

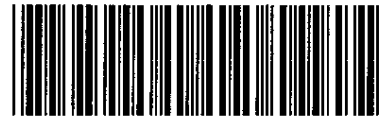
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BVI company registered number: 666678
UK foreign company registered number: FC026288

Gold Diamond D Heathrow 2005 Ltd

**Annual report and financial statements
for the year ended 31 December 2018**

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Gold Diamond D Heathrow 2005 Ltd

Company information

Directors	F. Veenstra S. Al Dhaheri - alternate S. Al Darmaki K. Al Khajeh M. Al Mansoori J. Anand D. Ayyar - alternate M. Foxon A. Garrod - alternate C. Scragg - alternate
Registered number	FC026288
Registered office	Ritter House Wickhams Cay II Road Town Tortola British Virgin Islands
UK Establishment office	400 Capability Green Luton Bedfordshire LU1 3LU United Kingdom

Gold Diamond D Heathrow 2005 Ltd

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Gold Diamond D Heathrow 2005 Ltd

Strategic report for the year ended 31 December 2018

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

Business review

The principal activity of the company continued to be the operation of a hotel in the United Kingdom.

The company has reported a gross profit of £10,703,523 (2017: £9,838,858). The profit for the underlying business before adjusting for exceptional items was £3,442,596 (2017: £3,103,545). Exceptional items relate to the impairment of fixed assets of £311,744 (2017: reversal £6,323,102). The profit for the financial year, after taxation, amounted to £1,034,244 (2017: £6,718,384).

Following a valuation by CBRE Hotels Ltd dated 31 December 2018, the directors have revalued the company's hotel asset to £75,000,000 (2017: £75,000,000). The valuation was carried out in accordance with the RICS Valuation - Professional Standards effective from January 2014.

The directors consider the key financial indicators to be:

	2018	2017
Gross profit margin	69.92%	63.69%
Operating profit margin before impairment	22.49%	20.09%
Profit after tax	£1,034,244	£6,718,384
Valuation of hotel asset	£75,000,000	£75,000,000

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 self selected group of competitor hotels. These reports allow the company to compare accommodation occupancy percentage, average rate, revenue per available room (RevPAR) and its competitive position in market penetration, average rate and revenue generation against the competitive group.

- *Currency risk*

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

Gold Diamond D Heathrow 2005 Ltd

Strategic report for the year ended 31 December 2018

Principal risks and uncertainties (continued)

- *Legislative risks*

Health and safety regulations are constantly reviewed and to this effect the hotel has an appointed Health and Safety Manager to carry out all legally required training and to ensure all health and safety policies are communicated and adhered to.

- *Economic environment*

The company operates in a competitive environment influenced by the UK economy. Adverse economic and financial market developments, including recession and currency fluctuations could lead to lower revenues and reduced income. Experience shows a recession lessens both leisure and business travel and negatively affects rooms' 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 properties.

- *Events that impact domestic and international travel*

Room rates and occupancy levels of the hotel could be negatively affected by events that reduce domestic and/or international travel. These include events such as acts of terrorism, epidemics, travel-related industrial action and increased fuel costs all of which could result in a fall in both domestic and worldwide travel. Such events may lead to a fall in demand for hotel rooms that would have a subsequent impact on 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 less competitive, which could result in a loss of customers and a failure to attract new customers.

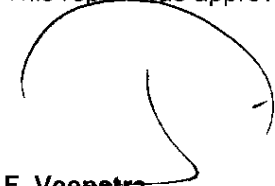
Future developments

The company is endeavouring to improve performance and the directors expect the hotel to continue to trade profitably.

Further consideration

The official notification of withdrawal from the European Union on 29 March 2017 started the two-year timer on negotiating the UK's exit, as well as the post Brexit relationship with Europe from March 2019 onwards. European leaders have granted a six month extension for the UK to agree its exit terms until 31 October 2019. The directors are continuing to consider and assess the impact on the company and are awaiting further clarity regarding exit terms and the wider regulatory and legal implications.

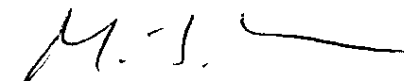
This report was approved by the board on



F. Veenstra
Director

8 July

2019 and signed on its behalf by:



M. Foxon
Director

Gold Diamond D Heathrow 2005 Ltd

Directors' report for the year ended 31 December 2018

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

Results and dividends

The profit for the year, after taxation, amounted to £1,034,244 (2017: £6,718,384).

The directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: £Nil).

Going concern

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

Future developments

An indication of the likely future developments of the company is provided in the strategic report.

Financial risk management objectives and policies

The activities of the company expose it to a number of financial risks, which it seeks to mitigate, including credit risk and liquidity risk.

- Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The company's credit risk is primarily attributable to its trade receivables which are stated net of allowances for doubtful receivables and where there is an identified loss event they are impaired.

Credit risk is spread over a large number of counterparties and customers.

- Liquidity risk

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

Directors

The directors who held office during the year and up to the date of signing the financial statements were:

F. Veenstra

S. Al Dhaheri - alternate (resigned as a director 8 March 2018, reappointed as alternate 19 March 2018)

S. Al Darmaki (appointed 19 March 2018)

K. Al Khajeh (appointed 19 March 2018)

M. Al Mansoori (appointed 11 March 2018)

J. Anand (appointed 19 March 2018)

D. Ayyar - alternate (appointed 5 September 2018)

M. Foxon (appointed 19 March 2018)

A. Garrod - alternate (appointed 19 March 2018)

A. Johnston - alternate (appointed 19 March 2018, resigned 5 September 2018)

C. Scragg - alternate (appointed 19 March 2018)

K. Al Shamsi (resigned 8 March 2018)

S. Al Hallami - alternate (resigned 8 March 2018)

Gold Diamond D Heathrow 2005 Ltd

Directors' report for the year ended 31 December 2018

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

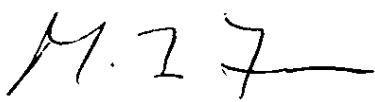
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required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

This report was approved by the board on
by:


F. Veenstra
Director

8 July 2019 and signed on its behalf

M. Foxon
Director

Gold Diamond D Heathrow 2005 Ltd

Profit and loss account for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	5	15,307,908	15,447,838
Cost of sales		(4,604,385)	(5,608,980)
Gross profit		10,703,523	9,838,858
Administrative expenses		(7,260,927)	(6,735,313)
Impairment (charge)/reversal - tangible fixed assets	6	(311,744)	6,323,102
Operating profit	7	3,130,852	9,426,647
Interest receivable	9	1,203	-
Interest payable and similar charges	10	(1,865,151)	(2,403,501)
Profit before taxation		1,266,904	7,023,146
Taxation on profit for the financial year	11	(232,660)	(304,762)
Profit for the financial year		1,034,244	6,718,384

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

The notes on pages 9 to 21 form part of these financial statements.

Gold Diamond D Heathrow 2005 Ltd

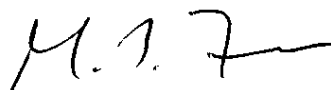
Registered number: FC026288

Balance sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	75,000,000	75,000,000
		75,000,000	75,000,000
Current assets			
Stocks	14	18,369	18,646
Debtors	15	1,211,168	1,366,154
Bank and cash balances		576,506	106,694
		1,806,043	1,491,494
Creditors: Amounts falling due within one year	16	(7,716,429)	(8,572,665)
Net current liabilities		(5,910,386)	(7,081,171)
Total assets less current liabilities		69,089,614	67,918,829
Creditors: Amounts falling due after more than one year	17	(45,675,652)	(45,696,722)
Provisions for liabilities			
Deferred tax liability	18	(1,301,592)	(1,143,981)
Net assets		22,112,370	21,078,126
Capital and reserves			
Called up share capital	19	18,810,123	18,810,123
Revaluation reserve		22,297,136	22,297,136
Retained earnings		(18,994,889)	(20,029,133)
Total equity		22,112,370	21,078,126

The financial statements on pages 5 to 21 were approved and authorised for issue by the board on 8 July 2019 and were signed on its behalf by:


R. Veenstra
Director


M. Foxon
Director



The notes on pages 9 to 21 form part of these financial statements.

Gold Diamond D Heathrow 2005 Ltd

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

	Called up share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2018	18,810,123	22,297,136	(20,029,133)	21,078,126
Comprehensive income for the year				
Profit for the financial year	-	-	1,034,244	1,034,244
At 31 December 2018	18,810,123	22,297,136	(18,994,889)	22,112,370

Statement of changes in equity for the year ended 31 December 2017

	Called up share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2017	18,810,123	22,297,136	(26,747,517)	14,359,742
Comprehensive income for the year				
Profit for the financial year	-	-	6,718,384	6,718,384
At 31 December 2017	18,810,123	22,297,136	(20,029,133)	21,078,126

The notes on pages 9 to 21 form part of these financial statements.

Gold Diamond D Heathrow 2005 Ltd

Statement of cash flows for the year ended 31 December 2018

		2018 £	2017 £
Cash flows from operating activities			
Profit for the financial year		1,034,244	6,718,384
Adjustments for:			
Depreciation of tangible fixed assets	13	1,366,432	1,119,581
Decrease in stocks		277	23,446
Decrease in debtors		152,704	58,939
Decrease in creditors		(137,996)	(711,099)
(Decrease)/increase in amounts owed to group undertakings		(1,588,269)	3,484,532
Taxation on profit on ordinary activities	11	232,660	304,762
Interest payable and similar charges	10	1,865,151	2,403,501
Interest receivable	9	(1,203)	-
Impairments charge/(reversal) - tangible fixed assets	6	311,744	(6,323,102)
Loss on disposal of tangible assets	7	-	556,090
Tax paid		(32,386)	(4,214)
Net cash generated from operating activities		3,203,358	7,630,820
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(1,678,176)	(7,252,569)
Interest received		1,203	-
Net cash used in investing activities		(1,676,973)	(7,252,569)
Cash flows from financing activities			
Proceeds from borrowings	17	-	34,590,377
Repayment of borrowing	17	(96,716)	(33,366,420)
Interest and similar charges paid		(959,857)	(1,960,487)
Arrangement fees	17	-	(326,087)
Net cash used in financing activities		(1,056,573)	(1,062,617)
Net decrease in cash and cash equivalents		469,812	(684,366)
Cash and cash equivalents at beginning of year		106,694	791,060
Cash and cash equivalents at the end of year		576,506	106,694
Cash and cash equivalents consists of:			
Cash at bank and in hand		576,506	106,694

The notes on pages 9 to 21 form part of these financial statements.

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

1. General information

Gold Diamond D Heathrow 2005 Ltd ('the company') operates a hotel in the United Kingdom.

The company is a private company limited by shares and is incorporated in the British Virgin Islands. The address of its registered office is Ritter House, Wickhams Cay II, Road Town, Tortola, British Virgin Islands.

2. Statement of compliance

The individual financial statements of Gold Diamond D Heathrow 2005 Ltd have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', ('FRS 102') and in accordance with the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of land and buildings.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.2 Going concern

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

3.3 Turnover

Turnover is the value of services and goods sold, within the United Kingdom, as part of the company's continuing ordinary activities after deducting value added taxes.

(i) Sale of services

Turnover is recognised on room sales and guest services when rooms are occupied and services have been rendered.

(ii) Sale of goods - retail

Sales of goods are recognised on sale to the customer which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

3. Accounting policies (continued)

3.4 Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Gains or losses which are recognised in the profit and loss account on the impairment or reversal of impairment of land and buildings are treated as exceptional items.

3.5 Interest receivable

Interest receivable is recognised in the profit and loss account using the effective interest method.

3.6 Interest payable and similar charges

Interest payable is charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.7 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

3. Accounting policies (continued)

3.8 Dividends

Dividends and other distributions to the company's shareholders are recognised as a liability in the period in which the dividends and other distributions are approved by the company's shareholders. The amounts are recognised in the statement of changes in equity.

The company makes dividend distributions to its shareholders as permissible under the regulations set out within Division 4 of the BVI Business Companies Act, 2004.

3.9 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities and amortised to the profit and loss account over its estimated economic life.

3.10 Tangible fixed assets

Tangible fixed assets include freehold hotels. Land and hotel buildings are stated at fair value, and hotel fixtures and fittings are stated at cost. Hotel refurbishment costs are capitalised in the period in which they are incurred. Repairs and maintenance costs are expensed as incurred.

A full valuation is carried out by a qualified external valuer every year. Revaluation gains are taken to the statement of other comprehensive income unless reversing a previously recognised impairment, when they are recognised in the profit and loss account. Revaluation losses are recognised in the statement of other comprehensive income to the extent that they offset previous revaluation gains. All other losses, including those incurred by a clear consumption of economic benefit, are charged to the profit and loss account. On revaluation of assets carried at fair value, accumulated depreciation at the date of valuation is taken to the statement of other comprehensive income.

Freehold land is not depreciated. Depreciation on hotel buildings, fixtures and fittings is provided at rates calculated to write off the value/cost less estimated residual value of each asset over its expected useful life.

Major refurbishments would be classified as construction in progress and stated at cost. They would be reclassified and depreciated when the related assets are made available for use.

Depreciation is provided on the following basis:

Freehold buildings	- Lesser of estimated useful life and 50 years
Fixtures and fittings	- Between 3 and 25 years

The carrying value of fixtures and fittings is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable as well as at the end of each reporting period. Any impairment in the value of assets below depreciated cost is charged to the profit and loss account.

3.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

At each balance sheet 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 the profit and loss account.

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

3. Accounting policies (continued)

3.12 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

3.13 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors, amounts owed by group undertakings and cash and bank balances are initially recognised at transaction price. Such assets are subsequently measured at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

(ii) Financial liabilities

Basic financial instruments, including trade and other creditors, bank loans and loans and amounts from fellow group companies are initially recognised at transaction price.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.14 Foreign currency translation

The company's functional and presentational currency is pound sterling.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

3.15 Operating leases: lessee

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Tangible fixed assets

Tangible fixed assets are revalued annually by independent valuers to assess the fair value of the hotel assets.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of tangible fixed assets.

(ii) Impairment of trade debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

(iii) Taxes

Determining income tax provisions involves judgements on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used on temporary differences where it is probable that there will be taxable income against which these can be offset. See note 18 for details of deferred tax recognised.

(iv) Contingent liabilities

The company considers the potential obligations which may be incurred as a result of past events and the uncertainty of the impact on the company. Where the company identifies a present obligation for which payment is probable and the amount can be reliably estimated a provision is recognised. See note 22 for details.

5. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

Management considers turnover to comprise principally of services, with an immaterial value of goods sold.

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

6. Exceptional items

	2018 £	2017 £
Impairment (charge)/reversal - tangible fixed assets (note 13)	(311,744)	6,323,102

Impairment (charge)/reversal - tangible fixed assets

The directors have considered the carrying value of the company's hotel asset following a valuation by CBRE Hotels Ltd dated 31 December 2018, carried out in accordance with the RICS valuation - Professional Standards effective from January 2014. This resulted an impairment charge of £311,744 (2017: reversal £6,323,102).

7. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets (note 13)	1,366,432	1,119,581
Loss on disposal of tangible fixed assets	-	556,090
Operating lease rentals	1,631	24,113

8. Staff costs

The company had no employees other than the directors during the year ended 31 December 2018 or the previous financial year.

The directors did not receive or waive any emoluments in respect of their services to the company during the year ended 31 December 2018 or the previous financial year.

9. Interest receivable

	2018 £	2017 £
Bank interest receivable	1,203	-

10. Interest payable and similar charges

	2018 £	2017 £
Interest payable on bank loans	967,446	352,292
Loans from parent undertakings	837,030	1,620,829
Loan arrangement fees	60,675	120,283
Write off of loan arrangement fees	-	310,097
	1,865,151	2,403,501

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profit for the year	76,981	1,932
Adjustment in respect of prior periods	(1,932)	-
Total current tax	75,049	1,932
Deferred tax		
Origination and reversal of timing differences	164,428	367,598
Impact of change in tax rate	(17,308)	(42,908)
Adjustment in respect of prior periods	10,491	(21,860)
Total deferred tax	157,611	302,830
Taxation on profit on ordinary activities	232,660	304,762

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,266,904	7,023,146
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	240,712	1,351,715
Effects of:		
Expenses not deductible for tax purposes	614	29
Adjustments in respect of prior periods	8,559	(21,860)
Non-taxable income	-	9,021
Unrecognised deferred tax	60,905	-
Impact of change in tax rate	(17,308)	(42,908)
Group relief	(74,250)	(95,921)
Impairment - tangible fixed assets	13,428	(895,314)
Total tax charge for the year	232,660	304,762

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

11. Taxation (continued)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred rates at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. Intangible assets

	Goodwill £
Cost	
At 1 January 2018 and 31 December 2018	<u>(445,448)</u>
Amortisation	
At 1 January 2018 and 31 December 2018	<u>(445,448)</u>
Net book value	
At 31 December 2018	<u><u>-</u></u>
At 31 December 2017	<u><u>-</u></u>

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

13. Tangible fixed assets

	Freehold buildings (At valuation) £	Fixtures and fittings (At cost) £	Construction in progress (At cost) £	Total £
Valuation/cost				
At 1 January 2018	62,625,248	20,746,592	7,145	83,378,985
Additions	690,326	978,444	9,406	1,678,176
Disposals	-	(18,528)	-	(18,528)
Revaluation	(311,744)	-	-	(311,744)
Reversal of depreciation on revaluation	(173,769)	-	-	(173,769)
At 31 December 2018	62,830,061	21,706,508	16,551	84,553,120
Accumulated depreciation				
At 1 January 2018	-	8,378,985	-	8,378,985
Charge for the year	173,769	1,192,663	-	1,366,432
Disposals	-	(18,528)	-	(18,528)
Reversal on revaluation	(173,769)	-	-	(173,769)
At 31 December 2018	-	9,553,120	-	9,553,120
Net book value				
At 31 December 2018	62,830,061	12,153,388	16,551	75,000,000
At 31 December 2017	62,625,248	12,367,607	7,145	75,000,000

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

13. Tangible fixed assets (continued)

Following a valuation by CBRE Hotels Ltd dated 31 December 2018, the directors have revalued the company's hotel asset to £75,000,000 (2017: £75,000,000). The valuation was carried out in accordance with the RICS Valuation - Professional Standards effective from January 2014.

The valuation has been incorporated into the financial statements, the resulting revaluation adjustment has been taken to the profit and loss account. The revaluation during the year ended 31 December 2018 resulted in a revaluation deficit of £311,744

If the land and buildings had not been revalued they would have been included at the following amounts:

	2018 £	2017 £
Cost	72,094,021	71,403,695
Accumulated depreciation	(15,492,014)	(15,225,164)
Net book value based on historical cost	56,602,007	56,178,531

14. Stocks

	2018 £	2017 £
Finished goods and goods for resale	18,369	18,646

15. Debtors

	2018 £	2017 £
Trade debtors	877,010	845,887
Other debtors	5,107	114,472
Prepayments and accrued income	329,051	403,513
Tax recoverable	-	2,282
	1,211,168	1,366,154

Trade debtors and other debtors are financial assets measured at amortised cost.

Trade debtors are stated after provisions for impairment of £8,570 (2017: £7,356).

Gold Diamond D Heathrow 2005 Ltd

Notes to the financial statements for the year ended 31 December 2018

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	527,390	810,839
Amounts owed to group undertakings	4,918,806	5,670,045
Corporation tax	40,382	-
Other creditors	36,435	100,292
Accruals and deferred income	2,193,416	1,991,489
	7,716,429	8,572,665

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

Trade creditors, amounts owed to group undertakings and other creditors are financial liabilities measured at amortised cost.

17. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	34,275,687	34,296,757
Loan from parent undertaking	11,399,965	11,399,965
	45,675,652	45,696,722

The bank loan is repayable on 3 August 2022. Interest is payable quarterly at LIBOR 3mGBP plus 2.15% and included within accruals in creditors due within one year. Loan arrangement fees of £326,087 were capitalised and are being amortised over the loan term. The loan is shown net of these deferred fees. At 31 December 2018, the unamortised arrangement fees were £217,974 (2017: £293,620).

During the year, an amount of £96,716 was repaid on the principal amount of the bank loan.

The company is party to a loan agreement with Silver Diamond TEHC24 Sàrl, the immediate parent undertaking. The loan is repayable on 17 April 2024 or within 4 years and 350 days from the date of agreement with 30 days written notice.

Interest is payable quarterly at LIBOR 3mGBP plus 6.51% and included within amounts owed to group undertakings, as a creditor due within one year.

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Notes to the financial statements for the year ended 31 December 2018

18. Deferred taxation

	2018 £	2017 £
At 1 January	(1,143,981)	(841,151)
Charged to the profit and loss account	(157,611)	(302,830)
At 31 December	(1,301,592)	(1,143,981)

The deferred taxation liability is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	(372,048)	(216,067)
Revaluations	(929,544)	(927,914)
	(1,301,592)	(1,143,981)

A deferred tax asset of £2,833,013 (2017: £2,779,334) arising from capital losses arising from capital and trading losses has not been recognised as there is insufficient evidence of future taxable profits to confirm recoverability in the foreseeable future.

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
18,810,123 (2017: 18,810,123) ordinary shares of £1 each	18,810,123	18,810,123

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.

20. Capital commitments

At 31 December the company had capital commitments as follows:

	2018 £	2017 £
Contracts placed for future capital expenditure not provided in the financial statements.	155,007	1,005,005

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Notes to the financial statements for the year ended 31 December 2018

21. Commitments under operating leases

At 31 December the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018 £	2017 £
Not later than 1 year	23	1,631
Later than 1 year and not later than 5 years	-	23
Total	23	1,654

22. Contingent liabilities

The company and several fellow group undertakings entered into a facility agreement with a number of third parties, in respect of a bank loan.

This loan is secured by way of a fixed and floating charge over the present and future property and assets of this company and the property and assets of the fellow group undertakings.

The directors do not anticipate the security being called in.

23. Related party transactions

The company is exempt from disclosing related party transactions with companies that are wholly owned within the Tamweelview European Holdings SA group.

24. Immediate and ultimate parent undertakings and controlling party

The immediate parent undertaking is Silver Diamond TEHC Sàrl, a company registered in Luxembourg. Silver Diamond TEHC Sàrl is the parent undertaking of the smallest group to consolidate these financial statements.

Tamweelview European Holdings SA, a company registered in Luxembourg is the parent undertaking of the largest group to consolidate these financial statements, copies of which are available from 2C rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg.

The ultimate parent undertaking is Silver Holdings SA, a company registered in Luxembourg.

The ultimate controlling entity is the Abu Dhabi Investment Authority, registered in United Arab Emirates.