

EHC Malaysia Limited

Annual Report and Unaudited Financial Statements

For the Year Ended 31 October 2015



EHC Malaysia Limited

Directors' Report for the Year Ended 31 October 2015

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

A R Bolt BA, FCMA

M C Shelley BA, ACA

Company secretary

K J Pearson BSc., ACA

The directors present their annual report on the affairs of the company, together with the unaudited financial statements for the year ended 31 October 2015.

As permitted by Section 415A of the Companies Act 2006, the directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

As permitted by Section 414A of the Companies Act 2006, in accordance with the provisions applicable to companies subject to the small companies regime, a strategic report has not been prepared by the company.

Principal activity

The company is involved in a hotel development in Malaysia. The development is now operational and the company expects to continue its involvement for the foreseeable future.

Results for the year

The profit for the year on ordinary activities after taxation amounted to £22,815 (2014: loss of £85,325) which has been added to the surplus brought forward.

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. More information is provided in note 1 to the Financial Statements.

Dividends

The directors do not recommend payment of a final dividend (2014: £nil).

Indemnity Provision

Third party indemnity provisions for the directors were in force for the entire financial year.

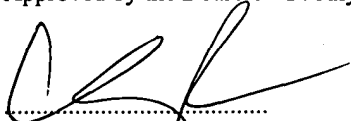
This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

EHC Malaysia Limited

Directors' Report for the Year Ended 31 October 2015

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Approved by the Board on 14 July 2016 and signed on its behalf by:


.....
K J Pearson BSc., ACA
Company secretary

Registered Office:
Eaton Court
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TR

EHC Malaysia Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom 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 statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

EHC Malaysia Limited**Profit and Loss Account for the Year Ended 31 October 2015**

	Notes	2015 £	2014 £
Cost of sales		(50,731)	(97,656)
Administrative expenses		<u>73,546</u>	<u>12,331</u>
Operating profit/(loss)	2	<u>22,815</u>	<u>(85,325)</u>
Profit/(loss) on ordinary activities before taxation		22,815	(85,325)
Tax on profit/(loss) on ordinary activities	3	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation	9	<u><u>22,815</u></u>	<u><u>(85,325)</u></u>

There are no recognised gains or losses for the year (2014: £nil) other than the profit/(loss) on ordinary activities after taxation and therefore no statement of total recognised gains or losses is given.

Operating profit/(loss) relate to continuing operations and are derived entirely from within the United Kingdom.

EHC Malaysia Limited**Balance Sheet at 31 October 2015**

	Notes	2015 £	2014 £
Fixed assets			
Investments	5	<u>611,662</u>	<u>611,662</u>
Current assets			
Debtors	6	3,902,080	3,804,580
Creditors: Amounts falling due within one year	7	<u>(4,078,340)</u>	<u>(4,003,655)</u>
Net current liabilities		<u>(176,260)</u>	<u>(199,075)</u>
Net assets		<u>435,402</u>	<u>412,587</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		<u>435,302</u>	<u>412,487</u>
Shareholders' Funds	9	<u>435,402</u>	<u>412,587</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.


For the year ended 31 October 2015 the company was entitled to exemption under Section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Registered in England and Wales No: 6070966

These financial statements were approved by the Board and authorised for issue on 14 July 2016 and signed on its behalf by:


.....
M C Shelley BA, ACA
Director

EHC Malaysia Limited

Notes to the Financial Statements for the Year Ended 31 October 2015

1 Accounting policies

These financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular policies adopted, which have been applied consistently in the current and prior years, are described below.

Accounting convention

These financial statements have been prepared under the historic cost convention.

Going concern

The company has net current liabilities at 31 October 2015 as a result of amounts owed to its parent company, EHC International Limited. However, the directors consider that the company is an integral part of EHC International Limited's structure and strategy and this is evidenced by confirmation from EHC International Limited which states that it will not call back its loan to the extent that the company is unable to meet its liabilities as they fall due for at least twelve months from the date of signing these financial statements.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Financial Reporting Standard No. 19, Deferred Tax, requires full provision for timing differences which have originated at the balance sheet date and which could give rise to an obligation to pay more or less tax in the future. Deferred tax assets are recognised to the extent that it is regarded more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The exchange movements are dealt with in the profit and loss account.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised), Cash Flow Statements, of not producing a cash flow statement as it qualifies as a small company.

2 Operating profit/(loss)

There was no audit fee for the year (2014: £2,000 which was borne in full by the parent company).

EHC Malaysia Limited

Notes to the Financial Statements for the Year Ended 31 October 2015

..... continued

3 Tax on profit/(loss) on ordinary activities

There was no tax charge on the profit/(loss) for the year (2014: £nil).

Factors affecting current tax charge for the year

	2015 £	2014 £
Profit/(loss) on ordinary activities before taxation	22,815	(85,325)
United Kingdom Corporation Tax at 20.41% (2014: 21.83%)	4,657	(18,626)
Tax losses carried forward	-	47,002
Group relief not paid for	17,078	-
Transfer pricing adjustment	(21,735)	(28,376)
Total current tax	-	-

Factors that may affect future tax charges

A deferred tax asset has not been recognised in respect of losses since there is insufficient evidence that the asset will be recovered. The asset would be recovered if there are sufficient taxable profits in future years. The amount not recognised at 31 October 2015 was £141,600 (2014: £157,333).

There were no unrecognised deferred tax liabilities (2014: £nil).

The United Kingdom Corporation Tax rate was reduced from 21% to 20% with effect from 1 April 2015. The enacted rate will reduce again from 20% to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. It has since been announced that the rate would reduce to 17% from 1 April 2020. This reduction has not been substantively enacted by the balance sheet date and so is not reflected in the financial statements.

4 Information regarding directors and employees

The company had no employees during the year (2014: none) and therefore no staff costs (2014: £nil). No emoluments were paid to the directors in respect of their services to the company (2014: £nil).

EHC Malaysia Limited**Notes to the Financial Statements for the Year Ended 31 October 2015****..... continued****5 Investments held as fixed assets****Unlisted Investments****£****Cost**

As at 1 November 2014 and at 31 October 2015 611,662

Net book value

As at 1 November 2014 and at 31 October 2015 611,662

The shares in unlisted investments consist of a 10% holding in Kingdom Langkawi B.V., a company incorporated in the Netherlands which is involved in a Malaysian hotel development project.

In the directors' opinion, the value of the shares in unlisted investments is not less than the amount at which they are stated in the balance sheet.

6 Debtors

	2015	2014
	£	£
Other debtors	3,851,350	3,706,924
Prepayments and accrued income	<u>50,730</u>	<u>97,656</u>
	<u>3,902,080</u>	<u>3,804,580</u>

7 Creditors: Amounts falling due within one year

	2015	2014
	£	£
Amounts owed to parent company	<u>4,078,340</u>	<u>4,003,655</u>

Amounts owed to parent company are interest free and repayable on demand.

8 Called up share capital

	2015	2014
	£	£
Allotted, called up and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

EHC Malaysia Limited

Notes to the Financial Statements for the Year Ended 31 October 2015

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9 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit/(loss) on ordinary activities after taxation	22,815	(85,325)
Opening shareholders' funds	<u>412,587</u>	<u>497,912</u>
Closing shareholders' funds	<u><u>435,402</u></u>	<u><u>412,587</u></u>

10 Related party transactions

The company is a wholly-owned subsidiary of the EHC International Limited group of companies and has taken advantage of the exemption which is conferred by Financial Reporting Standard No. 8, Related Party Disclosures, which allows it not to disclose transactions with other wholly-owned group undertakings.

11 Control

The company is controlled by EHC International Limited, which is incorporated in Great Britain and registered in England and Wales. This is the only company to prepare consolidated financial statements which include the results of this entity. Copies of the group financial statements can be obtained from EHC International Limited, Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR.

EHC International Limited is jointly owned and controlled by Sir Robert McAlpine Enterprises Limited and Emarel Services (Overseas) S.A..