

# **Docklands Riverside Hotel Limited**

Report and Financial Statements

Year Ended

31 December 2017

Company Number: 08945549 (England & Wales)

WEDNESDAY



\*L7EUMGGB\*

LD5

19/09/2018

#2

COMPANIES HOUSE

# **Docklands Riverside Hotel Limited**

## **Report and financial statements for the year ended 31 December 2017**

---

### **Contents**

#### **Page:**

1	Strategic report
3	Report of the directors
5	Independent auditor's report
8	Statement of comprehensive income
9	Statement of Financial Position
10	Statement of changes in equity
11	Statement of cash flows
12	Notes forming part of the financial statements

---

#### **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 2017

---

The directors present their strategic report for the year ended 31 December 2017.

### 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:

	2017 £	2016 £
Turnover	15,254,340	15,094,558
Gross profit	9,320,946	9,754,144
Shareholder's funds	(2,763,706)	(1,774,806)

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 2017 (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, £852,904 at 31 December 2017 (2016 - £991,292) is held with the Barclays Banking Group whose credit rating at 31 December 2017 was Baa3 (2016 Allied Irish Banking Group BB+).

### **Liquidity risk**

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

### **Approval**

This Strategic Report was approved by order of the Board on



Moxa Hospitality & Leisure Limited  
**Secretary**

# **Docklands Riverside Hotel Limited**

## **Report of the directors for the year ended 31 December 2017**

---

The directors present their report and the financial statements for the year ended 31 December 2017.

### **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 2018 is expected to be strong and show an improvement on 2017.

### **Going Concern**

The company's statement of financial position reflects a net liability position of £2,763,706 (2016 - £1,774,406). 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 group. 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 group and company 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 group and company and of the profit or loss of the group 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.

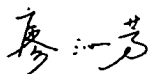
### Auditors

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



Bingdong Zhao  
Director

# 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 2017 ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cashflows 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 2017 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 annual report, 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 Directors' report for the financial 2017 for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report 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 Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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 Directors' responsibilities statement, 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  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date 16.7.2018

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 2017

	Note	2017 £	2016 £
<b>Turnover</b>	3	<b>15,254,340</b>	15,094,558
Cost of sales		<u>(5,933,394)</u>	<u>(5,340,414)</u>
<b>Gross profit</b>		<b>9,320,946</b>	9,754,144
Administrative costs		<u>(9,975,027)</u>	<u>(10,321,779)</u>
Other operating income	4	<u>73,333</u>	<u>73,333</u>
<b>Operating loss</b>	5	<b>(580,748)</b>	(494,302)
Interest payable and similar charges	6	<u>(199,051)</u>	<u>(258,380)</u>
<b>Loss on ordinary activities before tax</b>		<b>(779,799)</b>	(752,682)
Taxation on loss on ordinary activities	7	<u>(209,101)</u>	<u>23,379</u>
<b>Total comprehensive expense</b>		<u><b>(988,900)</b></u>	<u>(729,303)</u>

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

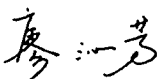
The notes on pages 12 to 21 form part of these financial statements.

# Docklands Riverside Hotel Limited

## Statement of Financial Position at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
<b>Non Current assets</b>					
Property, plant & equipment	10		4,828,251		6,266,104
			<u>4,828,251</u>		<u>6,266,104</u>
<b>Current assets</b>					
Stocks	11	17,678		27,257	
Debtors	12	739,454		1,194,633	
Cash at bank and in hand		852,904		991,292	
		<u>1,610,036</u>		<u>2,213,182</u>	
<b>Creditors: amounts falling due within one year</b>	13	(2,902,094)		(3,181,401)	
<b>Net current liabilities</b>			<u>(1,292,058)</u>		<u>(968,219)</u>
<b>Total assets less current liabilities</b>			<u>3,536,193</u>		<u>5,297,885</u>
<b>Creditors: amounts falling due after one year</b>	14		(6,299,899)		(7,072,691)
<b>Net liabilities</b>			<u>(2,763,706)</u>		<u>(1,774,806)</u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss account			(2,764,706)		(1,775,806)
<b>Deficit of shareholder's funds attributable to owners of the parent company</b>			<u>(2,763,706)</u>		<u>(1,774,806)</u>

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

[  ]  
Director

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 2017

	Share capital £	Profit and loss account £	Equity attributable to owners of the parent company £
At 1 January 2016	1,000	(1,046,503)	(1,045,503)
Total comprehensive income	-	(729,303)	(729,303)
As at 31 December 2016	1,000	(1,775,806)	(1,774,806)
At 1 January 2017	1,000	(1,775,806)	(1,774,806)
Total comprehensive income	-	(988,900)	(988,900)
At 31 December 2017	1,000	(2,764,706)	(2,763,706)

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 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Loss after tax for the financial year		(988,900)	(729,303)
Adjustments for:			
Taxation charge		209,101	
Depreciation of tangible fixed assets	10	1,867,312	1,803,407
Decrease/ (increase) debtors		246,078	(81,567)
Decrease stocks		9,579	10,626
Decrease in creditors		(279,307)	(1,773,868)
<b>Net cash generated / (used in) from operating activities</b>		<b>1,063,863</b>	<b>(770,705)</b>
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	10	(429,459)	(267,365)
<b>Net cash used in investing activities</b>		<b>(429,459)</b>	<b>(267,365)</b>
<b>Cash flows from financing activities</b>			
Repayment of amount owed by related party		(772,792)	(131,277)
<b>Net cash used in financing activities</b>		<b>(772,792)</b>	<b>(131,277)</b>
<b>Net reduction in cash and cash equivalents</b>		<b>(138,388)</b>	<b>(1,169,347)</b>
Cash and cash equivalents at beginning of year		991,292	2,160,639
<b>Cash and cash equivalents at end of year</b>		<b>852,904</b>	<b>991,292</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		852,904	991,292

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 2017

### 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 April 2019. 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 group. 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

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.

# Docklands Riverside Hotel Limited

## Notes forming part of the financial statements for the year ended 31 December 2017 *(continued)*

---

### 1 Accounting policies *(continued)*

#### *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 2017 (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 group 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 group'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

	2017	2016
	£	£
Analysis by class of business:		
Hotel operating revenue	15,254,340	15,094,558
	<u>15,254,340</u>	<u>15,094,558</u>
Analysis of turnover by country of destination:		
United Kingdom	15,254,340	15,094,558
	<u>15,254,340</u>	<u>15,094,558</u>

## 4 Other operating income

	2017	2016
	£	£
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 2017 (*continued*)

### 5 Operating loss

	2017 £	2016 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	1,867,312	1,803,407
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	19,650	18,750
Fees payable to the company's auditor and its associates for other services to the company:		
Taxation compliance services	6,000	5,000
Exchange gains	-	(175)
	<u>          </u>	<u>          </u>

### 6 Interest payable and similar charges

	2017 £	2016 £
Interest payable to group undertakings	199,051	258,380
	<u>          </u>	<u>          </u>

# Docklands Riverside Hotel Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (*continued*)

## 7 Taxation on profit on ordinary activities

	2017 £	2016 £
<b>Analysis of tax charge/(credit) for the period</b>		
<i>Current tax</i>		
UK corporation tax at 20% (2016 – 20%)	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	205,412	(52,058)
Adjustments in respect of prior periods	3,689	19,441
Effect of tax rate change on opening balance		9,238
Total deferred tax charge/(credit)	209,101	(23,379)
Tax on profit on ordinary activities	209,101	(23,379)
<b>Provision for deferred tax</b>		
Accelerated capital allowances	-	(209,101)
Tax losses carried forward and other deductions	-	-
Total deferred tax asset	-	(209,101)
<i>Movement in provision</i>		
Provision at start of period	(209,101)	(185,722)
Deferred tax charged in the Profit and loss account for the period	209,101	(23,379)
Provision at end of period	-	(209,101)
<b>Reconciliation of tax charge</b>		
Loss on ordinary activities before tax	(779,799)	(752,682)
Tax on loss on ordinary activities at the standard CT rate of 19.25% (2016 - 20%)	(150,111)	(150,536)
Effects of:		
Fixed asset differences	42,948	37,616
Expenses not deductible for tax purposes	6,044	51,676
Adjustments to tax charge in respect of previous periods – deferred tax	3,689	19,441
Adjust closing deferred tax to average rate of 19.25%	38,384	36,900
Adjust opening deferred tax to average rate of 19.25%	(27,145)	(18,476)
Deferred tax not recognised on losses	295,292	-
Tax charge/(credit) for the period	209,101	(23,379)

The aggregate current and deferred tax charge relating to items recognised in other comprehensive income is £209,101 (2016 – credit of £23,379).

The deferred tax asset not recognised on unutilised tax losses is £209,101.

For further information on deferred tax balances see note 12

## Docklands Riverside Hotel Limited

**Notes forming part of the financial statements  
for the year ended 31 December 2017 (continued)**

### 8 Employees

	2017 £	2016 £
Staff costs (including directors) consist of:		
Wages and salaries	2,560,008	2,665,050
Social security costs	169,832	163,857
Cost of defined contribution scheme	11,728	11,015
	<u>2,741,568</u>	<u>2,839,922</u>

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

	2017 Number	2016 Number
Hotel staff	131	119
Administration	10	10
	<u>141</u>	<u>129</u>

### 9 Directors' remuneration

There was no director's remuneration during the year (2016: £nil).

There were no directors in the company's defined contribution pension scheme (2016 - nil). None of the directors accrued benefits under the company's defined benefit pension scheme during the year (2016 - nil).

# Docklands Riverside Hotel Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (*continued*)

## 10 Tangible fixed assets

	Fixtures, fittings, tools and equipment £
<i>Cost</i>	
At 1 January 2017	8,937,318
Additions	429,459
	<hr/>
At 31 December 2017	9,366,777
	<hr/>
<i>Depreciation</i>	
At 1 January 2017	(2,671,214)
Charge for the year	(1,867,312)
	<hr/>
At 31 December 2017	(4,538,526)
	<hr/>
<i>Net book value</i>	
At 31 December 2017	4,828,251
	<hr/>
At 31 December 2016	6,266,104
	<hr/>

## 11 Stocks

	2017 £	2016 £
Consumables held for resale	17,678	27,257
	<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 2017 (continued)

## 12 Debtors

	2017 £	2016 £
Trade debtors	416,394	676,166
Other debtors	114,446	86,630
Prepayments and accrued income	208,614	219,685
Deferred tax	-	209,101
Taxation and social security	-	3,051
	<u>739,454</u>	<u>1,194,633</u>

All amounts fall due for payment within one year.

## 13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	75,887	243,838
Taxation and social security	319,818	-
Other creditors and deferred income	1,782,871	2,278,041
Accruals	723,518	659,522
	<u>2,902,094</u>	<u>3,181,401</u>

## 14 Creditors: amounts falling after one year

	2017 £	2016 £
Amounts owed to group undertakings	<u>6,299,899</u>	<u>7,072,691</u>

The amount owing to group undertakings is repayable on 7 April 2019. Interest rate 3.11%. (2016: 3.46%)

## 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 2017 (*continued*)

## 16 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
- 1,000 ordinary shares of £1 each (2016: 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 £38,800,000 (2016 - £40,000,000).

## 18 Commitments under operating leases

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

	2017 £	2016 £
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	25,925,473	29,629,112
	<u>44,443,668</u>	<u>48,147,307</u>

## Docklands Riverside Hotel Limited

Notes forming part of the financial statements  
for the year ended 31 December 2017 (*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 (formerly HIG Luxembourg Holdings 42 Sarl). The ultimate controlling undertaking is Apollo Bright (Europe) Sarl, 6c, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg (2016 – HIG Global Capital Partners GP Limited).

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

	2017 £	2016 £
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 2017 £6,299,899 was owed by the company to its parent undertaking (2016 - £7,072,691). Interest is charged at Libor plus 25bps and the highest amount outstanding during the year was £7,186,352 (2016 - £6,914,311).

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 (2016- £nil).

### 20 Post balance sheet event

There were no material post balance sheet events.