

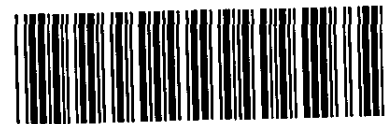
ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Registered number 04319840

WEDNESDAY



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ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

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ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities

The Company's principal activity is the provision of management and administrative services to hotels and apartment hotels in central London.

Results and dividends

For the financial year 2019, the activities of the Company resulted in a loss of £1,527,000 (2018: £1,475,000) as set out on page 6 of the financial statements.

The directors do not recommend a payment of a dividend (2018: nil)

Financial risk management policies and objectives

The directors do not currently have plans for any significant changes to the business operations, however, they are mindful of the ongoing uncertainty presented by the United Kingdom's decision to leave the European Union. The directors will continue to monitor developments in this area to ensure that the company is able to mitigate any adverse consequences of this change while remaining poised to exploit any opportunities that may arise.

Future developments

Like many businesses, particularly those in the hospitality sector, the company has been adversely impacted by the ongoing Coronavirus pandemic. The hotels and apartment hotels under management have suffered from reduced occupancy and revenue, and in one case temporary closure, in the period and after the balance sheet date. This will have a corresponding effect on the management fee income which the company derives from these properties.

The directors have implemented a significant cost reduction plan during the pandemic, both within the Company and at the hotels and serviced apartments under management and the company is benefiting from various government measures to assist businesses. As a result, the directors are confident that the company is well placed to ride out the current challenging period and support the properties under its management to steadily regain occupancy and revenue in the second quarter of 2021 as government restrictions are relaxed.

Meanwhile the company also secured contracts to manage a further four serviced apartments, one of which opened during 2021. The remaining three will open during 2021. The Company is also negotiating to take over the management of three existing properties from a fellow group company. All of these developments will help to grow revenue and profitability in the coming years.

By order of the board



Ngok Wai Lee
Director

Approved by board of directors on: 7 May 2021

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors submit their annual report and financial statements of Ascott Hospitality Management (UK) Limited for the year ended 31 December 2019.

Directors

The directors who held office during the year and up to the date as signing were as follows:

Kian Tiong Alfred Ong (resigned: 15th July 2019)
Phillipe de L'Espinay
Ngok Wai Lee (appointed: 15th July 2019)
Frederic Carre (appointed 31st March 2021)

The directors benefited from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

Company secretary's details

Reed Smith Corporate Services Limited
The Broadgate Tower
Third Floor
20 Primrose Street
London EC2A 2RS

Registered Office

7 - 21 Goswell Road
London EC1M 7AH

Directors' remuneration

Directors' remuneration and retirement benefits are borne by other group companies

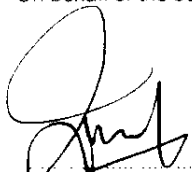
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



Ngok Wai Lee
Director

Date: 7 May 2021

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union has been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Ascott Hospitality Management (UK) Limited ("the company") for the year ended 31 December 2019 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1

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 UK accounting standards, including FRS 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period")

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2019

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

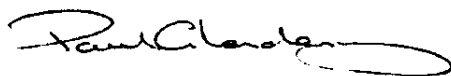
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

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.



Paul Glendenning
Partner
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

7 May 2021

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	Notes	£'000	£'000
Turnover	2	3,090	3,353
Administrative expenses	3	(4,501)	(4,782)
Operating loss		(1,411)	(1,429)
Interest income	5	7	7
Interest payable and similar charges	6	(123)	(53)
Loss on ordinary activities before taxation		(1,527)	(1,475)
Tax on loss on ordinary activities	7	-	-
Loss for the year		(1,527)	(1,475)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The company has no other comprehensive income than the profit above, therefore no statement of other comprehensive income has been presented.

The notes on pages 9-17 form part of the financial statements.

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

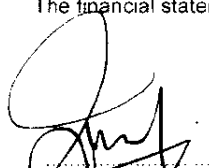
BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible fixed assets	8		214		240
Current assets					
Debtors	9	3,124		1,781	
Cash at bank and in hand		<u>394</u>		<u>1,453</u>	
		3,518		3,234	
Creditors					
Amounts falling due within one year	10	(8,042)		(6,257)	
Net current liabilities			(4,524)		(3,023)
Net liabilities			<u>(4,310)</u>		<u>(2,783)</u>
Capital and reserves					
Called up share capital	11		-		-
Profit and loss account			(4,310)		(2,783)
Equity Shareholders' deficit			<u>(4,310)</u>		<u>(2,783)</u>

The notes on pages 9-17 form part of the financial statements

The financial statements were approved by the board of directors on: 7 May 2021


 Ngok Wai Lee
 Director

Company Registration Number 04319840

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss account	Total Shareholders' funds
	£'000	£'000	£'000
At 1 January 2018	-	(1,308)	(1,308)
Loss for the year	-	(1,475)	(1,475)
At 31 December 2018	-	(2,783)	(2,783)
At 1 January 2019	-	(2,783)	(2,783)
Loss for the year	-	(1,527)	(1,527)
Balance as at 31 December 2019	-	(4,310)	(4,310)

The notes on pages 9-17 form part of the financial statements.

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Summary of significant accounting policies

Basis of preparation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared under the historical cost convention. The financial statements are presented in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000 unless specified otherwise.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006.

Reduced disclosures

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the Group accounts of the ultimate controlling party, in accordance with FRS 101:

- Presentation of a Statement of Cash Flows and related notes;
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- Revenue disclosures, including:
 - Disaggregated and total revenue from contracts with customers;
 - Explanation of significant changes in contract assets and liabilities;
 - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred;
 - Aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised;
 - Significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract;
 - Methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract;
- Financial instrument disclosures, including:
 - Carrying amounts and fair values of financial instruments by category and information about the nature and extent of risks arising on financial instruments;
 - Income, expenses, gains and losses on financial instruments;
 - Information about financial instruments that have been reclassified, derecognised, transferred or offset;
 - Details of credit losses, collateral, loan defaults or breaches;
 - Effects of initial application of IFRS 9;
- Comparative narrative information that continues to be relevant to the current period;
- Comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets;
- Disclosure of key management personnel compensation and amounts incurred for the provision of key management personnel services by a separate management entity;
- Related party disclosures for transactions with the parent or wholly owned members of the group; and
- Disclosure of the objectives, policies and processes for managing capital;

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Going Concern

The company is dependent for its working capital on funds provided to it by The Ascott Limited and its fellow subsidiaries, particularly in light of the impact of the Covid-19 pandemic which has adversely impacted the operating performance of the serviced apartments and hotels under the Company's management in the period since the balance sheet date. The Ascott Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the company and in particular will not seek repayment of the amounts currently made available.

There are also funds available from other group companies if required. This should enable the company to continue in operational existence for at least 12 months by meeting its liabilities as they fall due for repayment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Turnover

Turnover, all of which is derived from operations in the United Kingdom, represents the invoiced value of management fees for services supplied to other group companies stated net of value added tax.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows.

Computer equipment and software	3 years
Fixtures and fittings	7 years
Leasehold improvements	10 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the quoted rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Financial instruments

Recognition of financial instruments

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Initial and subsequent measurement of financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the company with maturities of less than three months.

Trade, intercompany and other debtors

Trade debtors are initially measured at their transaction price. Intercompany and other debtors are initially measured at fair value plus transaction costs.

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Debtors that are held to collect the contractual cash flows which are solely payments of principal and interest are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

Trade debtors

For trade debtors, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the debtor. The risk of a default occurring always takes into consideration all possible default events over the expected life of those debtors ("the lifetime expected credit losses").

Financial liabilities and equity

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.

Initial and subsequent measurement of financial liabilities

Trade, intercompany and other creditors

Trade, intercompany and other creditors are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

Borrowings

Interest-bearing loans are initially measured at fair value, net of direct transaction costs and are subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption, are recognised in profit or loss over the term of the loan using an effective rate of interest.

Equity instruments

Equity instruments issued by the company are recorded at fair value on initial recognition net of transaction costs.

Derecognition of financial assets (including write-offs) and financial liabilities

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party. When there is no reasonable expectation of recovering a financial asset, it is derecognised ("written off"). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (continued)

Pension costs

Contributions are made to the personal plans of certain employees. The expenditure is charged to the profit and loss account in the period to which it relates.

Financing costs

Arrangement fees and other issue costs incurred as a result of entering into loan and other facilities and are subsequently amortised over the length of the related loan or facility.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Finance income and expenses

Finance income and expenses are recognised using the effective interest method. When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected. 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.

There were no significant judgements made in 2019 aside from these accounts being prepared on a going concern basis, as explained earlier in this note 1.

2 Turnover

An analysis of the Company's turnover is as follows.

	2019 £'000	2018 £'000
Management fees		
Due from related companies	3,090	3,332
Due from non-related companies	-	21
	<u>3,090</u>	<u>3,353</u>

All revenue generated by the company is attributable to the United Kingdom. Turnover represents the invoiced value of management fees for services supplied to other group companies net of value added tax.

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Analysis of expenses by nature

	2019 £'000	2018 £'000
Employee remuneration (note 4)	2,820	3,067
Depreciation – owned assets	40	37
Fees payable to auditor	7	7

There were no non-audit fees paid to the auditor (2018: £nil).

4 Employees

a) The average number of persons employed by the company (excluding executive directors) during the year is analysed below.

	2019	2018
Sales and operations	31	28
Administration	8	9
	<u>39</u>	<u>37</u>

b) The aggregate payroll costs of these persons were as follows:

	2019 £'000	2018 £'000
Wages and salaries	2,356	2,263
Social security costs	358	720
Pension costs	106	84
	<u>2,820</u>	<u>3,067</u>

Directors' remuneration for the current and prior year was borne by other group companies and has not been recharged to the company.

5 Interest income

	2019 £'000	2018 £'000
Interest receivable on loans to related parties	<u>7</u>	<u>7</u>

6 Interest payable and similar charges

	2019 £'000	2018 £'000
Interest payable on loans from related parties	<u>123</u>	<u>53</u>

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Taxation

(a) Analysis of charge for the year	2019 £'000	2018 £'000
-------------------------------------	---------------	---------------

UK corporation tax on loss for the current year	-	-
Tax on loss on ordinary activities	-	-

(b) Factors affecting the current tax charge for the year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows.	2019 £'000	2018 £'000
--	---------------	---------------

Loss on ordinary activities before tax	(1,527)	(1,475)
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Expected tax charge based on the standard rate of corporation tax in the UK:	19%	19%
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Profit multiplied by the standard rate of corporation tax	(290)	(280)
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Tax effects of:		
Group relief surrendered for nil payment	290	280
Income tax for the period	-	-

(c) Factors that affect future tax charges

The company generated losses during the financial year of £1,527,000 (2018: £1,475,000) that may be utilised against tax liabilities arising within the group. A deferred tax asset has not been recognised in respect of these amounts as the directors expect to surrender these losses to other group entities for no consideration.

At Budget 2021, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2023 would increase to 25%

This will increase any future current and deferred tax charge accordingly.

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Tangible fixed assets

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Computer equipment and software £'000	Total £'000
Cost				
At 1 January 2019	220	62	39	321
Additions	2	1	11	14
At 31 December 2019	<u>222</u>	<u>63</u>	<u>50</u>	<u>335</u>
Depreciation				
As at 1 January 2019	44	13	24	81
Depreciation charge	22	7	11	40
Disposal	-	-	-	-
At 31 December 2019	<u>66</u>	<u>20</u>	<u>35</u>	<u>121</u>
Net book value				
As at 1 January 2019	<u>176</u>	<u>49</u>	<u>15</u>	<u>240</u>
31 December 2019	<u>156</u>	<u>43</u>	<u>15</u>	<u>214</u>

9 Debtors

	2019 £'000	2018 £'000
Trade debtors	-	67
Amounts due from related parties	1,763	775
Other debtors, prepayments and accrued income	<u>1,361</u>	<u>939</u>
	3,124	1,781

Trade and other receivables are carried at amortised cost. The fair value of the receivables approximates the book value. No breakdown of the fair values of trade and other receivables has been included as the differences between the book values and the fair values are very limited.

Amounts due from related parties contains an interest-bearing loan made to Citadines St Marks Limited. The amount of the loan is £200,000. Interest is calculated at 3.32% per annum. Apart from the £200,000 loan, all other amounts due from fellow subsidiaries are interest free, unsecured and repayable on demand.

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	77	207
Amount due to related parties	7,498	5,454
Accruals and deferred income	364	579
Other creditors and taxes	103	17
	8,042	6,257

All current liabilities fall due in less than one year. Trade and other payables are classified as financial liabilities held at amortised cost. The fair value of the payables approximates to the book value. No breakdown of the fair values of trade and other payables has been included as the differences between the book values and the fair values are very limited.

Amounts due to related parties include an interest-bearing intercompany loan from Soderetour UK Limited of £6,677,000 (2018: £3,555,000) including accrued unpaid interest of £177,265 (2018: £54,708). The loan incurs interest at a rate of 1.5% + 3m Libor and is repayable on demand. Other amounts due to related parties represent trade related balances with other group companies.

11 Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid: 1 ordinary share of £1	1	1

12 Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount of £106,000 (2018: £84,000) charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

An amount of £8,000 was outstanding at the 31 December 2019 (2018: £12,000).

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a wholly owned subsidiary of Ascott International Management (2001) Pte Limited, a company incorporated in Singapore.

The smallest group in which the results of the company are consolidated is that headed by The Ascott Limited, a company incorporated in Singapore.

The group financial statements can be obtained from The Ascott Limited, N° 168 Robinson Road #30-01 - Capital Tower- Singapore 069812.

The largest group in which they were consolidated is that headed by Capitaland Limited (ultimate parent company), N° 168 Robinson Road #30-01 -Capital Tower- Singapore 069812, a company incorporated in Singapore and listed on the Singapore Stock Exchange.

ASCOTT HOSPITALITY MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Post balance sheet events

In the period since the balance sheet date, the Company has been impacted by the Covid-19 pandemic. The serviced apartments and hotels under management have suffered from reduced occupancy and revenue which in turn has reduced the management fee income of the Company. The Company has taken all practical steps to reduce costs both within the Company and at the serviced apartments and hotels and have benefited from a range of government subsidies and other support measures. They continue to monitor and manage the cash flow of the Company and remain confident that it is well placed to benefit from the recovery of the business and leisure travel market which is anticipated in the second quarter of 2021 as vaccine programmes in the United Kingdom and overseas take effect.