

Registration number: 09861398
(England and Wales)

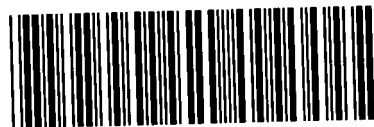
Ribbon Hotels Management Limited

(formerly LGH Hotels Management Limited)

Annual Report and Financial Statements

For the year ended 31 December 2019

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Ribbon Hotels Management Limited

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Ribbon Hotels Management Limited

Company Information

Directors SM Teasdale
E Kassianos

Company secretary R Sooriah

Company number 09861398

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

Auditors BDO LLP
Statutory Auditor
United Kingdom

Ribbon Hotels Management Limited

Directors' Report

For the year ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principle activity

The principal activity of the company is that of an intermediate holding company to a group of subsidiaries owning investment properties in the United Kingdom. Prior to the disposal of its operations the company acted as a hotel management company.

Business review

Fair review of the business

On 27 August 2019, the company acquired a 100% equity share in Goldie Hotels (No.1) Limited and disposed of its hotel management operations to LGH Hotels Management Limited (formerly LGH Two Limited). On 30 August 2019, the company changed its name to Ribbon Hotels Management Limited (formerly LGH Hotels Management Limited).

Dividends

The directors do not recommend a dividend for the current period. No dividend was paid in the current or prior period.

Directors' of the company

The directors, who held office during the year, were as follows:

DMA Beveridge (resigned 19 June 2020)

G Efrati (resigned 8 July 2019)

SM Teasdale

The following director was appointed after the year end:

E Kassianos (appointed 19 June 2020)

Directors' liabilities

The company maintains liability insurance for its directors and officers.

Going concern

The trading results for the period and the group's financial position at the end of the period are shown in the attached financial statements. The directors have concluded that the group is a going concern (note 2).

Ribbon Hotels Management Limited

Directors' Report

For the year ended 31 December 2019 (continued)

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

Appointment of auditors

BDO LLP have been appointed as the company's auditors.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 13 May 2021 and signed on its behalf by:

DocuSigned by:



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E Kassianos
Director

Ribbon Hotels Management Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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.

Ribbon Hotels Management Limited

Independent Auditor's Report to the Members of Ribbon Hotels Management Limited

Opinion

We have audited the financial statements of Ribbon Hotels Management Limited (the 'company') for the year ended 31 December 2019, which comprise the Income Statement, Statement of Financial Position, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework', in accordance with the provisions applicable to companies subject to the small companies regime.

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; 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 Financial Reporting Council's (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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Ribbon Hotels Management Limited

Independent Auditor's Report to the Members of Ribbon Hotels Management Limited (continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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.

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 any material misstatements in the directors' report.

Under the Companies Act 2006 we are required to report in respect of the following matters 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.
- 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibility 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.

Ribbon Hotels Management Limited

Independent Auditor's Report to the Members of Ribbon Hotels Management 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.

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.

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, United Kingdom

13 May 2021
Date.....

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

Ribbon Hotels Management Limited

Income Statement

For the year ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Revenue	4	4,565	4,689
Administrative expenses		(4,425)	(4,093)
Other losses	5	<u>(2,606)</u>	<u>-</u>
Operating (loss)/profit	6	<u>(2,466)</u>	<u>596</u>
(Loss)/profit before tax		(2,466)	596
Tax charge	10	<u>(142)</u>	<u>(451)</u>
(Loss)/profit for the year		<u>(2,608)</u>	<u>145</u>
Loss attributable to:			
Owners of the company		<u>(2,608)</u>	<u>145</u>

The above results were derived from discontinued operations.

There is no other comprehensive income for the period other than those included above, therefore a statement of other comprehensive income has not been presented.

Ribbon Hotels Management Limited**Statement of Financial Position***At 31 December 2019*

	Note	2019 £ 000	2018 £ 000
Assets			
Non-current assets			
Property, plant and equipment	11	-	249
Investments	12	103,345	103,345
Other financial assets	13	1,019	-
		<u>104,364</u>	<u>103,594</u>
Current assets			
Trade and other receivables	14	223	1,702
Cash and cash equivalents	15	-	4,900
		<u>223</u>	<u>6,602</u>
Total assets		<u>104,587</u>	<u>110,196</u>
Equity and liabilities			
Equity			
Called up share capital	16	1,034	1,034
Share premium reserve		102,312	102,312
Retained earnings		(3,215)	(607)
		<u>100,131</u>	<u>102,739</u>
Current liabilities			
Trade and other payables	17	4,314	7,457
Income tax liability	10	142	-
		<u>4,456</u>	<u>7,457</u>
Total equity and liabilities		<u>104,587</u>	<u>110,196</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

Approved by the Board on 13 May 2021 and signed on its behalf by:

DocuSigned by:



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E Kassianos

Director

Company registered number: 09861398

Ribbon Hotels Management Limited

Statement of Changes in Equity

For the Year Ended 31 December 2019

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2018	1,034	102,312	(752)	102,594
Profit for the year	-	-	145	145
At 31 December 2018	1,034	102,312	(607)	102,739

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	1,034	102,312	(607)	102,739
Loss for the year	-	-	(2,608)	(2,608)
At 31 December 2019	1,034	102,312	(3,215)	100,131

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019

1 General information

Ribbon Hotels Management Limited (the company) is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2016 and registered in England. The address of its registered office is disclosed in the company information. The principal activity of the company is described in the Directors' Report.

2 Accounting policies

(a) Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements have been prepared on the historical cost basis and in accordance with the Companies Act 2006.

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

(b) Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1 Presentation of financial statements:
 - 10(d) statement of cash flows
 - 16 statement of compliance with all IFRS
 - 134-136 capital management disclosures,
- Paragraph 30 and 31 of IAS 8, disclosure and impact of new IFRSs that has been issued but not yet effective, and
- The requirements in IAS 24 of Related party disclosures, to disclose related party transactions entered between two or more members of a group.

Where relevant equivalent disclosures have been given in the consolidated financial statements of Vivion Investments Sarl. The consolidated financial statements of Vivion Investments Sarl will be available to the public and can be obtained from 155 rue Cents, L-1319, Luxembourg.

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

(c) Consolidation exemption

The financial statements contain information about Ribbon Hotels Management Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Vivion Investments Sarl, a company incorporated in Luxembourg. Refer to registered address in note 19.

(d) Going concern

The company is part of a sub group headed by UK Investment Company 210 Limited. The company assesses its going concern basis of preparation on a group wide basis. This group meets its day to day working capital requirements from normal trading activities through its investment in a portfolio of hotels.

The COVID-19 outbreak was declared a pandemic in March 2020, subsequent to the year end. It has had a significant impact on the global and UK economy and on businesses in general and, in particular, on the hospitality sector. It is too early to know the precise eventual impact this will have on our tenants for the next twelve months and beyond, as the situation is constantly evolving.

The directors have prepared cash flow forecasts for the group headed by UK Investment Company 210 Limited for a period of 12 months from the date of signing these accounts, which reflect their current best estimate of the impact of COVID-19. These forecasts show that the group is expected to be able to meet its obligations and liabilities as they fall due for the next 12 months.

The company's parent undertaking and subsidiary undertakings have confirmed that they will not call for repayment of balances due to them for a period of 12 months from the date of signing these financial statements unless the company is able to make such repayment and still continue in operation in meeting its liabilities as and when they fall due. In addition, the company has received confirmation from certain subsidiary undertakings confirming that they will continue to provide such finance as the company requires for the next 12 months in order to continue in operational existence and to meet its obligations and liabilities as they fall due.

In view of the above the Directors have therefore concluded that they consider it appropriate for the financial statements to be prepared on a going concern basis.

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

(e) Revenue recognition

Hotel management services

Revenue from the provision of hotel management services is recognised in the accounting period when the services are rendered. The company considers its performance obligation to be fulfilled when the services detailed in the hotel management contract have been performed. The transaction price of hotel management services is at rates specified in the hotel management contracts.

(f) Foreign currencies

In preparing these financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(g) Investments

Investments in subsidiaries are stated at cost less provision for impairment.

(h) Impairment of investments

At the end of each reporting period, the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investments is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

(i) Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

(j) Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

The company's non-derivative financial instruments include loans and receivables and other financial liabilities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. These include:

Other receivables

Other receivables are initially recognised at fair value, based upon discounted cash flows at prevailing interest rates for similar instruments, or at their nominal amount less expected credit losses if due in less than 12 months. Subsequent to initial recognition, other receivables are valued at amortised cost less expected credit losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The cash and cash equivalents are stated at their nominal values, as this approximates to amortised cost.

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

(j) Financial instruments (continued)

Other financial liabilities

Other financial liabilities (including loans and borrowings and other payables) are subsequently measured at amortised cost using the effective interest method.

Other payables

Other payables are initially recognised at fair value, based upon the nominal amount outstanding. Subsequent to initial recognition, they are recorded at amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

The company always recognises expected credit losses for other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

De-recognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. Any interest in such transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

De-recognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

(k) Taxation

Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in profit and loss account because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key source of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, is discussed below.

Recoverability of debtors and investments

The recoverability of debtors and investments are assessed based on factors specific to each individual debtor or investment.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019	2018
	£ 000	£ 000
Management fees	<u>4,565</u>	<u>4,689</u>

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

5 Other gains and losses (continued)

	2019	2018
	£ 000	£ 000
Loss from changes in provisions	(2,606)	-

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

6 Operating (loss)/profit

(Loss)/profit for the period from continuing operations has been arrived at after charging:

	2019 £ 000	2018 £ 000
Depreciation expense	114	161
Foreign exchange gain/(loss)	<u>8</u>	<u>(4)</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	1,637	1,876
Social security costs	270	303
Pension costs, defined contribution scheme	<u>110</u>	<u>171</u>
	<u>2,017</u>	<u>2,350</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	<u>30</u>	<u>26</u>

8 Directors' remuneration

The directors received no emoluments or benefits from the company for their services in the current or prior period.

9 Auditors' remuneration

Auditor's remuneration of £5,000 (2018: £102,000) has been borne by the company in the current and prior year. The prior year audit fees for consolidated accounts related to previous auditors Deloitte LLP.

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

10 Income tax

Tax charge in the income statement:

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax	142	202
UK corporation tax adjustment to prior periods	-	249
Total tax expense in the income statement	142	451

Factors affecting current tax charge for the period

The tax on profit before tax for the year on ordinary activities is higher than the standard rate of corporation tax in the UK (2018: higher than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
(Loss)/profit before tax	(2,466)	596
Corporation tax at standard rate	(469)	113
Effects of:		
Expenses not deductible for tax purposes	611	89
Adjustments in respect of previous years	-	249
Total tax charge	142	451

Factors affecting the tax charge in future years

Under Finance Act 2020, which was substantially enacted on 17 March 2020, the rate that will apply from 1 April 2020 remains at 19%.

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

11 Property, plant and equipment

	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation		
At 1 January 2019	571	571
Additions	33	33
Disposals	(604)	(604)
At 31 December 2019	-	-
Depreciation		
At 1 January 2019	322	322
Charge for the year	114	114
Eliminated on disposal	(436)	(436)
At 31 December 2019	-	-
Carrying amount		
At 31 December 2019	-	-
At 31 December 2018	249	249

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

12 Investments

Subsidiaries	£ 000
Cost	
At 1 January 2019	103,345
At 31 December 2019	103,345
Net book value	
At 31 December 2019	103,345
At 31 December 2018	103,345

Details of the subsidiaries as at 31 December 2019 are as follows:

Name of subsidiary	Principal activity	Ownership interest in ordinary shares (%)	
		2019	2018
Ribbon Holdco Limited*	Investment	100%	100%
Ribbon Mezzco Limited	Investment	100%	100%
Ribbon Midco Limited	Investment	100%	100%
Ribbon Bidco Limited	Investment	100%	100%
Ribbon Acquisition Limited	Investment	100%	100%
Ribbon Hotels Group (UK) Limited	Non-trading (liquidation)	0%	100%
SC Hotels and Holidays Limited	Non-trading (liquidation)	0%	100%
Centre Hotels (Cranston) Limited	Non-trading (liquidation)	0%	100%
Ribbon Birmingham Limited	Investment	100%	100%
Ribbon Heathrow Limited	Investment	100%	100%
Ribbon Manchester Airport Limited	Investment	100%	100%
Ribbon Basildon Limited	Investment	100%	100%
Ribbon Brentwood Limited	Investment	100%	100%
Ribbon Bristol Limited	Investment	100%	100%
Ribbon Cambridge Limited	Investment	100%	100%
Ribbon Cardiff Limited	Investment	100%	100%
Ribbon Edinburgh Limited	Investment	100%	100%
Ribbon Glasgow Airport Limited	Investment	100%	100%
Ribbon Guildford Limited	Investment	100%	100%
Ribbon Bloomsbury Limited	Investment (disposed)	0%	100%
Ribbon Brent Cross Limited	Investment	100%	100%

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

12 Investments (continued)

Name of subsidiary	Principal activity	Ownership interest in ordinary shares (%)	
		2019	2018
Ribbon Heathrow Ariel Limited	Investment	100%	100%
Ribbon Heathrow M4 J4 Limited	Investment	100%	100%
Ribbon Regents Park Limited	Investment	100%	100%
Ribbon Sutton Limited	Investment	100%	100%
Ribbon Maidenhead Limited	Investment	100%	100%
Ribbon Milton Keynes Limited	Investment	100%	100%
Ribbon Oxford Limited	Investment	100%	100%
R. Birmingham Propco Limited	Property	100%	0%
R. Heathrow Propco Limited	Property	100%	0%
R. Manchester Propco Limited	Property	100%	0%
R. Basildon Propco Limited	Property	100%	0%
R. Brentwood Propco Limited	Property	100%	0%
R. Bristol Propco Limited	Property	100%	0%
R. Cambridge Propco Limited	Property	100%	0%
R. Cardiff Propco Limited	Property	100%	0%
R. Edinburgh Propco Limited	Property	100%	0%
R. Glasgow Propco Limited	Property	100%	0%
R. Guildford Propco Limited	Property	100%	0%
R. Brent Cross Propco Limited	Property	100%	0%
R. Heathrow Ariel Propco Limited	Property	100%	0%
R. Heathrow M4 J4 Propco Limited	Property	100%	0%
R. Regents Park Propco Limited	Property	100%	0%
R. Sutton Propco Limited	Property	100%	0%
R. Maidenhead Propco Limited	Property	100%	0%
R. Milton Keynes Propco Limited	Property	100%	0%
R. Oxford Propco Limited	Property	100%	0%
Goldie Hotels (No 1) Limited*	Non-trading	100%	0%

* indicates direct investment by the company.

All of the investment and non-trading subsidiaries listed above have a registered office at Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, UB7 0JU, United Kingdom, EC4R 1AG. All property subsidiaries have a registered office of 22 Grenville Street, St Helier, JE4 8PX, Jersey.

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

13 Other financial assets

	2019 £ 000	2018 £ 000
Non-current financial assets		
Loans to group undertakings	1,019	-

On 31 December 2019, the company issued a loan to a parent entity of £3.6m. Repayment of the principal and interest is due at the maturity of a three-year term. The loan carries interest at 5.5%. No accrued interest was included in current loans and borrowings. As at 31 December 2019 the loan was impaired by 2.6m.

14 Trade and other receivables

	2019 £ 000	2018 £ 000
Trade receivables	-	267
Provision for impairment of trade receivables	-	(21)
Net trade receivables	-	246
Receivables from subsidiaries	50	661
Receivables from group undertakings	173	494
Prepayments	-	58
Other receivables	-	243
	223	1,702

The receivables from other group entities bear no interest and are repayable on demand.

15 Cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank	-	4,900

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

16 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	1,034	1,034	1,034	1,034
B Ordinary shares of £0.01 each	100	1.00	100	1.00
	<u>1,134</u>	<u>1,035</u>	<u>1,134</u>	<u>1,035</u>

17 Trade and other payables

	2019 £ 000	2018 £ 000
Trade payables	-	167
Accrued expenses	-	514
Payables to parent	3,929	4,883
Payables to subsidiaries	385	1,514
Payables to group undertakings	-	177
Social security and other taxes	-	201
Other payables	-	1
	<u>4,314</u>	<u>7,457</u>

The payables to other group entities bear no interest and are repayable on demand.

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £110,077 (2018 - £171,222).

Ribbon Hotels Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

19 Parent and ultimate parent undertaking

The company's immediate parent is UK Investment Company 210 Limited, a company incorporated in the United Kingdom. Its registered address is Holiday Inn London Heathrow M4 J4, Sipson Road, West Drayton, UB7 0JU, United Kingdom. The ultimate controlling party is Turanco Investment Limited, a company incorporated in Cyprus.

The largest group to consolidate these financial statements is Turanco Investment Limited. The consolidated financial statements of Turanco Investment Limited 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 is 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.

20 Subsequent events

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.