

REGISTERED NUMBER: 03428170 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
BOUSTEAD VENTURES LIMITED

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BOUSTEAD VENTURES LIMITED

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for the year ended 31 December 2018

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BOUSTEAD VENTURES LIMITED

COMPANY INFORMATION
for the year ended 31 December 2018

DIRECTORS: S C Cheah
F B Ismail

SECRETARY: S C Cheah

REGISTERED OFFICE: 5th Floor
6 St Andrew Street
London
EC4A 3AE
United Kingdom

REGISTERED NUMBER: 03428170 (England and Wales)

INDEPENDENT AUDITORS: Ernst & Young LLP
1 More London Place
London
SE1 2AF

BOUSTEAD VENTURES LIMITED

REPORT OF THE DIRECTORS **for the year ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

REVIEW OF BUSINESS

The company has continued to undertake the operation of a hotel and the letting of apartments. The hotel and apartments are based in London in the United Kingdom.

The directors' conclusions regarding ongoing performance and position of the company and their conclusions regarding the appropriateness of the going concern basis are set out in the notes to the financial statements.

GOING CONCERN

The financial statements have been prepared on the going concern basis. Although the company has net current liabilities and net liabilities, the immediate parent, Boustead Properties Berhad, has agreed to provide financial support for a period of at least 12 months from the date of signing these financial statements in order that the company can continue to meet its liabilities as they fall due. Having reviewed this support and in the context of the financial resources of the Parent, the directors consider it appropriate to prepare the financial statements on the going concern basis.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £1,052,261 (2017 – loss of £1,047,654).

The directors are unable to recommend the payment of a dividend (2017 – Nil).

FUTURE DEVELOPMENTS AND ECONOMIC RISK

There have not been any significant changes in the Company's principal activity since the year end and the directors are not aware of any likely material changes in the next year.

The company is subject to the cyclical nature of the hospitality industry not just in its own market but those of its customers. On 29 March 2017, the United Kingdom (UK) government formally announced that the UK will leave the European Union (EU). The UK government has since begun the process negotiating the terms of the UK's future relationship with the EU. Although it is unknown what those terms will be Brexit may create global economic uncertainty, which may cause our customers to closely monitor their costs and reduce their spending on hotels and travel.

At the date of signing these accounts the directors do not foresee any immediate risks crystallising, however, they acknowledge the uncertainty that now exists. The directors will continue to keep this under review.

The company operates in a market with a high level of competition and there is a risk that competitor actions could have a detrimental impact on the company. The company reviews the market continually and participates in regular benchmarking to understand the company's position compared to its competitors.

Recently, there has been heightened political and economic uncertainty in the United Kingdom market and the growth rates and market sentiment have been impacted by the ongoing 'BREXIT' negotiations. The Directors believe that despite the uncertainty in the market, the business in the UK is unlikely to be effected as a result of the international customer base and the business will continue to perform and capitalise on growth opportunities as they arise.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

S C Cheah has held office during the whole of the period from 1 January 2018 to the date of this report.

Other changes in directors holding office are as follows:

D Ebinesan - resigned 1 July 2018

F B Ismail - appointed 1 July 2018

No director has any interest in the shares of the company or other interests that require disclosure under the Companies Act 2006.

Directors' indemnity insurance is in place for all directors, subject to the conditions set out in section 234 of the Companies Act 2006. Such indemnity insurance remains in force at the date of approving the Directors' Report.

BOUSTEAD VENTURES LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 December 2018

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks and the mitigation to those risks which the company was exposed to during the current period are listed below

Health and safety risk

The company is exposed to health and safety risk whilst customers stay in the hotel and apartments. The company takes a comprehensive approach to mitigating health and safety risk. A full planned and preventable maintenance programme is in operation year round. Periodic training provides regular and systematic skill transfer, and hotel teams are thoroughly briefed on their responsibilities and the company escalation mechanisms, covering incident, accident, disaster recovery and interaction with emergency services.

Supplier risk

The company is reliant on certain suppliers to provide key services and goods to the company which are critical to the continuing trade of the company. There is a risk that should any of these suppliers be unable to continue to provide services or goods to the company that trade would be interrupted. The company maintains contingency plans in the event of any key supplier failure.

Credit risk

Credit risk arises from cash and cash equivalents, bank deposits and accounts receivable. Credit risk refers to the risk exposure that potential financial loss to the company may occur if counterparty defaults on its contractual obligations. The maximum exposure to credit risk is the value of assets which might be lost. Cash and cash equivalents are deposited only within banks that are considered by the company to have a minimal risk of default. The company evaluates the concentration of risk with respect to accounts receivables as low, as reputable booking agents are used to generate revenue.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations. Cash flow forecasting is performed at group level. The group monitors rolling forecasts and the liquidity requirements to ensure it has sufficient cash to meet operational needs and financial obligations.

Market risk

The company operates in a market with a high level of competition and there is a risk that competitor actions could have a detrimental impact on the company. The company reviews the market continually and participates in regular benchmarking to understand the company's position compared to its competitors.

Recently, there has been heightened political and economic uncertainty in the United Kingdom market and the growth rates and market sentiment have been impacted by the ongoing 'BREXIT' negotiations. The Directors believe that despite the uncertainty in the market, the business in the UK is unlikely to be effected as a result of the international customer base and the business will continue to perform and capitalise on growth opportunities as they arise.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.


AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

SMALL COMPANIES REGIME

The directors have taken advantage of the small companies exemption under section 414B of the Companies Act 2006 in relation to the preparation of a strategic report.

ON BEHALF OF THE BOARD:



.....
S C Cheah - Director

Date: 3 May 2019

BOUSTEAD VENTURES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended 31 December 2018

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

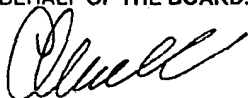
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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.

ON BEHALF OF THE BOARD:



.....
S C Cheah - Director

Date: 3 May 2019

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BOUSTEAD VENTURES LIMITED**

Opinion

We have audited the financial statements of Boustead Ventures Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of profit or loss, and other comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

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 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 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 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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BOUSTEAD VENTURES LIMITED**

- 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

Ernst & Young L.L.P.

Cameron Cartmell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 3rd May 2019

BOUSTEAD VENTURES LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
for the year ended 31 December 2018

	Notes	2018 £	2017 £
TURNOVER	3	1,062,336	950,122
Cost of sales		<u>(327,805)</u>	<u>(338,964)</u>
GROSS PROFIT		734,531	611,158
Administrative expenses		<u>(1,672,958)</u>	<u>(1,586,455)</u>
OPERATING LOSS		(938,427)	(975,297)
Interest payable and similar expenses	5	<u>(113,834)</u>	<u>(72,357)</u>
LOSS BEFORE TAXATION	6	(1,052,261)	(1,047,654)
Tax on loss	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(1,052,261)	(1,047,654)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(1,052,261)</u>	<u>(1,047,654)</u>

The notes form part of these financial statements

BOUSTEAD VENTURES LIMITED (REGISTERED NUMBER: 03428170)

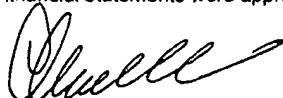
STATEMENT OF FINANCIAL POSITION
31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	4,968	7,061
CURRENT ASSETS			
Trade and other receivables	9	82,293	67,359
Cash at bank	10	<u>151,010</u>	<u>191,889</u>
		233,303	259,248
TRADE AND OTHER PAYABLES			
Amounts falling due within one year	11	<u>(3,796,688)</u>	<u>(2,772,465)</u>
NET CURRENT LIABILITIES		<u>(3,563,385)</u>	<u>(2,513,217)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(3,558,417)</u>	<u>(2,506,156)</u>
EQUITY - SHAREHOLDERS EQUITY			
Called up share capital	13	1,000	1,000
Retained earnings		<u>(3,559,417)</u>	<u>(2,507,156)</u>
SHAREHOLDERS' FUNDS	15	<u>(3,558,417)</u>	<u>(2,506,156)</u>
		<u>(3,558,417)</u>	<u>(2,506,156)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

All amounts relate to continuing activities.

The financial statements were approved by the Board of Directors on 3 May 2019 and were signed on its behalf by:



.....
S C Cheah - Director

The notes form part of these financial statements

BOUSTEAD VENTURES LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	1,000	(1,459,502)	(1,458,502)
Total comprehensive loss for the financial year	-	(1,047,654)	(1,047,654)
Balance at 31 December 2017	1,000	(2,507,156)	(2,506,156)
Total comprehensive loss for the financial year	-	(1,052,261)	(1,052,261)
Balance at 31 December 2018	1,000	(3,559,417)	(3,558,417)

The notes form part of these financial statements

BOUSTEAD VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2018**

1. GENERAL INFORMATION

The company is a limited company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and domiciled in England and Wales.

The company was formed to operate a hotel and commenced operations in November 2015. The registered office is located at 5th Floor, 6 St Andrew Street, London, EC4A 3AE, United Kingdom.

The immediate holding company is Boustead Properties Berhad (the Parent), incorporated in Malaysia. The ultimate parent of the group is Lembaga Tabung Angkatan Tentera which is a company registered in Malaysia.

2. ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below.

The financial statements contain information about Boustead Ventures Limited as an individual company. These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) on the accruals basis of accounting.

The accounting policies set out below have been applied consistently by the company. This reporting period is from 1 January 2018 to 31 December 2018. Amounts for the year ended 31 December 2017 represent transactions from 1 January 2017 to 31 December 2017.

The company's financial statements were approved by the board of Directors and authorised for issuance on 3 May 2019.

Basis of measurement

The financial statements have been prepared under the historical cost basis convention modified for applicable accounting policies.

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

Use of Estimates and Judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The directors do not consider that there are any estimates and assumptions at the reporting date which may give rise to significant risk of resulting in a material adjustment to the carrying values of assets and liabilities.

New standards adopted in the period

The company has assessed that there is no impact to the balances in the financial statements as a result of the changes to IFRS 9 Financial Instruments and IFRS 15 Contracts with Customers. However, the presentation and disclosure requirements in IFRS 15 are more detailed than the previous standard and increase the volume of disclosures required in the financial statements. The impact of these disclosure requirements is that the notes to the financial statements have been expanded to separately disclose each of the revenue streams in note 3.

Standards issued but not yet effective

IFRS 16 replaces existing lease guidance, the standard is effective for annual periods beginning on or after 1 January 2019.

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The composition of the company's leases liability is the lease of its hotel from Boustead Hyde Park Limited, the Company's future minimum lease payments under non-cancellable operating leases are disclosed under note 12.

BOUSTEAD VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

These exemptions require that equivalent disclosures are included in the financial statements of the group in which the entity is consolidated.

The results of the company are included in the consolidated financial statements of Boustead Ventures Berhad which are available from 28th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.

Financial reporting standards applicable to the company for future financial periods

The company has reviewed the effect of all other amendments to FRS and interpretations effective for accounting periods beginning on or after 1 January 2019 and does not expect them to have an impact on the financial statements of the company.

Turnover

Turnover is derived wholly in the United Kingdom from hotel operations including rental of rooms, rental from apartments; food and beverage sales and car park rental.

Turnover is recognised when control of services are transferred to the customer when they stay at these locations, at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services in the normal course of business, net of trade discounts and VAT.

Cost of sales

Cost of sales are included in the statement of profit or loss on an accruals basis, net of trade discounts and VAT.

Finance costs

Finance costs comprise interest expenses on borrowings. All borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

BOUSTEAD VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Property and equipment

All tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation

Depreciation is provided on all tangible fixed assets, on a straight-line basis over its estimated useful life, as follows:

Furniture and fixtures - the shorter of the remaining term of the lease or 5 years straight line

Computer equipment - 3 years straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred taxation is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of profit or loss.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Going concern

The financial statements have been prepared on the going concern basis. Although the company has net current liabilities and net liabilities, the immediate parent, Boustead Properties Berhad has agreed to provide financial support for at least 12 months from the date of signing these financial statements in order that the company can continue to meet its liabilities as they fall due. Having reviewed this support and in the context of the financial resources of the Parent, the directors consider it appropriate to prepare the financial statements on a going concern basis.

BOUSTEAD VENTURES LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 31 December 2018**2. ACCOUNTING POLICIES - continued****Trade and other receivables**

Trade and other receivables are measured at transaction price, less any impairment. Provision for impairment is made through profit or loss when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Prepayments

Prepayments primarily consist of expenses paid in advance. These costs have been capitalised as they represent a future economic benefit to the company.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances net of outstanding checks.

Trade and other payables

Trade payables are non-interest bearing and are normally paid when due.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax effects.

Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the lease. Lease incentives are recognised over the lease term on a straight line basis.

Pension costs

The company operates a defined contribution pension scheme. Contributions to this scheme are recognised in the statement of comprehensive income in the period in which they are earned.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2018	2017
	£	£
Room revenue	878,864	805,107
Apartment revenue	127,712	121,746
Food & beverages and other	55,760	23,269
	<u>1,062,336</u>	<u>950,122</u>

An analysis of turnover by geographical market is given below:

	2018	2017
	100.00%	100.00%
United Kingdom	<u>100.00%</u>	<u>100.00%</u>

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	200,715	194,773
Social security costs	14,699	13,044
Other pension costs	1,574	-
	<u>216,988</u>	<u>207,817</u>

The average number of employees during the year was as follows:

	2018	2017
Administrative staff	<u>9</u>	<u>9</u>

BOUSTEAD VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2018

4. EMPLOYEES AND DIRECTORS - continued

During the year no director received any emoluments (2017 - £nil).

S C Cheah received remuneration from Mutiara Rini Sdn Bhd, a related company, F B Ismail received remuneration from Boustead Holdings Berhad and D Ebinesan received remuneration from Boustead Holdings Berhad, the ultimate holding company, as employees of those companies. They received no remuneration for their services as directors of Boustead Ventures Limited (2017 - £nil).

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Interest payable on loans from group undertaking	<u>113,834</u>	<u>72,357</u>
	<u>113,834</u>	<u>72,357</u>

6. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	4,000	9,849
Operating lease costs	<u>1,207,500</u>	<u>1,159,583</u>

Auditors' remuneration

The company paid £55,000 (2017 - £55,000) to its auditors in respect of the audit of the financial statements. Amounts paid for the non-audit services during the year were £nil (2017 - £nil).

7. TAXATION

Analysis of tax expense

Due to losses no liability to UK corporation tax arose for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Loss before income tax	<u>(1,052,261)</u>	<u>(1,047,654)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(199,930)	(201,673)
Effects of: Losses carried forward	<u>199,930</u>	<u>201,673</u>
Tax expense	<u>-</u>	<u>-</u>

BOUSTEAD VENTURES LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 31 December 2018**7. TAXATION - continued****Factors affecting future tax charges**

A deferred tax asset has not been recognised due to the uncertainty of future profits being available to offset the losses carried forward.

The UK corporation tax rate reduced to 19% from April 2017. The UK government announced a further reduction in the main rate of UK corporation tax to 17% from 1 April 2020. Where these reduced tax rates were enacted at the statement of financial position date, they have been reflected in these financial statements as appropriate.

In addition as part of the Finance Act 2017, the UK government has announced that restrictions on interest deductibility and loss relief will be implemented. Draft legislation has been released setting out the new provisions. This may impact the taxable profits of the company as well as the amount of carried-forward losses which can be utilised each year to offset taxable profits.

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2018	18,407	7,942	26,349
Additions	<u>1,907</u>	<u>-</u>	<u>1,907</u>
At 31 December 2018	<u>20,314</u>	<u>7,942</u>	<u>28,256</u>
DEPRECIATION			
At 1 January 2018	13,968	5,320	19,288
Charge for year	<u>1,683</u>	<u>2,317</u>	<u>4,000</u>
At 31 December 2018	<u>15,651</u>	<u>7,637</u>	<u>23,288</u>
NET BOOK VALUE			
At 31 December 2018	<u>4,663</u>	<u>305</u>	<u>4,968</u>
At 31 December 2017	<u>4,439</u>	<u>2,622</u>	<u>7,061</u>

9. TRADE AND OTHER RECEIVABLES

	2018 £	2017 £
Prepayments and accrued income	46,658	37,031
Other debtors	34,635	29,328
Amount owed by parent undertaking	<u>1,000</u>	<u>1,000</u>
	<u>82,293</u>	<u>67,359</u>

10. CASH AT BANK

	2018 £	2017 £
Cash at bank	150,045	190,413
Cash in hand	<u>965</u>	<u>1,476</u>
	<u>151,010</u>	<u>191,889</u>

BOUSTEAD VENTURES LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 31 December 2018**11. TRADE AND OTHER PAYABLES**

	2018	2017
	£	£
Trade creditors	41,984	25,553
Amounts owed to group undertakings	3,481,419	2,650,040
Social security and other taxes	3,359	3,647
VAT	29,430	11,781
Other creditors	21,149	30,356
Pension	316	-
Accruals and deferred income	219,031	51,088
	<u>3,796,688</u>	<u>2,772,465</u>

Amounts owed to group undertakings are unsecured, bear interest based on LIBOR plus a margin and are repayable on demand.

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	1,207,500	1,207,500
Between one and five years	<u>1,006,250</u>	<u>2,213,750</u>
	<u>2,213,750</u>	<u>3,421,250</u>

13. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal value:	2018	2017
Number:	Class:		£	£
1,000	Ordinary shares	£1	<u>1,000</u>	<u>1,000</u>

Capital management

The Company defines capital as the total equity of the Company. The Company's primary objectives when managing capital are to achieve sustainable growth and ensure that the Company has adequate capital to fund its operations.

The Directors regularly assess and quantify the potential capital requirements of the Company in order to ensure the Company has adequate capital. The process of allocating capital to specific operations and activities is undertaken by the management and is reviewed regularly by the Directors.

The Company has access to capital from its Parent company and group to be used for its operations.

14. SUBSEQUENT EVENTS

There were no significant subsequent events since the statement of financial position.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2018	2017
	£	£
Loss for the financial year	<u>(1,052,261)</u>	<u>(1,047,654)</u>
Net reduction of shareholders' funds	(1,052,261)	(1,047,654)
Opening shareholders' funds	<u>(2,506,156)</u>	<u>(1,458,502)</u>
Closing shareholders' funds	<u>(3,558,417)</u>	<u>(2,506,156)</u>

BOUSTEAD VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2018

16. CONTROLLING PARTY AND PARENT UNDERTAKING

The immediate parent undertaking is Boustead Properties Berhad, a company incorporated in Malaysia.

The ultimate parent undertaking and controlling party is Lembaga Tabung Angkatan Tentera, a Malaysian statutory body established under the Tabung Angkatan Tentera Act, 1973.

Boustead Holdings Berhad is the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of Boustead Holdings Berhad are available from Tingkat 28, Menara Boustead 69, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia.