

For the period from 1 August 2019 to 31 December 2019



Hallmark Hotels (Carlton) Limited

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Hallmark Hotels (Carlton) Limited

Company Information

Directors	SM Teasdale E Kassianos
Company secretary	Haysmacintyre Company Secretaries Limited 10 Queen Street Place London EC4R 1AG
Registered office	10 Queen Street Place London EC4R 1AG
Auditors	BDO LLP 55 Baker Street London W1U 7EU

Hallmark Hotels (Carlton) Limited

Directors' Report

For the period from 1 August 2019 to 31 December 2019

The directors present their report and the financial statements for the period from 1 August 2019 to 31 December 2019.

Principal activity

The entity is a private company, limited by shares and incorporated in England and Wales. The principal activity is that of a property investment company.

Business review

The company's development to date, performance and the financial position as reflected in the financial statements is satisfactory.

Directors of the company

The directors who held office during the period were as follows:

DMA Beveridge (resigned 19 June 2020)

SM Teasdale

The following director was appointed after the period end:

E Kassianos (appointed 19 June 2020)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The company has dispensed with the obligation to appoint auditors annually. Following a formal external audit tender process, a resolution to appoint BDO LLP as auditors will be put to the members at the Annual General Meeting.

Hallmark Hotels (Carlton) Limited

Directors' Report

For the period from 1 August 2019 to 31 December 2019 (continued)

Small companies provision statement

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board on 9 March 2021 and signed on its behalf by:

DocuSigned by:



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E Kassianos
Director

Hallmark Hotels (Carlton) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Hallmark Hotels (Carlton) Limited

Independent Auditor's Report to the Members of Hallmark Hotels (Carlton) Limited

Opinion

We have audited the financial statements of Hallmark Hotels (Carlton) Limited (the 'company') for the period from 1 August 2019 to 31 December 2019, which comprise the Statement of Total Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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 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.

Hallmark Hotels (Carlton) Limited

Independent Auditor's Report to the Members of Hallmark Hotels (Carlton) Limited (continued)

Opinion on other matter 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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. This description forms part of our auditor's report.

Hallmark Hotels (Carlton) Limited

Independent Auditor's Report to the Members of Hallmark Hotels (Carlton) Limited (continued)

Use of our 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.

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Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London, UK

10 March 2021

Date:.....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Hallmark Hotels (Carlton) Limited**Statement of Total Comprehensive Income***For the period from 1 August 2019 to 31 December 2019*

	Note	Period ended 31 December 2019 £ 000	Period ended 31 July 2019 £ 000
Turnover		200	247
Administrative expenses		(9)	(5)
Gain on revaluation of investment property		-	1,814
Operating profit		191	2,056
Interest payable and similar expenses		(25)	(61)
Profit before tax		166	1,995
Taxation		-	(76)
Profit for the financial period and Total Comprehensive Income		166	1,919

The above results were derived from continuing operations.


The notes on pages 11 to 17 form an integral part of these financial statements.

Hallmark Hotels (Carlton) Limited**(Registration number: 05945314)****Balance Sheet***As at 31 December 2019*

	Note	31 December 2019 £ 000	31 July 2019 £ 000
Fixed assets			
Investment property	6	6,970	6,970
Current assets			
Debtors	7	212	-
Creditors: Amounts falling due within one year	8	<u>(4,341)</u>	<u>(4,289)</u>
Net current liabilities		<u>(4,129)</u>	<u>(4,289)</u>
Total assets less current liabilities		2,841	2,681
Creditors: Amounts falling due after more than one year	8	<u>(957)</u>	<u>(963)</u>
Net assets		<u><u>1,884</u></u>	<u><u>1,718</u></u>
Capital and reserves			
Called up share capital		10	10
Share premium reserve		4,217	4,217
Profit and loss account		<u>(2,343)</u>	<u>(2,509)</u>
Shareholders funds / (deficit)		<u><u>1,884</u></u>	<u><u>1,718</u></u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Approved and authorised for issue by the Board on 9 March 2021 and signed on its behalf by:

DocuSigned by:

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E Kassianos
Director

The notes on pages 11 to 17 form an integral part of these financial statements.

Hallmark Hotels (Carlton) Limited**Statement of Changes in Equity***For the period from 1 August 2019 to 31 December 2019*

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 August 2019	10	4,217	(2,509)	1,718
Profit for the period	-	-	166	166
Total comprehensive income	-	-	166	166
At 31 December 2019	10	4,217	(2,343)	1,884

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 June 2018	10	4,217	(4,428)	(201)
Profit for the period	-	-	1,919	1,919
Total comprehensive income	-	-	1,919	1,919
At 31 July 2019	10	4,217	(2,509)	1,718

The notes on pages 11 to 17 form an integral part of these financial statements.

Hallmark Hotels (Carlton) Limited

Notes to the Financial Statements

For the period from 1 August 2019 to 31 December 2019

1 General information

The company is a private company limited by shares and is incorporated and domiciled in England and Wales.

2 Accounting policies

Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standard, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") as amended by Section 1A "Small Entities" and the Companies Act 2006 as applicable to small companies.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties measured at fair value through profit or loss.

UK Investment Company 211 Limited, an intermediate parent company, has provided a letter confirming that it will continue to provide such financial support as the Company requires to meet its obligations and liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. In addition fellow subsidiary companies of UK Investment Company 211 Limited have confirmed that they will not call for repayment of intercompany balances owed by the Company unless the Company is able to make such repayment and meet its obligations and liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Whilst it is acknowledged that COVID-19 has had a profound impact on the global and UK economy and businesses, the directors have prepared cash flow forecasts for the company and its fellow subsidiaries for a period of 12 months from the date of signing these accounts, which reflect the potential impact of COVID-19. These forecasts show that the company is expected to be able to meet all its liabilities as they fall due for the next 12 months. These financial statements have therefore been prepared on the going concern basis.

The presentation and functional currency of the company is pounds sterling. The financial statements are presented in thousands of pounds (£'000) unless stated otherwise.

Change in accounting reference date

In the prior period, the company changed its accounting reference date from 31 May to 31 July. The prior reporting period was 1 June 2018 to 31 July 2019.

Subsequently, the company has changed its accounting reference date from 31 July to 31 December. The current reporting period is 1 August 2019 to 31 December 2019.

Lessor accounting

Rentals received under operating leases are accounted for on a straight-line basis as turnover with any rental increases recognised during the period to which they relate.

Hallmark Hotels (Carlton) Limited

Notes to the Financial Statements

For the period from 1 August 2019 to 31 December 2019 (continued)

2 Accounting policies (continued)

Turnover

Turnover is defined as the amount derived from the leasing of hotel property falling within the company's ordinary activities after the deduction of value added tax and any other sales based taxes. Turnover is recognised as the proportion of lease rental payments due to date. Where payments are received from lessees in advance, the amounts are recorded as deferred income and included as part of creditors within one year.

Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current Tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitute a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial liabilities that are not classified as financial instruments are recorded at transaction cost. All changes to transaction cost are recognised in the statement of comprehensive income.

Cash and Cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short term highly liquid investments with original maturities of three months or less.

Hallmark Hotels (Carlton) Limited

Notes to the Financial Statements

For the period from 1 August 2019 to 31 December 2019 (continued)

2 Accounting policies (continued)

Financial assets

Financial assets are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, and impairment loss is recognised in the statement of comprehensive income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the statement of comprehensive income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Statement of Total Comprehensive Income and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Hallmark Hotels (Carlton) Limited

Notes to the Financial Statements

For the period from 1 August 2019 to 31 December 2019 (continued)

3 Judgement and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102, the financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, requires the use of certain critical accounting estimates and judgements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on director's best knowledge of the amount, event or actions, actual results may differ from these estimates. The following is intended to provide an understanding of the policies that the directors consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements.

Property valuation

Property is revalued annually to fair value using an income capitalisation or discounted cash flow technique. The valuation is prepared by the directors, based upon assumption including future rental income, anticipated capital expenditure and the appropriate discount rate. Reference is also made to market evidence of transactions prices for similar properties. More information is provided in the 'Investment properties' note.

Recoverability of debtors

The recoverability of debtors is assessed based on factors specific to each individual debtor.

4 Directors

No directors emoluments were payable in the current and prior reporting period.

5 Auditors' remuneration

The audit fees are borne by another group entity.

6 Investment properties

	31 December 2019 £ 000	31 July 2019 £ 000
At 1 June	6,970	5,044
Additions	-	112
Fair value adjustments	-	1,814
At 31 December	6,970	6,970

Fair value has been determined by the directors at 31 December 2019 and at 31 July 2019.

Hallmark Hotels (Carlton) Limited**Notes to the Financial Statements***For the period from 1 August 2019 to 31 December 2019 (continued)***7 Debtors**

	Note	31 December 2019 £ 000	31 July 2019 £ 000
Trade debtors		90	-
Amounts owed by group undertakings		121	-
VAT asset		1	-
		<u>212</u>	<u>-</u>

8 Creditors**Creditors: amounts falling due within one year**

	31 December 2019 £ 000	31 July 2019 £ 000
Due within one year		
Trade creditors	2	-
Amounts owed to parent undertakings	4,216	4,217
Accruals and deferred income	123	72
	<u>4,341</u>	<u>4,289</u>

Amounts due to related parties bear no interest and are repayable on demand.

Creditors: amounts falling due after more than one year

	31 December 2019 £ 000	31 July 2019 £ 000
Due after one year		
Finance lease liabilities	<u>957</u>	<u>963</u>

Hallmark Hotels (Carlton) Limited

Notes to the Financial Statements

For the period from 1 August 2019 to 31 December 2019 (continued)

9 Commitments under finance leases

Lessee

The company had minimum lease payments under non-cancellable finance leases as set out below:

	31 December 2019 £ 000	31 July 2019 £ 000
Not later than 1 year	62	62
Later than 1 year and not later than 5 years	246	246
Later than 5 years	<u>3,822</u>	<u>3,853</u>
Total	4,130	4,161
Less future interest charges	<u>(3,173)</u>	<u>(3,198)</u>
Finance lease liabilities	<u><u>957</u></u>	<u><u>963</u></u>

10 Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same wholly owned group.

11 Controlling party

The company's immediate parent is Hallmark Hotels (No.11) Limited, incorporated in England and Wales. Its registered address is 10 Queen Street Place, London, EC4R 1AG.

The largest group to consolidate these financial statements from 31 January 2019 is that of Turanco Investment. The consolidated financial statements of Turanco Investment for the year ended 31 December 2019 are available to the public and may be obtained from the principal place of business, Vyzantiou 30, Office 31, Strovolos, 2064, Nicosia, Cyprus.

The smallest group to consolidate these financial statements from 31 January 2019 is that of Vivion Investments Sarl. The consolidated financial statements of Vivion Investments Sarl for the year ended 31 December 2019 are available to the public and may be obtained from the registered office 155 rue Cents, L-1319, Luxembourg.

Hallmark Hotels (Carlton) Limited

Notes to the Financial Statements

For the period from 1 August 2019 to 31 December 2019 (continued)

12 Non adjusting events after the financial period

In March 2020, the World Health Organisation declared the COVID-19 coronavirus a global pandemic. The outbreak and unprecedented spread of the COVID-19 pandemic across the world has had a profound impact on local and global markets and is expected to continue to shape the economic landscape for the immediate future. The Directors continue to monitor the impact of unfolding events closely in order to respond swiftly to any consequential impacts on the business. Refer to note 2 for the impact of the pandemic on the going concern assessment.

The impact of COVID-19 only became apparent after the balance sheet date and represents a non-adjusting post balance sheet event. It is possible that the carrying value of investments in subsidiaries will be impaired although it is not possible to quantify the impact with a high degree of certainty at the current time.