

Registration number: 06327041
(England and Wales)

Hallmark Hotels (Dyce) Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2021

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Hallmark Hotels (Dyce) Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 7
Statement of Total Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 15

Hallmark Hotels (Dyce) Limited

Company Information

Directors SM Teasdale
E Kassianos

Company secretary R Sooriah

Registered office Holiday Inn London Heathrow M4 J4
Sipson Road
West Drayton
UB7 0JU

Auditors BDO LLP
Statutory Auditor
United Kingdom

Hallmark Hotels (Dyce) Limited

Directors' Report

For the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

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 year were as follows:

SM Teasdale

E Kassianos

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors BDO LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 28 September 2022 and signed on its behalf by:

DocuSigned by:

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SM Teasdale
Director

Hallmark Hotels (Dyce) 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;
- 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 (Dyce) Limited

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Hallmark Hotels (Dyce) Limited (the 'company') for the year ended 31 December 2021, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 company'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.

Hallmark Hotels (Dyce) Limited

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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 has been prepared in accordance with applicable legal requirements.

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.

Hallmark Hotels (Dyce) Limited

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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant.
- We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates, in particular the valuation of investment properties and the recoverability of receivables, are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Hallmark Hotels (Dyce) Limited

Independent Auditor's Report to the Members of Hallmark Hotels (Dyce) 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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

28 September 2022

Date:.....

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

Hallmark Hotels (Dyce) Limited

Statement of Total Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover		907	941
Administrative expenses		(43)	(85)
Gain/(loss) on revaluation of investment property	6	<u>286</u>	<u>(423)</u>
Operating profit		<u>1,150</u>	<u>433</u>
Profit before tax		1,150	433
Taxation		<u>(76)</u>	<u>(29)</u>
Profit for the financial year and Total Comprehensive Income		<u><u>1,074</u></u>	<u><u>404</u></u>

The above results were derived from continuing operations.

The notes on pages 11 to 15 form an integral part of these financial statements.

Hallmark Hotels (Dyce) Limited**Balance Sheet***As at 31 December 2021*

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Investment property	6	8,300	8,000
Current assets			
Debtors	7	5,119	6,391
Creditors: Amounts falling due within one year	8	<u>(16,294)</u>	<u>(18,340)</u>
Net current liabilities		<u>(11,175)</u>	<u>(11,949)</u>
Net liabilities		<u>(2,875)</u>	<u>(3,949)</u>
Capital and reserves			
Called up share capital		10	10
Share premium reserve		16,063	16,063
Profit and loss account		<u>(18,948)</u>	<u>(20,022)</u>
Shareholders' deficit		<u>(2,875)</u>	<u>(3,949)</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 28 September 2022 and signed on its behalf by:

DocuSigned by:

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SM Teasdale
 Director

Company registration number: 06327041

The notes on pages 11 to 15 form an integral part of these financial statements.

Hallmark Hotels (Dyce) Limited**Statement of Changes in Equity**
For the Year Ended 31 December 2021

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	10	16,063	(20,426)	(4,353)
Profit for the year	-	-	404	404
Total comprehensive income	-	-	404	404
At 31 December 2020	10	16,063	(20,022)	(3,949)

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	10	16,063	(20,022)	(3,949)
Profit for the year	-	-	1,074	1,074
Total comprehensive income	-	-	1,074	1,074
At 31 December 2021	10	16,063	(18,948)	(2,875)

The notes on pages 11 to 15 form an integral part of these financial statements.

Hallmark Hotels (Dyce) Limited

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England & 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.

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. 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.

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.

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.

Hallmark Hotels (Dyce) Limited

Notes to the Financial Statements

For the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

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.

Hallmark Hotels (Dyce) Limited

Notes to the Financial Statements

For the Year Ended 31 December 2021 (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, an 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.

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

Investment property is revalued annually to fair value using an income capitalisation technique. The valuation is prepared by the external valuers in accordance with RICS guidelines, based upon assumptions including future rental value, anticipated property costs and the appropriate discount rate. Reference is also made to market evidence of transaction prices for similar properties.

Recoverability of debtors

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

Hallmark Hotels (Dyce) Limited

Notes to the Financial Statements

For the Year Ended 31 December 2021 (continued)

4 Directors

No director received any emoluments during the year (2020: £Nil).

5 Auditors' remuneration

	2021 £ 000	2020 £ 000
Audit of the financial statements	6	3

6 Investment properties

	2021 £ 000	2020 £ 000
Investment property	8,000	8,400
Additions	14	23
Fair value adjustments	286	(423)
At 31 December	8,300	8,000

Fair value has been determined by the external valuers at 31 December 2021 and at 31 December 2020.

7 Debtors

	2021 £ 000	2020 £ 000
Amounts owed by related parties	5,115	6,378
VAT asset	4	13
	5,119	6,391

Amounts due from related parties are recoverable on demand, bear no interest and include a credit loss of £Nil (2020: £Nil).

Hallmark Hotels (Dyce) Limited

Notes to the Financial Statements

For the Year Ended 31 December 2021 (continued)

8 Creditors

Creditors: amounts falling due within one year

	2021	2020
	£ 000	£ 000
Due within one year		
Amounts owed to related parties	16,186	18,093
Taxation and social security	105	30
Accruals and deferred income	3	217
	<u>16,294</u>	<u>18,340</u>

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

9 Related party transactions

The company has claimed exemption under S33. 1A of FRS102 not to disclose transactions between group members.

10 Controlling party

The company's immediate parent is Hallmark Hotels (No.1) Limited, incorporated in England and Wales. Its registered address is Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, UB7 0JU, United Kingdom.

The largest group to consolidate these financial statements from 31 January 2019 is that of Turanco Investment Limited. The consolidated financial statements of Turanco Investment Limited for the year ended 31 December 2021 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 2021 are available to the public and may be obtained from the registered office 155 rue Cents, L-1319, Luxembourg.