

Docklands Riverside Hotel Limited

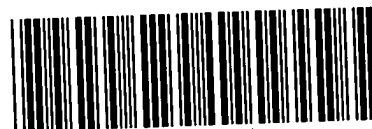
Report and Financial Statements

Year Ended

31 December 2018

Company Number: 08945549 (England & Wales)

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Docklands Riverside Hotel Limited

Report and financial statements for the year ended 31 December 2018

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Directors

Liao Qinfang
Jiangwei Liu
Bingdong Zhao

Secretary and registered office

Moxa Hospitality & Leisure Limited,
7 Henrietta Street, London, United Kingdom, WC2E 8PS

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

Barclays Bank Plc

Solicitors

Pinsent Masons LLP

Company Registration No. 08945549 (England & Wales)

Docklands Riverside Hotel Limited

Strategic report for the year ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Principal Activity

The principal activity of the company is the operation of an internationally branded hotel located in the United Kingdom. The company leases the hotel from its parent company and employs Hilton International as Hotel Manager.

Strategy

The company seeks to maximise its revenues and optimise its profit conversion through the engagement of an Asset Manager to oversee Hilton's management of the hotel asset. The company successfully repositioned this hotel in the market by undertaking a major refurbishment and rebranding it as a Hilton by Doubletree Hotel.

Financial review

The key financial and other performance indicators during the year were as follows:

	2018 £	2017 £
Turnover	16,384,749	15,254,340
Gross profit	10,359,115	9,320,946
Shareholder's funds	(3,377,661)	(2,763,706)

As the prime measure of our economic output, revenue growth is key to measuring shareholder return and the success of our growth strategies.

Principal risks and uncertainties

The company is subject to a variety of risks, which may have an adverse impact on the business, its operating results, turnover, profit, assets and reserves.

Listed below are the main risks, which, in the opinion of the directors, could significantly affect the company's business.

Competitive risks

The directors review the hotel against a set of competing hotels allowing the hotel to compare accommodation occupancy percentages, average room rate, RevPAR and its competitive position in market penetration in relation to the competitive set of hotels.

Currency risks

The hotel business is affected by the strength of sterling, with strong sterling increasing the effective room rate for international guests.

Legislative risks

Health and safety regulations are constantly reviewed and to this end the hotel operator has appointed Health & Safety Managers to carry out all legally required training to ensure that all health and safety policies and communicated and adhered to.

Docklands Riverside Hotel Limited

Strategic report
for the year ended 31 December 2018 (*continued*)

Economic development

The company operates in a competitive environment influenced by the UK economy. Adverse economic and financial conditions, including recession and currency fluctuations could lead to lower revenues and reduced income. Recent experience shows that a recession and currency fluctuations could lead to lower revenues and reduced income. Recent experience shows that a recession impacts leisure and business travel negatively affecting room rates and/or occupancy levels and other income generating activities such as food and beverage sales. This may result in worsening of operating results and potentially reduce the value of the property.

Events that impact domestic or international travel

Room rates and occupancy levels could be negatively affected by events that reduce domestic and/or international travel. These may include events such as acts of terrorism, epidemics, travel related industrial action and increased costs, all of which could result in reduced domestic and/or international travel. Such events may lead to reduced demand for hotel rooms and could have a negative impact upon the company's operations and financial results.

Technology and systems

The company is reliant upon certain IT systems for the smooth and efficient running of its business and any disruption to those IT systems could have a detrimental effect on the running of the business. If the company does not keep up to date with new IT developments it runs the risk of becoming uncompetitive, which could result in a loss of customers and a failure to attract new customers.

Credit risk

The company's exposure to credit risk mitigated as it is spread over a large number of counterparties and customers.

A significant amount of cash, £1,388,793 at 31 December 2018 (2017 - £852,904) is held with the Barclays Banking Group whose credit rating at 31 December 2018 was Baa3 (2017 Barclays Banking Baa3).

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments the company uses long-term debt from its immediate parent undertaking.

Approval

This Strategic Report was approved by order of the Board on



Moxa Hospitality & Leisure Limited
Secretary

2 August 2019

Docklands Riverside Hotel Limited

Report of the directors for the year ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The results are set out on page 8. The directors do not recommend the payment of a dividend.

Future developments

Trading in 2019 is expected to be strong and show an improvement on 2018.

Going Concern

The company's statement of financial position reflects a net liability position of £3,377,661 (2017 - £2,763,706).

The company has obtained confirmation from its immediate parent company, 265 Rotherhithe SARL, that it will receive their continued support in order to meet its obligations as they fall due.

The directors believe that the company has sufficient financial resources to meet its trading obligations as and when they fall due and accordingly these accounts have been prepared on a going concern basis.

Financial risk management objective and policies

The risks associated with the company have been outlined in the strategic report.

Supplier payment policy

The company's policy is to settle terms of payments with firms when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The company's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the company, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the company. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

Directors

The directors of the company throughout the year were:

- Liao Qinfang
- Jiangwei Liu
- Bingdong Zhao

Docklands Riverside Hotel Limited

Report of the directors (continued)

Directors' responsibilities

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 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 then apply them consistently;
- make judgements and accounting 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;
- 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.

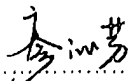
Auditors

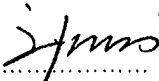
All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Approval

This Directors' Report was approved by order of the Board on by:


.....
Liao Qinfang
Director
2 August 2019


.....
Jiangwei Liu
Director
2 August 2019

Docklands Riverside Hotel Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF DOCKLANDS RIVERSIDE HOTEL LIMITED

Opinion

We have audited the financial statements of Docklands Riverside Hotel Limited ("the Company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state 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. 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.

Docklands Riverside Hotel Limited

Independent auditor's report (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this 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 Strategic report and Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the directors have 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 Strategic report and Report of the directors.

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
- 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

Responsibilities of Directors

As explained more fully in the Report of the directors, 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.

Docklands Riverside Hotel Limited

Independent auditor's report (continued)

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 at 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.



Thomas Edward Goodworth (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date 2 August 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Docklands Riverside Hotel Limited

Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	16,384,749	15,254,340
Cost of sales		<u>(6,025,634)</u>	<u>(5,933,394)</u>
Gross profit		10,359,115	9,320,946
Administrative costs		(10,859,647)	(9,975,027)
Other operating income	4	<u>73,333</u>	<u>73,333</u>
Operating loss	5	(427,199)	(580,748)
Interest payable and similar charges	6	<u>(186,756)</u>	<u>(199,051)</u>
Loss on ordinary activities before tax		(613,955)	(779,799)
Taxation on loss on ordinary activities	7	<u>-</u>	<u>(209,101)</u>
Total comprehensive expense		<u>(613,955)</u>	<u>(988,900)</u>

All amounts in the statement of comprehensive income relate to continuing activities.


The notes on pages 12 to 21 form part of these financial statements.

Docklands Riverside Hotel Limited

Statement of Financial Position at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Non Current assets					
Property, plant & equipment	10		3,474,511		4,828,251
			<u>3,474,511</u>		<u>4,828,251</u>
Current assets					
Stocks	11	26,882		17,678	
Debtors	12	872,604		739,454	
Cash at bank and in hand		1,388,793		852,904	
		<u>2,288,279</u>		<u>1,610,036</u>	
Creditors: amounts falling due within one year	13	(3,405,067)		(2,902,094)	
Net current liabilities			<u>(1,116,788)</u>		<u>(1,292,058)</u>
Total assets less current liabilities			<u>2,357,723</u>		<u>3,536,193</u>
Creditors: amounts falling due after one year	14		(5,735,384)		(6,299,899)
Net liabilities			<u>(3,377,661)</u>		<u>(2,763,706)</u>
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss account			(3,378,661)		(2,764,706)
Deficit of shareholder's funds attributable to owners of the parent company			<u>(3,377,661)</u>		<u>(2,763,706)</u>

The financial statements were approved by the Board of Directors and authorised for issue on

[]
Director Liao Qinfang, 2 August 2019

Company Registration No. 08945549 (England & Wales)

The notes on pages 12 to 21 form part of these financial statements.

Docklands Riverside Hotel Limited

Statement of changes in equity for the year ended 31 December 2018

	Share capital £	Profit and loss account £	Equity attributable to owners of the parent company £
At 1 January 2017	1,000	(1,775,806)	(1,774,806)
Total comprehensive income	-	(988,900)	(988,900)
As at 31 December 2017	1,000	(2,764,706)	(2,763,706)
At 1 January 2018	1,000	(2,764,706)	(2,763,706)
Total comprehensive income	-	(613,955)	(613,955)
At 31 December 2018	1,000	(3,378,661)	(3,377,661)

The notes on pages 12 to 21 form part of these financial statements.

Docklands Riverside Hotel Limited

Statement of cash flows for the year ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Loss after tax for the financial year		(613,955)	(988,900)
Adjustments for:			
Taxation charge		-	209,101
Depreciation of tangible fixed assets	10	2,057,827	1,867,312
Amortisation of Key Money		(73,333)	(73,333)
(Increase)/ Decrease in debtors		(133,150)	246,078
(Increase) / Decrease in stocks		(9,204)	9,579
Increase / (Decrease) in creditors		576,306	(205,974)
Net cash generated from operating activities		1,804,491	1,063,863
Cash flows from investing activities			
Purchases of tangible fixed assets	10	(704,087)	(429,459)
Net cash used in investing activities		(704,087)	(429,459)
Cash flows from financing activities			
Repayment of amount owed by related party		(564,515)	(772,792)
Net cash used in financing activities		(564,515)	(772,792)
Net increase / (reduction) in cash and cash equivalents		535,889	(138,388)
Cash and cash equivalents at beginning of year		852,904	991,292
Cash and cash equivalents at end of year		1,388,793	852,904
Cash and cash equivalents comprise:			
Cash at bank and in hand		1,388,793	852,904

The notes on page 12 to 21 form part of these financial statements.

Docklands Riverside Hotel Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and in accordance with applicable accounting standards.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies, see note 2 for details of significant estimates and judgements.

The financial statements have been prepared on the historical cost basis.

The following principal accounting policies have been applied:

Going concern

The company has entered into a shareholder loan agreement with its parent, 265 Rotherhithe Street London Sarl, which has a fixed repayment date in May 2024. The directors of 265 Rotherhithe Street London Sarl have confirmed that they will not recall this loan until Docklands Riverside Hotel Ltd is in a position to repay it. This loan provides funding for any future capital expenditure and working capital. It is therefore the director's view that it is appropriate to prepare the accounts on a going concern basis.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied exclusive of Value Added Tax and trade discounts.

Sale of goods

The company operates restaurants and bars at the hotel. Sales of goods are recognised when the restaurant or bars sell a product to a customer.

Sale of services

The company supplies conference and event facilities as well as hotel rooms to businesses and private customers. Sales of rooms and conference and event facilities are recognised on the dates those facilities are used. Deposits received in advance are not recognised as turnover until the date of the stay or event.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Building improvements	-	5 years
Fixtures, fittings and equipment	-	3 years

Docklands Riverside Hotel Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets: Lessee

All leased assets are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease. Lease incentive received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Docklands Riverside Hotel Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 10)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3 Analysis of Turnover

	2018 £	2017 £
Analysis by class of business:		
Hotel operating revenue	16,384,749	15,254,340
	<u>16,384,749</u>	<u>15,254,340</u>
Analysis of turnover by country of destination:		
United Kingdom	16,384,749	15,254,340
	<u>16,384,749</u>	<u>15,254,340</u>

4 Other operating income

	2018 £	2017 £
Amortisation of key money	73,333	73,333
	<u>73,333</u>	<u>73,333</u>

Docklands Riverside Hotel Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

5 Operating loss

	2018 £	2017 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	2,057,827	1,867,312
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	21,095	19,650
Fees payable to the company's auditor and its associates for other services to the company:		
Taxation compliance services	13,786	6,000

6 Interest payable and similar charges

	2018 £	2017 £
Interest payable to parent undertakings	186,756	199,051

Docklands Riverside Hotel Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

7 Taxation on profit on ordinary activities

	2018 £	2017 £
Analysis of tax charge/(credit) for the period		
<i>Current tax</i>		
UK corporation tax at 19% (2017 – 19.25%)	-	-
	<u> </u>	<u> </u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	205,412
Adjustments in respect of prior periods	-	3,689
	<u> </u>	<u> </u>
Total deferred tax charge	-	209,101
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	-	209,101
	<u> </u>	<u> </u>
Provision for deferred tax		
<i>Movement in provision</i>		
Provision at start of period	-	(209,101)
Deferred tax charged in the Profit and loss account for the period	-	209,101
	<u> </u>	<u> </u>
Provision at end of period	-	-
	<u> </u>	<u> </u>
Reconciliation of tax charge		
Loss on ordinary activities before tax	(613,955)	(779,799)
	<u> </u>	<u> </u>
Tax on loss on ordinary activities at the standard CT rate of 19% (2017 – 19.25%)	(116,652)	(150,536)
Effects of:		
Fixed asset differences	49,708	42,948
Expenses not deductible for tax purposes	36,589	6,044
Adjustments to tax charge in respect of previous periods – deferred tax	-	3,689
Adjust closing deferred tax to average rate of 19%	39,582	38,384
Adjust opening deferred tax to average rate of 19%	(36,387)	(27,145)
Deferred tax not recognised on losses	27,159	295,292
	<u> </u>	<u> </u>
Tax charge for the period	-	209,101
	<u> </u>	<u> </u>

The deferred tax asset not recognised on unutilised tax losses is £336,451 (2017 - £209,101).

Docklands Riverside Hotel Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

8 Employees

	2018 £	2017 £
Staff costs (including directors) consist of:		
Wages and salaries	1,938,767	2,560,008
Social security costs	145,309	169,832
Cost of defined contribution scheme	28,041	11,728
	<u>2,112,117</u>	<u>2,741,568</u>

The average number of employees (including directors) during the year was as follows:

	2018 Number	2017 Number
Hotel staff	105	131
Administration	10	10
	<u>115</u>	<u>141</u>

9 Directors' remuneration

There was no director's remuneration during the year (2017: £nil).

There were no directors in the company's defined contribution pension scheme (2017 - nil). None of the directors accrued benefits under the company's defined benefit pension scheme during the year (2017 - nil).

Docklands Riverside Hotel Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

10 Tangible fixed assets

	Fixtures, fittings, tools and equipment £
Cost	
At 1 January 2018	9,366,777
Additions	704,087
	<hr/>
At 31 December 2018	10,070,864
	<hr/>
Depreciation	
At 1 January 2018	(4,538,526)
Charge for the year	(2,057,827)
	<hr/>
At 31 December 2018	(6,596,353)
	<hr/>
Net book value	
At 31 December 2018	3,474,511
	<hr/>
At 31 December 2017	4,828,251
	<hr/>

11 Stocks

	2018 £	2017 £
Consumables held for resale	26,882	17,678
	<hr/>	<hr/>

There are no material differences between the replacement costs of stocks and the amounts stated above.

Docklands Riverside Hotel Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

12 Debtors

	2018 £	2017 £
Trade debtors	434,030	416,394
Other debtors	191,951	114,446
Prepayments and accrued income	246,623	208,614
	<u>872,604</u>	<u>739,454</u>
All amounts fall due for payment within one year.		

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	206,814	75,887
Taxation and social security	355,945	319,818
Other creditors and deferred income	1,884,070	1,782,871
Accruals	958,238	723,518
	<u>3,405,067</u>	<u>2,902,094</u>

14 Creditors: amounts falling after one year

	2018 £	2017 £
Amounts owed to the immediate parent undertaking	5,735,384	6,299,899

The amount owing to the immediate parent undertaking is repayable on 18 May 2024. Interest rate 3.26%. (2017: 3.11%)

15 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from this of the company by an independently administered fund. The pension cost represents contributions payable by the company to the fund.

Docklands Riverside Hotel Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

16 Share capital

	2018 £	2017 £
<i>Allotted, called up and fully paid</i>		
- 1,000 ordinary shares of £1 each (2017: 1,000)	1,000	1,000

Ordinary shareholders have the right to receive notice of and vote at the Annual General Meeting of the company, participate in dividends and any capital repayment or winding up of the company.

17 Contingent liabilities

The company has guaranteed bank borrowings of its parent entity. At the year end the liabilities covered by these guarantees totalled £37,200,000 (2017 - £38,800,000).

18 Commitments under operating leases

The company had minimum annual lease payments under non-cancellable operating leases as set out below:

	2018 £	2017 £
Land & buildings		
Not later than 1 year	3,703,639	3,703,639
Later than 1 year and not later than 5 years	14,814,556	14,814,556
Later than 5 years	22,221,834	25,925,473
	<u>40,740,029</u>	<u>44,443,668</u>

Docklands Riverside Hotel Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

19 Related party disclosures

The immediate parent undertaking of the company is 265 Rotherhithe Street London Sarl 6c, rue Gabriel Lippmann L-5365 Munsbach. The ultimate controlling undertaking is Apollo Bright (Europe) Sarl, 6c, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.

The following transactions took place between the company and its immediate parent during the year:

	2018 £	2017 £
Rental payments under an occupational lease	3,703,639	3,703,639

All transactions were conducted on an arm's length basis on normal trading terms. At 31 December 2018 £5,735,384 was owed by the company to its parent undertaking (2017 - £6,299,899). Interest is charged at Libor plus 25bps and the highest amount outstanding during the year was £6,488,918 (2017 - £7,186,352).

Key management personnel include all directors and a number of senior managers and consultants of the company who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £nil (2017- £nil).

20 Post balance sheet event

On 17 May 2019 the company's immediate parent undertaking, 265 Rotherhithe Street London Sarl, refinanced its banking facilities. Under these new arrangements the company's contingent liability as Guarantor increased to £49,000,000.

There were no other material post balance sheet events.