

REGISTERED NUMBER: 08766203 (England and Wales)

Directors' Report and
Audited Financial Statements for the Year Ended 31 December 2020
for
City Suites Manchester Limited



City Suites Manchester Limited

Contents of the Financial Statements
for the Year Ended 31 December 2020

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report	4
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12

City Suites Manchester Limited

Company Information
for the Year Ended 31 December 2020

Directors:	Mr G P Beswick Mr M C Dawson Mr M D Stott Mr T P Moore
Secretary:	Mr G P Beswick
Registered office:	Horseshoe Farm Elkington Way Alderley Edge Cheshire SK9 7GU
Registered number:	08766203 (England and Wales)
Independent auditor:	Ernst & Young LLP, Statutory Auditor 2 St Peter's Square Manchester M2 3EY
Solicitors:	Shoosmiths LLP The XYZ Building 2 Hardman Boulevard Spinningfields Manchester M3 3AZ

City Suites Manchester Limited

Directors' Report **for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the Company for the year ended 31 December 2020.

In accordance with section 414B of the Companies Act 2006, the Company has taken advantage of the small companies' exemption in relation to the strategic report.

The Company is based in England, and is a wholly owned subsidiary of City Suites Limited. City Suites Limited is a wholly owned subsidiary of City Suites Holdings Limited (formerly Delta Newco CS Limited).

City Suites Manchester Limited is a private company, limited by shares.

Principal activity

The principal activity of the Company in the year under review was that of property development.

Dividends

The company did not pay or propose a dividend during the year (2019: £nil)

Directors

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Mr G P Beswick
Mr M C Dawson
Mr M D Stott
Mr T P Moore

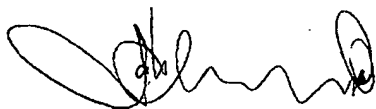
Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Ernst & Young LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the board :



Mr G P Beswick - Director

27 September 2021

City Suites Manchester Limited

Statement of Directors' Responsibilities
for the Year Ended 31 December 2020

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 Financial Reporting Standards as adopted by the European Union. 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether international financial reporting standards as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements; 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.

Independent Auditor's Report to the Members of
City Suites Manchester Limited

Opinion

We have audited the financial statements of City Suites Manchester Limited for the period ended 31 December 2020 which comprise Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, 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:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its result 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Company's ability to continue as a going concern for the period from when the financial statements are authorised for issue to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of
City Suites Manchester Limited

Other information - continued

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 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 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

**Independent Auditor's Report to the Members of
City Suites Manchester Limited**

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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (International Accounting Standards and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how City Suites Manchester Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and tested a sample from the entire population of journals, identifying specific transactions, including those with the related parties, which did not meet our expectations based on specific criteria and investigated these to gain an understanding and then agree back to source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved verifying that material transactions were recorded in compliance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of
City Suites Manchester Limited

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.

Ernst & Young LLP

Tehseen Ali (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
2 St Peter's Square
Manchester

27 September 2021

City Suites Manchester Limited

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Continuing operations			
Revenue		-	-
Administrative expenses		-	(2)
Operating loss		-	(2)
Loss before income tax	3	-	(2)
Income tax	4	-	-
Loss for the year		-	(2)
Other comprehensive income		-	-
Total comprehensive loss for the year		-	(2)

The notes on pages 12 to 19 form part of these financial statements

City Suites Manchester Limited (Registered number: 08766203)

Statement of Financial Position
31 December 2020

	Notes	2020 £'000	2019 £'000
Assets			
Current assets			
Other receivables	5	11,081	11,085
Cash and cash equivalents	6	<u>1</u>	<u>1</u>
		11,082	11,086
Total assets		<u>11,082</u>	<u>11,086</u>
Equity			
Shareholders' equity			
Called up share capital	7	-	-
Retained earnings	8	<u>56</u>	<u>56</u>
Total equity		<u>56</u>	<u>56</u>
Liabilities			
Current liabilities			
Trade and other payables	9	<u>11,026</u>	<u>11,030</u>
Total liabilities		<u>11,026</u>	<u>11,030</u>
Total equity and liabilities		<u>11,082</u>	<u>11,086</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2021 and were signed on its behalf by:



Mr G P Beswick - Director

The notes on pages 12 to 19 form part of these financial statements

City Suites Manchester Limited

Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019	-	58	58
Changes in equity			
Total comprehensive loss	-	(2)	(2)
Balance at 31 December 2019	-	56	56
Changes in equity			
Balance at 31 December 2020	-	56	56

The notes on pages 12 to 19 form part of these financial statements

City Suites Manchester Limited

Statement of Cash Flows
for the Year Ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Cash generated from operations	13	-	1
Net cash from operating activities		-	1
Increase in cash and cash equivalents		-	1
Cash and cash equivalents at beginning of year	14	1	-
Cash and cash equivalents at end of year	14	<u>1</u>	<u>1</u>

The notes on pages 12 to 19 form part of these financial statements

City Suites Manchester Limited

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Company is incorporated and domiciled in the UK.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

The Directors have considered the potential impact of the global pandemic relating to the Covid-19 virus announced in March 2020 on the Company and remain confident that adequate facilities are available to pay at least 15 months of forecast liabilities. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Directors have received a letter of support from Vita Group Holdings Limited, a related party, that it will continue to support the Company for at least the period from the date of approval of the financial statements to 31 December 2022.

Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Functional and presentational currency

The Company's financial statements are presented in Sterling, which is the Company's functional currency.

City Suites Manchester Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

1. Accounting policies - continued

Accounting Standards Update

There were no new or amended standards and interpretations implemented for the first time during the year ended 31 December 2020 and there are no new standards or interpretations which are not yet effective that are expected to have a material effect on the financial statements of the Company.

Use of estimates and judgements

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. There are no significant estimates or assumptions used in preparing these financial statements.

Financial instruments

Financial assets (including Receivables)

Financial assets are recognised at amortised cost. The impairment of these assets, including trade and other receivables is calculated using expected lifetime credit losses. Lifetime credit losses are a probability-weighted estimate of the present value of all cash shortfalls that may arise from all possible default events over the life of a financial asset. Expected credit losses are discounted at the effective interest rate of the financial asset.

Financial Liabilities (including Trade and Other Payables)

Financial liabilities (including trade and other payables) are measured at amortised cost, using the effective interest rate method where applicable.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2. Employees and directors

The company had no employees during the current or prior year.

	2020	2019
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

The Directors received emoluments and accrued pension benefits from a related party, for services rendered to all related companies.

City Suites Manchester Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

3. Loss before income tax

The loss before income tax is stated after charging:

	2020 £'000	2019 £'000
Audit fees	<u>-</u>	<u>2</u>

The audit fee for the year of £2,250 has been borne by the parent company, City Suites Limited. There were no non-audit services, performed by the Auditor, incurred by the entity in the current or prior year.

4. Income tax

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Factors affecting the tax expense

The tax assessed for the year is the same as (2019 - higher) the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
Loss before income tax	<u>-</u>	<u>(2)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19 % (2019 - 19 %)	-	-
Effects of:		
Tax expense	<u>-</u>	<u>-</u>

5. Other receivables

	2020 £'000	2019 £'000
Current:		
Amounts owed by group undertakings	<u>11,081</u>	<u>11,085</u>

6. Cash and cash equivalents

	2020 £'000	2019 £'000
Bank accounts	<u>1</u>	<u>1</u>

City Suites Manchester Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

7. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
		£1	£	£
100	A Ordinary	£1	<u>100</u>	<u>100</u>

8. Reserves

	Retained earnings £'000
At 1 January 2020	56
Profit for the year	-
At 31 December 2020	<u>56</u>
	Retained earnings £'000
At 1 January 2019	58
Deficit for the year	(2)
At 31 December 2019	<u>56</u>

9. Trade and other payables

	2020	2019
	£'000	£'000
Current:		
Amounts owed to group undertakings	11,026	11,026
Accruals	-	4
	<u>11,026</u>	<u>11,030</u>

City Suites Manchester Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

10. Financial instruments

Financial risk management

The Company has exposure to credit risk and liquidity risk from its use of financial instruments.

The Board has overall responsibility for establishing appropriate management of exposure to risk.

Capital management

The Company's objectives in managing its capital are to provide adequate returns to the shareholders by operating the business at a predetermined optimal level, by ensuring the optimum revenue streams are achieved and by effectively collecting its receivables as agreed with debtors.

At a subsidiary level capital is defined as Equity as shown in the balance sheet. Dividends are paid provided adequate resources remain to sustain the Company's development.

Financial instruments policy

All instruments utilised by the Company are for financing purposes.

Fair value of financial instruments

As at 31 December 2020 the Company had no other financial instruments other than those disclosed below (2019: £nil). The fair value of all financial instruments in these financial statements is considered to approximate to their carrying value.

	2020 £'000	2019 £'000
Financial Assets		
Other receivables	11,081	11,085
Cash and cash equivalents	<u>1</u>	<u>1</u>
Financial Liabilities		
Other payables	<u>11,026</u>	<u>11,030</u>

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

10. Financial Instruments - continued

Exposure to credit risk

The carrying value of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2020 £'000	2019 £'000
Other receivables	11,081	11,085
Cash and cash equivalents	<u>1</u>	<u>1</u>
	<u>11,082</u>	<u>11,086</u>

The Company applies the expected credit loss approach to establish an allowance for impairment that represents its estimate of expected credit loss in respect of trade and other receivables. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. To measure expected credit losses trade receivables have been grouped based on shared credit characteristics and the days past due.

No financial assets were considered impaired or overdue as at 31 December 2020 (2019: £nil). Trade receivables are written off where there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit, any subsequent recoveries are credited against the same line.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risks by regular reviews of forecast cash flows in line with contractual maturities of financial liabilities and credit facilities available. Forecast cash flows are reported to the Board on a regular basis.

The following are the contractual maturities of financial liabilities of the Company:

	Carrying amount £'000	Contractual cash flows £'000	3 months or less £'000	3-12 months £'000
31 December 2020				
Trade and other payables	11,026	11,026	-	11,026
31 December 2019				
Trade and other payables	11,030	11,030	-	11,030

City Suites Manchester Limited

Notes to the Financial Statements - continued **for the Year Ended 31 December 2020**

10. Financial instruments - continued

Sensitivity analysis

The Company does not have any liabilities which are exposed to external risk factors, such as interest rate movements. For this reason, the Directors do not feel that it is appropriate to complete sensitivity analysis.

11. Ultimate parent company

The immediate parent undertaking is City Suites Limited and the ultimate parent undertaking is City Suites Holdings Limited (formerly Delta Newco CS Limited).

The largest and smallest Group in which the results of the Company are consolidated is that headed by City Suites Holdings Limited, incorporated in the UK. The consolidated financial statements of this company are available to the public and may be obtained from The Registrar of Companies, Companies House, Cardiff, CF4 3UZ.

12. Related party disclosures

The Directors consider City Suites Holdings Limited, Vita Group Holdings Limited and Delta Newco SPG Limited and all of their subsidiaries to be related parties of the Company.

The following balances with related parties existed at the year end:

	Balance outstanding £'000
31 December 2020	
City Suites Operating Company Limited	(1,418)
City Suites Holdco Limited	(9,608)
City Suites Limited	10,895
City Suites Management Limited	186
	Balance outstanding £'000
31 December 2019	
City Suites Operating Company Limited	(1,418)
City Suites Holdco Limited	(9,608)
City Suites Limited	10,899
City Suites Management Limited	186

A negative balance indicates an amount payable by the Company. A positive balance indicates an amount receivable by the Company.

All related party balances are unsecured and all transactions are carried out on an arms-length basis.

City Suites Manchester Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

13. Reconciliation of loss before income tax to cash generated from operations

	2020	2019
	£'000	£'000
Loss before income tax	-	(2)
Decrease in trade and other receivables	4	15
Decrease in trade and other payables	(4)	(12)
Cash generated from operations	-	1

14. Cash and cash equivalents

The amounts disclosed on the Statement of cash flows in respect of cash and cash equivalents are in respect of these Statement of financial position amounts:

Year ended 31 December 2020

	31/12/20	1/1/20
	£'000	£'000
Cash and cash equivalents	<u>1</u>	<u>1</u>

Year ended 31 December 2019

	31/12/19	1/1/19
	£'000	£'000
Cash and cash equivalents	<u>1</u>	<u>-</u>

15. Deferred tax

The Company had unrecognised deferred tax assets of £7k (2019: £nil) in respect of trading losses carried forward and £1k (2019: £nil) in respect of loan relationships.