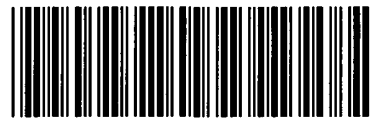


Company Registration No. 04524322 (England and Wales)

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

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LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

COMPANY INFORMATION

Director	Mr R N Luck
Company number	04524322
Registered office	Quadrant House, Floor 6 4 Thomas More Square London E1W 1YW
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditors' report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 20

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The director presents the strategic report for the year ended 30 September 2017.

Principal activities, fair review of the business and future developments

Prior to 29 September 2017, the company acted as a commercial property investment company. From 29 September 2017 the company commenced operation of the Hilton Green Park Hotel, which was previously the company's sole investment property. It made a loss of £0.5m for the year ended 30 September 2017 (2016: £6.2m) due to the payment of £2m on lease surrender. Net assets were £21.1m at the year end (2016: £21.6m).

In August 2017 the company repaid a loan from London & Regional Portfolio Finance Limited using an advance from another group undertaking.

The director considers the financial position and future prospects at 30 September 2017 to be satisfactory.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the fact that the company operates within a highly competitive market place. The director of the company has reviewed the company's exposure to credit risk, liquidity risk and cashflow risk. These risks and uncertainties are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Financial risk management

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Further discussion of the financial risk management objectives and policies, in the context of the group as a whole, are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Key performance indicators

The company is managed by the director in accordance with the strategies of its ultimate parent company, Loopsign Limited. For this reason, the director believes that key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. These strategies and key performance indicators are discussed in the company's ultimate parent's group annual report which does not form part of this report.

Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London & Regional Group Securitisation No.2 Limited. The director has received confirmation that London & Regional Group Securitisation No.2 Limited intends to support the company for at least one year after these financial statements are signed.



.....
Mr R N Luck

~~Secretary~~ DIRECTOR
25 May 2018

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The director presents his annual report and audited financial statements for the year ended 30 September 2017.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr L Sebastian

(Resigned 31 January 2017)

Mr R N Luck

(Appointed 31 January 2017)

Results and dividends

The results for the year are set out on page 7.

The director does not recommend the payment of a dividend (2016: £nil).

The business review, financial risk management and going concern are included in the strategic report.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its director during the year. These provisions remain in force at the reporting date.

Independent Auditors

The Independent Auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to Independent Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.



.....
Mr R N Luck

~~Secretary~~ **DIRECTOR**
25 May 2018

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

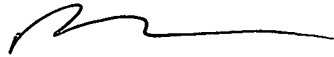
The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006.

The director is 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.



.....
Mr R N Luck

~~Secretary~~ DIRECTOR
25 May 2018

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, London & Regional (Green Park Hotel) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 September 2017, the statement of comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

Reporting on other information (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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 30 September 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as he determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of director's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Suzanne Woolfson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 May 2018

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	1,947,984	2,854,738
Cost of sales		(64,870)	(54,739)
Gross profit		1,883,114	2,799,999
Administrative expenses		(337,466)	(105,200)
Lease surrender expense		(2,089,500)	-
Fair value gains on investment properties	10	-	4,706,353
Operating (loss)/profit	4	(543,852)	7,401,152
Interest payable and similar expenses	7	(49,694)	(1,098,295)
(Loss)/profit on ordinary activities before taxation		(593,546)	6,302,857
Tax on (loss)/profit on ordinary activities	8	82,000	(82,000)
(Loss)/profit for the financial year		(511,546)	6,220,857
Other comprehensive income		-	-
Total comprehensive (expense)/income for the year		(511,546)	6,220,857

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	9	57,928,868		-	
Investment properties	10	-		57,800,000	
		<u>57,928,868</u>		<u>57,800,000</u>	
Current assets					
Stocks	11	6,759		-	
Debtors	12	620,888	19,301,814		
Cash at bank and in hand		75,141		-	
		<u>702,788</u>	<u>19,301,814</u>		
Creditors: amounts falling due within one year	13	(37,493,285)	(55,369,897)		
Net current liabilities		<u>(36,790,497)</u>		<u>(36,068,083)</u>	
Total assets less current liabilities		<u>21,138,371</u>		<u>21,731,917</u>	
Provisions for liabilities	14	-		(82,000)	
Net assets		<u>21,138,371</u>		<u>21,649,917</u>	
Capital and reserves					
Called up share capital	16	1		1	
Retained earnings		<u>21,138,370</u>		<u>21,649,916</u>	
Total equity		<u>21,138,371</u>		<u>21,649,917</u>	

The financial statements were approved and signed by the director and authorised for issue on 25 May 2018



Mr R N Luck
Director

Company Registration No. 04524322

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital £	Retained earnings £	Total £
Balance at 1 October 2015	1	15,429,058	15,429,059
Profit and total comprehensive income for the financial year	-	6,220,857	6,220,857
Balance at 30 September 2016	1	21,649,916	21,649,917
Loss and total comprehensive income for the financial year	-	(511,546)	(511,546)
Balance at 30 September 2017	1	21,138,370	21,138,371

Included within retained earnings is an amount of £24,941,245 (2016: £24,859,245) relating to investment property revaluations and associated deferred tax which is non-distributable.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

General information

London & Regional (Green Park Hotel) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW.

1.1 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

1.2 Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis and under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemption if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of Loopsign Limited which are publicly available.

As a qualifying entity, the company has taken advantage of the following exemptions:

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17 (d) of FRS 102; and
- from the requirement to present financial instruments disclosures, as required by FRS 102 paragraphs 11.39 to 11.48A, paragraph 12.26 and 12.29.

1.4 Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of London & Regional Group Securitisation No.2 Limited. The director has received confirmation that London & Regional Group Securitisation No.2 Limited intends to support the company for at least one year after these financial statements are signed.

1.5 Turnover

Turnover represents rental income and recoverable property expenses and amounts receivable for the provision of hotel services, net of value added tax. Rental income was recognised over the term of the lease on a straight-line basis. The total turnover of the company for the year has been derived from its principal activities, wholly undertaken in the UK.

Room and inclusive breakfast revenue is recognised at the end of the financial day. All other hotel turnover, such as bar and restaurant takings, is recognised at the point of sale.

Deferred income

Income from properties was allocated in the year to which it relates, with payments received in advance held as deferred income and credited to the profit and loss when earned.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.6 Tangible assets

Tangible assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	Buildings at 2% per annum on a straight line basis. Land is not depreciated
Fixtures and fittings	10% per annum on a straight line basis
Computer equipment	25% per annum on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

No depreciation is provided in respect of tangible assets acquired during the financial year.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible assets.

1.8 Impairment of assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The 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 year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Recoverability of amounts due from fellow group undertakings

The company makes an estimate of the recoverable value of the amounts due from fellow group undertakings. When carrying out the assessment the director considers factors including the aging profile of the debtors, historic experience and performance of debtors business.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

3 Turnover

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Rental income	1,809,080	2,800,000
Recoverable property expenses	55,871	54,738
Provision of hotel services	83,033	-
Turnover	<u>1,947,984</u>	<u>2,854,738</u>

4 Operating (loss)/profit

	2017 £	2016 £
Operating (loss)/profit for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	-	-
Lease surrender expense	<u>2,089,500</u>	<u>-</u>

Auditors' remuneration has been borne by London & Regional Properties Limited.

During the year, the company commenced operation of the property. An agreement for lease surrender was executed with the existing tenant, under which the company made a payment of £2m to the tenant and accrued stamp duty land tax of £89,500.

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Food & Drink	1	-
Other	1	-
	<u>2</u>	<u>-</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	82,661	-
Social security costs	1,781	-
	<u>84,442</u>	<u>-</u>

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

6 Director's remuneration

The director did not receive any emoluments in respect of his services to the company (2016: £nil).

The above details of director's emoluments do not include the emoluments which are paid by a fellow subsidiary and recharged to the company as part of a management charge. This management charge, which in 2017 amounted to £115,600 (2016: £105,200), also includes a recharge of administration costs borne by the fellow subsidiary on behalf of the company and it is not possible to identify separately the amount of the director's emoluments. The director is a director of the ultimate parent company and his total emoluments are included in the aggregate of directors' emoluments included in the financial statements of the ultimate parent company.

7 Interest payable and similar expenses

	2017 £	2016 £
Interest payable to group undertakings	49,694	1,098,295

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

8 Tax on profit on ordinary activities

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	(82,000)	82,000

Factors affecting tax (credit)/charge for the year

From 1 April 2017 the rate of corporation tax has reduced from 20% to 19%, giving a blended average rate for the current year of 19.5% (2016: 20%).

The (credit)/charge for the year can be reconciled to the (loss)/profit per the statement of comprehensive income as follows:

	2017 £	2016 £
(Loss)/profit on ordinary activities before taxation	(593,546)	6,302,857
Expected tax (credit)/charge based on the blended/standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	(115,741)	1,260,571
Tax effect of expenses that are not deductible in determining taxable profit	390,000	-
Tax effect of income not taxable in determining taxable profit	-	(941,270)
Permanent capital allowances in excess of depreciation	(8,411)	-
Effect of revaluations of investment properties	-	82,000
Utilisation of tax losses	(265,848)	(319,301)
Derecognition of deferred tax	(82,000)	-
Tax (credit)/charge for the year	(82,000)	82,000

The corporation tax charge for the year was reduced by £265,848 (2016: £319,301) because of losses surrendered by fellow subsidiary undertakings. No payment for this surrender is to be made by the company.

Factors that may affect future tax charges

With effect from 1 April 2020, the UK corporation tax rate will be reduced to 17%. This change, which was announced in March 2015 budget and affirmed in March 2016 budget, will have no significant impact on these financial statements.

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Tangible assets

	Buildings	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 October 2016	-	-	-	-
Additions	-	81,443	938	82,381
Transfer from investment property	57,846,487	-	-	57,846,487
At 30 September 2017	57,846,487	81,443	938	57,928,868
Accumulated depreciation				
At 1 October 2016 and 30 September 2017	-	-	-	-
Carrying amount				
At 30 September 2017	57,846,487	81,443	938	57,928,868
At 30 September 2016	-	-	-	-

10 Investment properties

	£
Fair value	
At 1 October 2016	57,800,000
Additions	46,487
Transfers to owner-occupied property	(57,846,487)
At 30 September 2017	-

On 29 September 2017, the investment property was reclassified to owner-occupied property as the company commenced operation of the hotel.

For the comparative year, the investment property was charged to secure loan notes issued by a fellow subsidiary company and the loan made to a further fellow subsidiary company.

11 Stocks

	2017	2016
	£	£
Finished goods and goods for resale	6,759	-

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

12 Debtors

	2017 £	2016 £
Trade debtors	3,952	(1)
Amounts due from fellow group undertakings	-	19,301,815
Other debtors	203,682	-
Prepayments and accrued income	413,254	-
	<u>620,888</u>	<u>19,301,814</u>

For the year ended 30 September 2016, amounts due from fellow group undertakings were interest free, repayable on demand, and unsecured.

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	469,303	15,683
Amounts due to fellow group undertakings	35,648,796	54,543,485
Taxation and social security	-	110,729
Other creditors	808,778	-
Accruals and deferred income	566,408	700,000
	<u>37,493,285</u>	<u>55,369,897</u>

The amounts due to fellow group undertakings are interest free, repayable on demand and unsecured, apart from £43,797,526 in the comparative year which was secured over the properties of the company and bear interest at an average rate of between 3.53% and 3.60% per annum over 3 month Sterling LIBOR up to 17 October 2016.

14 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	15	-	82,000

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Investment property	-	82,000

LONDON & REGIONAL (GREEN PARK HOTEL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

15 Deferred taxation

(Continued)

Movements in the year:	£
Liability at 1 October 2016	82,000
Credit to comprehensive income	(82,000)
Liability at 30 September 2017	-

16 Called up share capital

	2017 £	2016 £
Ordinary share capital		
<i>Authorised</i>		
10,000,000 (2016: 10,000,000) ordinary shares of £1 each	10,000,000	10,000,000
<i>Issued and fully paid</i>		
1 (2016: 1) ordinary shares of £1 each	1	1

17 Related party transactions

As the company is a wholly owned subsidiary of Loopsign Limited, the company has taken advantage of the exemption under section 33.1A of FRS102 from disclosing transactions or balances with entities which form part of the group.

18 Controlling party

The immediate parent undertaking is London & Regional Group Securitisation No.2 Limited, a company incorporated and registered in England and Wales.

The ultimate parent undertaking is Loopsign Limited, a company incorporated in England and Wales.

London & Regional Group Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statement as at 30 September 2017. Loopsign Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2017. The consolidated financial statements of Loopsign Limited can be obtained from the company secretary at Quadrant House, Floor 6, 4 Thomas More Square, London E1W 1YW.

The ultimate controlling parties are I.M. Livingstone and R.J. Livingstone through their joint ownership of Loopsign Limited.