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BVI company registered number: 666654
UK foreign company registered number: FC026293

Gold Diamond D Bristol 2005 Ltd

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

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Gold Diamond D Bristol 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 | FC026293 |
| 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 Bristol 2005 Ltd

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Gold Diamond D Bristol 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 £5,166,429 (2017: £6,475,298). Profit for the underlying business before adjusting for exceptional items was £911,435 (2017: £2,133,420). Exceptional items relate to the impairment of tangible fixed assets of £142,550 (2017: reversal £1,108,871). The profit for the financial year, after taxation, amounted to £163,330 (2017: £2,662,312).

Following a valuation by CBRE Hotels Ltd dated 31 December 2018, the directors have revalued the company's hotel asset to £33,900,000 (2017: £26,000,000). 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 | 57.21% | 59.31% |
| Operating profit margin before exceptional items | 10.09% | 19.54% |
| Profit after tax | £163,330 | £2,662,312 |
| Valuation of hotel asset | £33,900,000 | £26,000,000 |

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 Bristol 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.

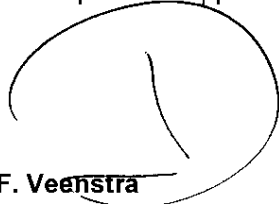
Future developments

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.

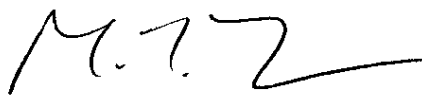
This report was approved by the board on



F. Veenstra
Director

8th July

2019 and signed on its behalf by:



M. Foxon
Director

Gold Diamond D Bristol 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 £163,330 (2017: £2,662,312).

The directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: £3,426,445).

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 Bristol 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.

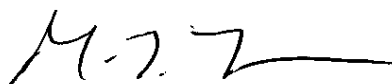
This report was approved by the board on
by:



F. Veenstra
Director

8th July

2019 and signed on its behalf



M. Foxon
Director

Gold Diamond D Bristol 2005 Ltd

Profit and loss account for the year ended 31 December 2018

| | Note | 2018 £ | 2017 £ |
|--|------|------------------|-------------|
| Turnover | 5 | 9,031,418 | 10,917,637 |
| Cost of sales | | (3,864,989) | (4,442,339) |
| Gross profit | | 5,166,429 | 6,475,298 |
| Administrative expenses | | (4,254,994) | (4,341,878) |
| Impairment (charge)/reversal - tangible fixed assets | 6 | (142,550) | 1,108,871 |
| Operating profit | 7 | 768,885 | 3,242,291 |
| Interest receivable | 9 | 1,203 | 118 |
| Interest payable and similar charges | 10 | (400,468) | (498,419) |
| Profit before taxation | | 369,620 | 2,743,990 |
| Taxation on profit for the financial year | 11 | (206,290) | (81,678) |
| Profit for the financial year | | 163,330 | 2,662,312 |

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 Bristol 2005 Ltd

Registered number: FC026293

Balance sheet as at 31 December 2018

| | Note | 2018 £ | 2017 £ |
|---|------|---------------------|--------------|
| Fixed assets | | | |
| Intangible assets | 13 | - | - |
| Tangible assets | 14 | 33,900,000 | 26,000,000 |
| | | 33,900,000 | 26,000,000 |
| Current assets | | | |
| Stocks | 15 | 24,381 | 44,758 |
| Debtors | 16 | 540,121 | 4,205,097 |
| Bank and cash balances | | 375,408 | 196,760 |
| | | 939,910 | 4,446,615 |
| Creditors: Amounts falling due within one year | 17 | (5,956,959) | (1,846,819) |
| Net current (liabilities)/assets | | (5,017,049) | 2,599,796 |
| Total assets less current liabilities | | 28,882,951 | 28,599,796 |
| Creditors: Amounts falling due after more than one year | 18 | (13,194,851) | (13,202,962) |
| Provisions for liabilities | | | |
| Deferred tax liability | 19 | (218,664) | (90,728) |
| Net assets | | 15,469,436 | 15,306,106 |
| Capital and reserves | | | |
| Called up share capital | 20 | 6,952,227 | 6,952,227 |
| Retained earnings | | 8,517,209 | 8,353,879 |
| Total equity | | 15,469,436 | 15,306,106 |

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


F. Veenstra
Director


M. Foxon
Director

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

Gold Diamond D Bristol 2005 Ltd

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

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|--|---------------------------------|---------------------------|-------------------|
| At 1 January 2018 | 6,952,227 | 8,353,879 | 15,306,106 |
| Comprehensive income for the year | | | |
| Profit for the financial year | - | 163,330 | 163,330 |
| At 31 December 2018 | 6,952,227 | 8,517,209 | 15,469,436 |

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

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|---|---------------------------------|---------------------------|-------------------|
| At 1 January 2017 | 6,952,227 | 9,118,012 | 16,070,239 |
| Comprehensive income for the year | | | |
| Profit for the financial year | - | 2,662,312 | 2,662,312 |
| Contributions by and distributions to owners | | | |
| Dividends | - | (3,426,445) | (3,426,445) |
| At 31 December 2017 | 6,952,227 | 8,353,879 | 15,306,106 |

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

Gold Diamond D Bristol 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 | | 163,330 | 2,662,312 |
| Adjustments for: | | | |
| Depreciation of tangible fixed assets | 14 | 470,439 | 425,782 |
| Decrease/(increase) in stocks | | 20,377 | (1,407) |
| Decrease/(increase) in debtors | | 116,045 | (105,296) |
| Decrease/(increase) in amounts owed by group undertakings | | 3,470,576 | (1,794,264) |
| (Decrease)/increase in creditors | | (712,429) | 293,723 |
| Decrease in amounts owed to group undertakings | | 4,856,301 | - |
| Taxation on profit on ordinary activities | 11 | 206,290 | 81,678 |
| Interest payable and similar charges | 10 | 400,468 | 498,419 |
| Interest receivable | 9 | (1,203) | (118) |
| Impairments charge/(reversal) - tangible fixed assets | 6 | 142,550 | (1,108,871) |
| Loss on disposal of tangible assets | | 206,423 | - |
| Tax paid | | - | (82,838) |
| Net cash generated from operating activities | | 9,339,167 | 869,120 |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | 14 | (8,719,412) | (916,911) |
| Interest received | | 1,203 | 118 |
| Net cash used in investing activities | | (8,718,209) | (916,793) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | 13,315,995 |
| Repayment of borrowings | 18 | (37,232) | (9,664,856) |
| Dividends paid | 12 | - | (3,426,445) |
| Interest and similar charges paid | | (405,078) | (303,101) |
| Arrangement fees paid | | - | (125,531) |
| Net cash used in financing activities | | (442,310) | (203,938) |
| Net decrease in cash and cash equivalents | | 178,648 | (251,611) |
| Cash and cash equivalents at beginning of year | | 196,760 | 448,371 |
| Cash and cash equivalents at the end of year | | 375,408 | 196,760 |
| Cash and cash equivalents consists of: | | | |
| Cash at bank and in hand | | 375,408 | 196,760 |

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

Gold Diamond D Bristol 2005 Ltd

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

1. General information

Gold Diamond D Bristol 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 Bristol 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 Bristol 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 Bristol 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 Bristol 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 Bristol 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 14 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 16 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 19 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 23 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 Bristol 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 14) | 142,550 | (1,108,871) |

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 in an impairment charge of £142,550 (2017: reversal £1,108,871).

7. Operating profit

The operating profit is stated after charging:

| | 2018 £ | 2017 £ |
|---|----------------|-----------|
| Depreciation of tangible fixed assets (note 14) | 470,439 | 425,782 |
| Operating lease rentals | 5,865 | 9,825 |

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 | 118 |

10. Interest payable and similar charges

| | 2018 £ | 2017 £ |
|------------------------------------|----------------|-----------|
| Interest payable on bank loans | 372,430 | 135,619 |
| Loans from parent undertakings | 4,680 | 203,234 |
| Loan arrangement fees | 23,358 | 44,955 |
| Write off of loan arrangement fees | - | 114,611 |
| | 400,468 | 498,419 |

Gold Diamond D Bristol 2005 Ltd

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

11. Taxation

| | 2018 £ | 2017 £ |
|--|----------------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | - | 4,483 |
| Adjustment in respect of prior periods | 78,354 | - |
| Total current tax | 78,354 | 4,483 |
| Deferred tax | | |
| Origination and reversal of timing differences | 198,266 | 97,815 |
| Impact of change in tax rate | (20,870) | (11,417) |
| Adjustment in respect of prior periods | (49,460) | (9,203) |
| Total deferred tax | 127,936 | 77,195 |
| Taxation on profit on ordinary activities | 206,290 | 81,678 |

Factors affecting tax charge for the year

The tax assessed for the year is higher 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 | 369,619 | 2,743,990 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%) | 70,228 | 528,125 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 588 | 94 |
| Adjustments in respect of prior periods | 28,894 | (9,203) |
| Income not taxable | (363) | - |
| Impact of change in tax rate | (20,870) | (11,417) |
| Group relief | 94,721 | (222,576) |
| Impairment - tangible fixed assets | 33,092 | (203,345) |
| Total tax charge for the year | 206,290 | 81,678 |

Gold Diamond D Bristol 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. Dividends

| | 2018 £ | 2017 £ |
|----------------------------|-----------|-----------|
| Interim 2017 dividend paid | - | 3,426,445 |

13. Intangible assets

| | Goodwill £ |
|--|------------------|
| Cost | |
| At 1 January 2018 and 31 December 2018 | <u>1,279,322</u> |
| Amortisation | |
| At 1 January 2018 and 31 December 2018 | <u>1,279,322</u> |
| Net book value | |
| At 31 December 2018 | <u>-</u> |
| At 31 December 2017 | <u>-</u> |

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

14. Tangible fixed assets

| | Freehold land and buildings (At valuation) £ | Fixtures and fittings (At cost) £ | Construction in progress (At cost) £ | Total £ |
|---|---|--|---|-------------------|
| Valuation/cost | | | | |
| At 1 January 2018 | 22,628,693 | 10,830,590 | 664,711 | 34,123,994 |
| Additions | 142,752 | 559,237 | 8,017,423 | 8,719,412 |
| Disposals | - | (2,864,229) | - | (2,864,229) |
| Transfers between classes | 5,000,550 | 3,542,162 | (8,542,712) | - |
| Revaluation | (142,550) | - | - | (142,550) |
| Reversal of depreciation on revaluation | (61,895) | - | - | (61,895) |
| At 31 December 2018 | <u>27,567,550</u> | <u>12,067,760</u> | <u>139,422</u> | <u>39,774,732</u> |
| Accumulated depreciation | | | | |
| At 1 January 2018 | - | 8,123,994 | - | 8,123,994 |
| Charge for the year | 61,895 | 408,544 | - | 470,439 |
| Disposals | - | (2,657,806) | - | (2,657,806) |
| Reversal on revaluation | (61,895) | - | - | (61,895) |
| At 31 December 2018 | <u>-</u> | <u>5,874,732</u> | <u>-</u> | <u>5,874,732</u> |
| Net book value | | | | |
| At 31 December 2018 | <u>27,567,550</u> | <u>6,193,028</u> | <u>139,422</u> | <u>33,900,000</u> |
| At 31 December 2017 | <u>22,628,693</u> | <u>2,706,596</u> | <u>664,711</u> | <u>26,000,000</u> |

Following a valuation by CBRE Hotels Ltd dated 31 December 2018, the directors have revalued the company's hotel asset to £33,900,000 (2017: £26,000,000). 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 £142,550.

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

| | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Cost | 37,907,854 | 32,764,552 |
| Accumulated depreciation | (10,340,304) | (10,135,859) |
| Net book value based on historical cost | <u>27,567,550</u> | <u>22,628,693</u> |

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

15. Stocks

| | 2018 £ | 2017 £ |
|-------------------------------------|---------------|-----------|
| Finished goods and goods for resale | 24,381 | 44,758 |

16. Debtors

| | 2018 £ | 2017 £ |
|------------------------------------|----------------|-----------|
| Due within one year | | |
| Trade debtors | 142,814 | 336,228 |
| Amounts owed by group undertakings | - | 3,470,576 |
| Other debtors | 126,919 | - |
| Prepayments and accrued income | 270,388 | 319,938 |
| Tax recoverable | - | 78,355 |
| | 540,121 | 4,205,097 |

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

Trade debtors are stated after provisions for impairment of £5,118 (2017: £3,114).

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

17. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|-----------|
| Trade creditors | 435,053 | 381,133 |
| Amounts owed to group undertakings | 4,856,300 | 30,889 |
| Other taxation and social security | - | 36,739 |
| Other creditors | - | 160,410 |
| Accruals and deferred income | 665,606 | 1,237,648 |
| | 5,956,959 | 1,846,819 |

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

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

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

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

| | 2018 £ | 2017 £ |
|------------|-------------------|------------|
| Bank loans | 13,194,851 | 13,202,962 |

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 £125,531 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 £83,912 (2017: £113,033).

During the year, an amount of £37,232 was repaid on the principal amount of the bank loan.

19. Deferred taxation

| | 2018 £ | 2017 £ |
|--|------------------|-----------|
| At 1 January | (90,728) | (13,533) |
| Charged to the profit and loss account | (127,936) | (77,195) |
| At 31 December | (218,664) | (90,728) |

The deferred taxation liability is made up as follows:

| | 2018 £ | 2017 £ |
|--------------------------------|------------------|-----------|
| Fixed asset timing differences | 134,754 | 267,279 |
| Short term timing differences | - | 559 |
| Revaluations | (353,418) | (358,566) |
| | (218,664) | (90,728) |

All deferred tax was recognised at 31 December 2018 and 31 December 2017.

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

20. Share capital

| | 2018 £ | 2017 £ |
|--|------------------|-----------|
| Allotted, called up and fully paid | | |
| 6,952,227 (2017: 6,952,227) ordinary shares of £1 each | 6,952,227 | 6,952,227 |

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.

21. 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 | 610,048 | 660,111 |

22. 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 | 2,540 | 2,540 |
| Later than 1 year and not later than 5 years | 4,954 | - |
| | 7,494 | 2,540 |

23. 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.

24. 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.

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

25. Immediate and ultimate parent undertakings and controlling party

The immediate parent undertaking is Silver Diamond TEHC24 Sàrl, a company registered in Luxembourg. Silver Diamond TEHC24 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.