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BVI company registered number: 1792050
UK foreign company registered number: FC031713

Gold Diamond D County Hall 2013 Ltd

**Annual report and financial statements
for the year ended 31 December 2017**

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Gold Diamond D County Hall 2013 Ltd

Company information

Directors

F. Veenstra
S. Al Dhaheri - alternate
S. Al Darmaki
K. Al Khajeh
M. Al Mansouri
J. Anand
M. Foxon
A. Garrod - alternate
A. Johnston - alternate
C. Scragg - alternate

Registered number

FC031713

Registered office

Ritter House
Wickhams Cay II
Road Town
Tortola
British Virgin Islands

Business address

400 Capability Green
Luton
Bedfordshire
LU1 3LU
United Kingdom

Gold Diamond D County Hall 2013 Ltd

Contents

	Page(s)
Strategic report	1 - 2
Directors' report	3 - 4
Profit and loss account	5
Statement of other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10 - 23

Gold Diamond D County Hall 2013 Ltd

Strategic report for the year ended 31 December 2017

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

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 £16,129,361 (2016: £9,750,736). Profit for the underlying business before adjusting for exceptional items was £3,356,242 (2016: £2,530,476). Exceptional items relate to the impairment reversal of fixed assets of £529,862 (2016 charge: £529,862) and the impairment of subsidiary undertakings of £802,445 (2016: £512,605). The profit for the financial year, after taxation, amounted to £608,745 (2016: £1,177,299).

On 3 August 2017, the company entered into a group facility agreement with a number of external third parties. The company as a borrower under the facility, received a loan of £44,785,436.

On 7 August 2017, the company used the proceeds from the loan to repay, in part, its previous loan from the parent undertaking leaving a balance of £1,445,460. Unamortised arrangement fees at this date of £297,196 were taken to the profit and loss account and are shown within interest payable and other charges.

Following a valuation by CBRE Hotels Ltd dated 31 December 2017, the directors have revalued the company's hotel asset to £87,000,000 (2016: £85,100,000). 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:

	2017	2016
Gross profit margin	68.73%	70.37%
Operating profit margin before impairment	14.30%	18.26%
Profit after tax	£608,745	£1,177,299
Valuation of hotel asset	£87,000,000	£85,100,000

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 County Hall 2013 Ltd

Strategic report for the year ended 31 December 2017

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

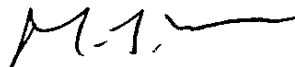
The official notification of withdrawal from the European Union on 29 March 2017 started the two-year timer on negotiating the UK's exit, as well as the post Brexit relationship with Europe from March 2019 onwards. Until further clarity is known regarding exit terms and the wider regulatory and legal implications, the directors are not able to assess the impact on the company.

This report was approved by the board on


F. Veenstra
Director

26/06/

2018 and signed on its behalf by:


M. Foxon
Director

Gold Diamond D County Hall 2013 Ltd

Directors' report for the year ended 31 December 2017

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

Results and dividends

The profit for the year, after taxation, amounted to £608,745 (2016: £1,177,299).

The directors do not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: £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 served during the year were:

F. Veenstra
S. Al Dhaheri - alternate (appointed 19 March 2018)
S. Al Darmaki (appointed 19 March 2018)
K. Al Khajeh (appointed 19 March 2018)
M. Al Mansouri (appointed 11 March 2018)
J. Anand (appointed 19 March 2018)
M. Foxon (appointed 19 March 2018)
A. Garrod - alternate (appointed 19 March 2018)
A. Johnston - alternate (appointed 19 March 2018)
C. Scragg - alternate (appointed 19 March 2018)
K. Al Shamsi (resigned 8 March 2018)
S. Al Dhaheri (resigned 8 March 2018)
S. Al Hallami - alternate (resigned 8 March 2018)

Gold Diamond D County Hall 2013 Ltd

Directors' report for the year ended 31 December 2017

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.

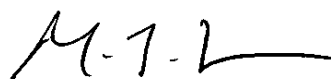
This report was approved by the board on

26/06/

2018 and signed on its behalf by:



F. Veenstra
Director



M. Foxon
Director

Gold Diamond D County Hall 2013 Ltd

Profit and loss account for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	5	23,466,080	13,856,173
Cost of sales		(7,336,719)	(4,105,437)
Gross profit		16,129,361	9,750,736
Administrative expenses		(12,773,119)	(7,220,260)
Exceptional items	6	(272,583)	(1,042,467)
Operating profit	7	3,083,659	1,488,009
Interest receivable	9	118	411
Interest payable and similar charges	10	(2,160,955)	(1,370,508)
Profit before taxation		922,822	117,912
Taxation on profit for the financial year	11	(314,077)	1,059,387
Profit for the financial year		608,745	1,177,299

The notes on pages 10 to 23 form part of these financial statements.

Gold Diamond D County Hall 2013 Ltd

Statement of comprehensive income for the year ended 31 December 2017

	Note	2017 £	2016 £
Profit for the financial year		608,745	1,177,299
Other comprehensive income			
Revaluation of tangible fixed assets	12	2,832,645	-
Deferred tax charge	18	(369,759)	-
Other comprehensive income for the financial year, net of tax		2,462,886	-
Total comprehensive income for the financial year		3,071,631	1,177,299

The notes on pages 10 to 23 form part of these financial statements.

Gold Diamond D County Hall 2013 Ltd

Registered number: FC031713

Balance sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	87,000,000	85,100,000
Investments	13	16,907,035	17,709,480
		<u>103,907,035</u>	<u>102,809,480</u>
Current assets			
Stocks	14	78,747	59,564
Debtors	15	1,490,753	1,501,411
Bank and cash balances		358,275	1,124,276
		<u>1,927,775</u>	<u>2,685,251</u>
Creditors: Amounts falling due within one year	16	(28,562,546)	(35,299,812)
Net current liabilities		<u>(26,634,771)</u>	<u>(32,614,561)</u>
Total assets less current liabilities		<u>77,272,264</u>	<u>70,194,919</u>
Creditors: amounts falling due after more than one year	17	(45,850,736)	(42,522,743)
Provisions for liabilities			
Deferred tax liability	18	(8,981,603)	(8,303,882)
Net assets		<u>22,439,925</u>	<u>19,368,294</u>
Capital and reserves			
Called up share capital	19	18,222,086	18,222,086
Revaluation reserve		2,462,886	-
Retained earnings		1,754,953	1,146,208
Total equity		<u>22,439,925</u>	<u>19,368,294</u>

The financial statements on pages 5 to 23 were approved and authorised for issue by the board on 26/06/2018 and were signed on its behalf by:


F. Veenstra
Director


M. Foxon
Director

The notes on pages 10 to 23 form part of these financial statements.

Gold Diamond D County Hall 2013 Ltd

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	18,222,086	-	1,146,208	19,368,294
Comprehensive income for the year				
Profit for the financial year	-	-	608,745	608,745
Revaluation of tangible fixed assets	-	2,832,645	-	2,832,645
Deferred tax charge	-	(369,759)	-	(369,759)
At 31 December 2017	18,222,086	2,462,886	1,754,953	22,439,925

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2016	18,222,086	(31,091)	18,190,995
Comprehensive income for the year			
Profit for the financial year	-	1,177,299	1,177,299
At 31 December 2016	18,222,086	1,146,208	19,368,294

The notes on pages 10 to 23 form part of these financial statements.

Gold Diamond D County Hall 2013 Ltd

Statement of cash flows for the year ended 31 December 2017

		2017 £	2016 £
Cash flows from operating activities			
Profit for the financial year		608,745	1,177,299
Adjustments for:			
Depreciation of tangible fixed assets	12	2,541,893	1,192,022
Impairment of tangible fixed assets	12	(529,862)	529,862
Impairment of intangible fixed assets	13	802,445	512,605
Increase in stocks		(19,183)	(3,173)
Decrease/(increase) in debtors		55,822	(537,353)
Increase in creditors		1,442,605	1,681,291
(Decrease)/increase in amounts owed to group undertakings		(8,413,106)	16,404,963
Taxation on profit on ordinary activities	11	314,077	(1,059,387)
Interest payable and similar charges		2,160,955	1,370,508
Interest receivable	9	(118)	(411)
Tax paid		(51,279)	-
Net cash generated from operating activities		(1,087,006)	21,268,226
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(1,079,386)	(2,426,618)
Acquisition of trade and assets of subsidiary (net of cash)		-	(15,521,509)
Interest received		118	411
Net cash (used in)/from investing activities		(1,079,268)	(17,947,716)
Cash flows from financing activities			
Repayment of loans	17	(41,458,643)	-
Proceeds from new loan	17	44,785,436	-
Interest paid on loan		(1,504,325)	(2,196,234)
Arrangement fees paid		(422,195)	-
Net cash used in financing activities		1,400,273	(2,196,234)
Net (decrease)/increase in cash and cash equivalents		(766,001)	1,124,276
Cash and cash equivalents at beginning of year		1,124,276	-
Cash and cash equivalents at the end of year		358,275	1,124,276
Cash and cash equivalents consists of:			
Cash at bank and in hand		358,275	1,124,276

The notes on pages 10 to 23 form part of these financial statements.

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

1. General information

Gold Diamond D County Hall 2013 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 County Hall 2013 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 Consolidation

The financial statements contain information about Gold Diamond D County Hall 2013 Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its ultimate parent undertaking, Tamweelview European Holdings SA, a company registered in Luxembourg.

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

3. Accounting policies (continued)

3.4 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.

3.5 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.

3.6 Interest receivable

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

3.7 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.

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

3. Accounting policies (continued)

3.8 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.

3.9 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 in Division 4 of the BVI Business Companies Act, 2004.

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

3. Accounting policies (continued)

3.10 Tangible fixed assets

Tangible fixed assets include leasehold 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.

Leasehold 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:

Leasehold buildings	- Lesser of unexpired term of lease, estimated useful life and 50 years on building element
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 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

3.12 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 County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

3. Accounting policies (continued)

3.13 Cash

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

3.14 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.

3.15 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.

3.16 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 County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

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 reassessed 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 12 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 County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

6. Exceptional items

	2017 £	2016 £
Impairment (reversal)/charge - tangible fixed assets (note 12)	(529,862)	529,862
Impairment charge - investment in subsidiary (note 13)	802,445	512,605
	<u>272,583</u>	<u>1,042,467</u>

Impairment (reversal)/charge - 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 2017, carried out in accordance with the RICS valuation - Professional Standards effective from January 2014. This resulted in an impairment reversal of £529,862 (2016 charge: £529,862).

Impairment charge - investment in subsidiary

The directors have considered the carrying value of the company's investment in its subsidiary at 31 December 2017. This resulted in an impairment charge of £802,445 (2016: £512,605).

7. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets (note 12)	2,541,893	1,192,022
Operating lease rentals	994,469	592,463

8. Staff costs

The company had no employees other than the directors during the year ended 31 December 2017 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 2017 or the previous financial year.

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

9. Interest receivable

	2017	2016
	£	£
Bank interest receivable	118	411

10. Interest payable and similar charges

	2017	2016
	£	£
Interest payable on bank loans	456,125	-
Loans from parent undertakings	1,281,436	1,272,613
Loan arrangement fees	126,198	97,895
Write off of loan arrangement fees	297,196	-
	2,160,955	1,370,508

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	6,115	-
Deferred tax		
Origination and reversal of timing differences	77,550	(634,359)
Impact of change in tax rate	(9,052)	(425,028)
Adjustment in respect of prior periods	239,464	-
Total deferred tax	307,962	(1,059,387)
Taxation on profit on ordinary activities	314,077	(1,059,387)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	922,822	117,912
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	177,612	23,582
Effects of:		
Expenses not deductible for tax purposes	154,474	170,767
Adjustments in respect of prior periods	239,464	-
Losses	17,819	(828,708)
Impact of change in tax rate	(9,052)	(425,028)
Group relief	(303,594)	-
Impairment - tangible fixed assets	37,354	-
Total tax charge/(credit) for the year	314,077	(1,059,387)

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.

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

12. Tangible fixed assets

	Leasehold buildings (At valuation) £	Fixtures and fittings (At cost) £	Construction in progress (At cost) £	Total £
Valuation/cost				
At 1 January 2017	72,463,757	13,039,848	-	85,503,605
Additions	484,801	587,170	7,415	1,079,386
Revaluation	3,362,507	-	-	3,362,507
Reversal of depreciation on revaluation	(1,435,513)	-	-	(1,435,513)
At 31 December 2017	<u>74,875,552</u>	<u>13,627,018</u>	<u>7,415</u>	<u>88,509,985</u>
Accumulated depreciation				
At 1 January 2017	-	403,605	-	403,605
Charge for the year	1,435,513	1,106,380	-	2,541,893
Reversal on revaluation	(1,435,513)	-	-	(1,435,513)
At 31 December 2017	<u>-</u>	<u>1,509,985</u>	<u>-</u>	<u>1,509,985</u>
Net book value				
At 31 December 2017	<u>74,875,552</u>	<u>12,117,033</u>	<u>7,415</u>	<u>87,000,000</u>
At 31 December 2016	<u>72,463,757</u>	<u>12,636,243</u>	<u>-</u>	<u>85,100,000</u>

Following a valuation by CBRE Hotels Ltd dated 31 December 2017, the directors have revalued the company's hotel asset to £87,000,000 (2016: £85,100,000). 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 statement of other comprehensive income and the profit and loss account. The revaluation during the year ended 31 December 2017 resulted in a revaluation surplus of £3,362,507.

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

	2017 £	2016 £
Cost	74,266,837	73,782,036
Accumulated depreciation	(2,245,637)	(788,417)
Net book value based on historical cost	<u>72,021,200</u>	<u>72,993,619</u>

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

13. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2017 and 31 December 2017	<u>18,222,085</u>
Impairment	
At 1 January 2017	512,605
Charge for the year	<u>802,445</u>
At 31 December 2017	<u>1,315,050</u>
Net book value	
At 31 December 2017	<u><u>16,907,035</u></u>
At 31 December 2016	<u><u>17,709,480</u></u>

14. Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>78,747</u>	<u>59,564</u>

15. Debtors

	2017 £	2016 £
Trade debtors	622,672	646,903
Other debtors	2,754	130,761
Prepayments and accrued income	820,163	723,747
Tax recoverable	45,164	-
	<u>1,490,753</u>	<u>1,501,411</u>

Trade debtors are stated after provisions for impairment of £8,785 (2016: £5,861).

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

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	392,306	421,110
Amounts owed to group undertakings	23,922,993	32,119,221
Other taxation and social security	121,933	-
Other creditors	194,523	20,413
Accruals and deferred income	3,930,791	2,739,068
	28,562,546	35,299,812

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.

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

	2017 £	2016 £
Bank loans	44,405,276	-
Loan from parent undertaking	1,445,460	42,522,743
	45,850,736	42,522,743

On 3 August 2017, the company entered into a group facility agreement with a number of external third parties. The company as a borrower under the facility, received a loan of £44,785,436. See note 22 for further details of contingent liabilities.

On 7 August 2017, the company used the loan proceeds to repay, in part, its previous loan from the parent undertaking leaving a balance of £1,445,460. Unamortised arrangement fees at this date of £297,196 were taken to the profit and loss account and are shown within interest payable and similar charges.

The new 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 £422,195 were capitalised and are being amortised over the loan term. The loan is shown net of these deferred fees. At 31 December 2017, the unamortised arrangement fees were £380,160.

The company is party to a loan agreement with Silver Diamond TEHC24 Sári, 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 1 year.

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

18. Deferred taxation

	2017 £	2016 £
At 1 January	(8,303,882)	-
(Charged)/credited to profit and loss account	(307,962)	1,059,387
Charged to other comprehensive income	(369,759)	-
Arising on business combinations	-	(9,363,269)
At 31 December	(8,981,603)	(8,303,882)

The deferred taxation liability is made up as follows:

	2017 £	2016 £
Fixed asset timing differences	(734,600)	(859,345)
Tax losses carried forward	-	537,056
Revaluations	(8,247,003)	(7,981,593)
	(8,981,603)	(8,303,882)

Deferred tax assets of £2,352,270 (2016: £3,193,502) arising from trading and capital losses has not been recognised as there is insufficient evidence of future taxable profits to confirm recoverability in the foreseeable future.

19. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
18,222,086 (2016: 18,222,086) ordinary shares of £1 each	18,222,086	18,222,086

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:

	2017 £	2016 £
Contracted for but not provided in these financial statements	415,097	588,762

Gold Diamond D County Hall 2013 Ltd

Notes to the financial statements for the year ended 31 December 2017

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:

	2017 £	2016 £
Not later than 1 year	485,154	986,176
Later than 1 year and not later than 5 years	12,465	473,739
	<u>497,619</u>	<u>1,459,915</u>

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 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.