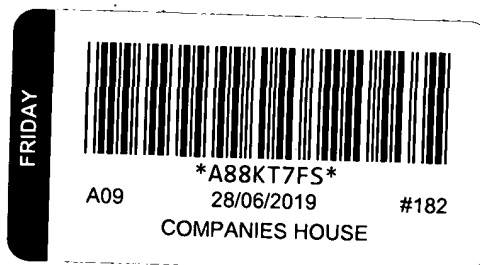


**39 QGG Management Limited**

**Annual report and financial statements**

**Registered number 05966262**

**30 September 2018**



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## **Company Information**

### **Directors**

Mr GFJ Bakker  
Mr KS Chia  
Mr PS Choe (resigned 15 May 2019)  
Ms MF Foo (appointed 15 May 2019)

### **Company secretary**

Ms Diana Ndirwa

### **Business address**

39B Queensgate Gardens  
London  
SW7 5RR

### **Registered office**

3<sup>rd</sup> Floor  
95 Cromwell Road  
London  
SW7 4DL

### **Auditors**

KPMG LLP  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

## Directors' report

The directors present their report and financial statements for the year ended 30 September 2018.

### Principal activities

The principal activity of the company during the year was the operation of serviced apartments.

In 2014 the Company (the "Master Lessee") entered into a master lease agreement with FHT London 2 Limited to lease Fraser Suites Queens Gate, together with the plant and equipment and the furniture, fixtures, furnishings and equipment ("FF&E") therein (the "Property"). The term of the Master Lease Agreement in respect of Fraser Suites Queens Gate is for 20 years from 14 July 2014 with an option for the Master Lessee to obtain an additional lease for a further 20 years including an option to renew on the same terms and conditions, save for amendments which FHT London 2 Limited may require due to change in law and excluding any further option to renew.

Under the terms of master lease agreements, the annual lease payment comprises:

- a fixed rent of £1,800,000; and
- a variable rent component based on 20% of the gross operating revenue for the fiscal year and 67% of the gross operating profit for the fiscal year, plus any unutilised balance in the FF&E reserve which is not carried forward to the following fiscal year by mutual agreement of the Company and FHT London 2 Limited, less fixed rent. Should the calculation of the variable rent yields a negative figure, the variable rent will be deemed zero.

Master lease payments for the financial year ended 30 September are as follows:

	1 Oct 17 – 30 Sep 18 Fraser Suites Queens Gate £	1 Oct 16 – 30 Sep 17 Fraser Suites Queens Gate £
Adjusted Gross Operating Revenue ("GOR")	5,720,900	5,719,168
Adjusted Gross Operating Profit ("GOP")	3,718,124	3,814,738
Fixed rent	1,800,000	1,800,000
Variable rent	1,883,882	1,989,450
	<b>3,683,882</b>	<b>3,789,450</b>

### Dividend

An interim dividend of £nil (2017: £nil) was paid in the year. The directors do not recommend the payment of a final dividend (2017: £nil).

### Directors

The directors who held office during the year and to the date of this report were as follows:

Mr GFJ Bakker  
Mr KS Chia  
Mr PS Choe (resigned 15 May 2019)  
Ms MF Foo (appointed 15 May 2019)

Certain directors benefitted from qualifying indemnity provisions in place during the financial year.

## **Directors' report** *(continued)*

### **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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

KPMG LLP has indicated its willingness to continue in office and a resolution to reappoint it as auditor will be proposed at the next annual general meeting.

On behalf of the Board



**GFJ Bakker**  
*Director*

### **Registered Office:**

3<sup>rd</sup> Floor  
95 Cromwell Road  
London  
SW7 4DL

Dated: <sup>26</sup> June 2019

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 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;
- 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 39 QGG Management Limited**

### **Opinion**

We have audited the financial statements of 39 QGG Management Limited ("the company") for the year ended 30 September 2018 which comprise the profit and loss account, 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 30 September 2018 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.

### **The impact of uncertainties due to Britain exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and 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 their 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, including the impact of Brexit, 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 group or the company will continue in operation.

### **Directors' report**

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



## **Independent auditor's report to the members of 39 QGG Management Limited**

*(continued)*

### **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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare the strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their 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; 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 Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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.

**Mark Flanagan** (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham, NG1 6FQ

Dated: 27 June 2019



**Profit and loss account**  
*for the year ended 30 September 2018*

	<i>Note</i>	2018 £000	2017 £000
Turnover	2	5,721	5,719
Cost of sales		(3,724)	(3,821)
<b>Gross profit</b>		<u>1,997</u>	<u>1,898</u>
Administrative expenses		(2,058)	(1,925)
<b>Operating loss and loss before taxation</b>	3	(61)	(27)
Tax on loss	6	(4)	-
<b>Loss for the financial year</b>		<u>(65)</u>	<u>(27)</u>

In both the current and prior year, the company made no material acquisitions and had no discontinued operations. There were no recognised gains or losses in either the current or prior year other than the result shown above. Accordingly, no statement of other comprehensive income is presented.

The notes form an integral part of the financial statements.

**Balance sheet**  
**at 30 September 2018**

	<i>Note</i>	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Fixed assets</b>			
Tangible assets	7	-	-
<b>Current assets</b>			
Inventory	8	2	-
Debtors (including £218,000 (2017: £222,000) due after more than one year)	9	729	695
Cash at bank and in hand		1,651	1,608
		<u>2,382</u>	<u>2,303</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(4,956)</u>	<u>(4,812)</u>
<b>Net liabilities</b>		<u>(2,574)</u>	<u>(2,509)</u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account		<u>(2,574)</u>	<u>(2,509)</u>
<b>Shareholders' deficit</b>		<u>(2,574)</u>	<u>(2,509)</u>

These financial statements were approved by the board of directors on <sup>26</sup> June 2019 and were signed on its behalf by:



**GFJ Bakker**  
*Director*

Company registered number: 05966262

The notes form an integral part of the financial statements.

## Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2016	-	(2,482)	(2,482)
<b>Total comprehensive income for the period</b>			
Loss for the year	-	(27)	(27)
	<hr/>	<hr/>	<hr/>
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total contributions by and distributions to owners</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2017</b>	-	(2,509)	(2,509)
	<hr/>	<hr/>	<hr/>

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2017	-	(2,509)	(2,509)
<b>Total comprehensive income for the period</b>			
Loss for the year	-	(65)	(65)
	<hr/>	<hr/>	<hr/>
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total contributions by and distributions to owners</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2018</b>	-	(2,574)	(2,574)
	<hr/>	<hr/>	<hr/>

## Notes

(forming part of the financial statements)

### 1 Accounting policies

39 QGG Management Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 05966262 and the registered address is 3<sup>rd</sup> Floor, 95 Cromwell Road, London, SW7 4DL.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

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 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's intermediate parent undertaking, Frasers Property Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Frasers Centrepoint Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 15.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Frasers Property Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

#### 1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.2. Going concern

Notwithstanding net current liabilities of £2,574,000 as at 30 September 2018 and a loss for the year then ended of £65,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including uncertainties around Britain's planned exit from the European Union on 31 October 2019, the company will have sufficient funds, through funding from its intermediate parent company, Frasers Property Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Frasers Property Limited providing additional financial support during that period. Frasers Property Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.4. Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### 1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Fixtures and fittings	- 20% straight line
Computer equipment	- 33.33% straight line
Property redecorations	- 33.33% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### 1.7. Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

#### 1.8. Impairment excluding stocks

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.8. Impairment excluding stocks (continued)

##### Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 1.9. Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts where applicable.

#### 1.10. Expenses

##### Interest payable

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

#### 1.11. Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### 2 Turnover

All turnover is generated in the United Kingdom and derives from the rendering of services in relation to the principal activity of the Company.

### 3 Auditor's remuneration

	2018 £000	2017 £000
Audit of these financial statements	5	5
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	3	3
	<u>          </u>	<u>          </u>

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed, including directors, during the year was as follows:

Administrative staff

2018 Number	2017 Number
12	14

Staff costs during the year were:

Wages and salaries

Social security costs

Other pension costs

2018 £000	2017 £000
409	445
29	35
6	6
444	486

### 5 Directors' remuneration

The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 30 September 2018 or 30 September 2017.

### 6 Taxation

Recognised in the profit and loss account

	2018		2017	
	£000	£000	£000	£000
UK corporation tax				
Current tax on income for the period		-		-
Deferred tax (note 11)				
Origination and reversal of temporary differences	11		-	
Adjustment in respect of prior year	(7)	4	-	
Tax on (loss) / profit on ordinary activities		4		-



## Notes (continued)

### 6 Taxation (continued)

#### Reconciliation of effective tax rate

	2018 £000	2017 £000
Loss for the year	(65)	(27)
Total tax expense	4	-
	<u>(61)</u>	<u>(27)</u>
Loss excluding taxation	(61)	(27)
Tax using the UK corporation tax rate of 19 % (2017: 19.5%)	(12)	(5)
Permanent differences	14	-
Movement in deferred tax not recognised	8	-
Adjustment in respect of prior years	(7)	-
Reduction in tax rate on deferred tax balances	1	-
Other timing differences	-	5
	<u>4</u>	<u>-</u>
Total tax expense	4	-

Reductions in the UK corporation tax rate from 19% and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The deferred tax asset at 30 September 2018 has been calculated based on these rates.

### 7 Tangible fixed assets

	Fixtures and fittings £000	Equipment £000	Leasehold improvements £000	Total £000
<b>Cost</b>				
At 1 October 2017 and 30 September 2018	1,076	82	182	1,340
	<u>1,076</u>	<u>82</u>	<u>182</u>	<u>1,340</u>
<b>Depreciation and impairment</b>				
At 1 October 2017 and 30 September 2018	1,076	82	182	1,340
	<u>1,076</u>	<u>82</u>	<u>182</u>	<u>1,340</u>
<b>Net book value</b>				
At 30 September 2018 and 1 October 2017	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 8 Inventories

	2018 £000	2017 £000
Consumables	2	-
	<u>2</u>	<u>-</u>

## Notes (continued)

### 9 Debtors

	2018 £000	2017 £000
Trade debtors	137	104
Amounts owed by group undertakings	349	349
Other debtors	25	20
Deferred tax (note 11)	218	222
	<u>729</u>	<u>695</u>

Amounts owed by group undertakings are interest free and repayable on demand.

### 10 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	12	-
Amounts owed to group undertakings	4,273	4,339
Other creditors	671	473
	<u>4,956</u>	<u>4,812</u>

Amounts owed to group undertakings are interest free and repayable on demand.

### 11 Deferred tax assets and liabilities

#### *Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
Tax value of loss carry-forwards	(218)	(222)	-	-	(218)	(222)
Other	-	-	-	-	-	-
	<u>(218)</u>	<u>(222)</u>	<u>-</u>	<u>-</u>	<u>(218)</u>	<u>(222)</u>
Tax assets	(218)	(222)	-	-	(218)	(222)
Net of tax liabilities/(assets)	-	-	-	-	-	-
	<u>(218)</u>	<u>(222)</u>	<u>-</u>	<u>-</u>	<u>(218)</u>	<u>(222)</u>
Net tax assets	(218)	(222)	-	-	(218)	(222)

#### *Movement in deferred tax during the current and prior year*

	1 October 2016 £000	Recognised in income £000	1 October 2017 £000	Recognised in income £000	30 September 2018 £000
Tax value of loss carry-forwards utilised	(222)	-	(222)	4	(218)
Other	-	-	-	-	-
	<u>(222)</u>	<u>-</u>	<u>(222)</u>	<u>4</u>	<u>(218)</u>

## Notes (continued)

### 12 Capital and reserves

#### Share capital

	2018 £	2017 £
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>
Shares classified in shareholders' funds	1	1
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### Dividends

No dividends were paid during the period (2017: *£nil*). After the balance sheet date dividends of *£nil* (2017: *£nil*) were proposed by the directors.

### 13 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2018 £000	2017 £000
Less than one year	1,800	1,800
Between one and five years	7,200	7,200
More than five years	19,405	21,216
	<hr/>	<hr/>
	28,405	30,216
	<hr/>	<hr/>

During the year £1,800,000 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £1,800,000).

### 14 Related parties

Frasers Hospitality Loyalty Services Pte Ltd, is a fellow subsidiary of Frasers Property Limited, and at the year end, the company owed £13,000 (2017: *£nil*) to the company.

Queensgate Gardens (C.I.) Limited is a fellow subsidiary of Frasers Property Limited and at the year end, the Company owes £3,905,000 (2017: £3,914,000) to this company.

Frasers Hospitality (UK) Limited is a fellow subsidiary of Frasers Property Limited and, at the year end, the Company owes £170,000 (2017: £173,000) to this company.

Fairdace Limited is a fellow subsidiary of Frasers Property Limited and, at the year end, the Company was owed £349,000 (2017: £349,000) from this company.

FHT London 2 Limited is a fellow subsidiary of TCC Assets Limited and, at the year end, the Company owes £185,000 (2017: £252,000) to this company.

**Notes (continued)**

**15 Ultimate parent company and parent company of larger group**

At the year end the company is a wholly-owned subsidiary of Frasers Hospitality Holdings Pte Limited, a company registered in Singapore.

The company's ultimate parent undertaking and controlling party is TCC Assets Limited, a company incorporated and registered in Thailand.

The smallest group for which consolidated financial statements are prepared is headed by Frasers Property Limited. Copies of the financial statements of Frasers Property Limited can be obtained from: Frasers Property Limited, 438 Alexandra Road, Alexandra Point, Singapore 119958.

The largest group for which consolidated financial statements are prepared is headed by TCC Assets Limited.

**16 Accounting estimates and judgements**

The preparation of the financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.