

Registered number: 0994968

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**Copthorne Hotel (Gatwick) Limited**

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**Unaudited**

**Annual report and financial statements**

**For the Year Ended 31 December 2020**



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**Copthorne Hotel (Gatwick) Limited**

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**Company Information**

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<b>Directors</b>	Copthorne Hotels Limited J M Grech (resigned 11 December 2020) E S Kwek (appointed 11 December 2020)
<b>Company secretary</b>	Copthorne Hotels Limited
<b>Registered number</b>	0994968
<b>Registered office</b>	Corporate Headquarters Scarsdale Place Kensington London W8 5SY

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**Copthorne Hotel (Gatwick) Limited**

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**Contents**

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	Page
<b>Strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Statement of comprehensive income</b>	<b>5</b>
<b>Statement of financial position</b>	<b>6</b>
<b>Statement of changes in equity</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 21</b>

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## Copthorne Hotel (Gatwick) Limited

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### Strategic report For the Year Ended 31 December 2020

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#### Business review

Copthorne Hotel (Gatwick) Limited ('the Company') is an indirect subsidiary of Millennium & Copthorne Hotels Limited. The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Ltd.

The hotel has been impacted by Covid-19 and the closure of the hotel throughout parts of the year. Turnover for the year was £1,743,000 (2019: £5,561,000) and the loss on ordinary activities before taxation for the year was £969,000 (2019: profit before taxation £337,000).

The loss for the year after taxation amounted to £875,000 (2019: profit after taxation £243,000).

#### Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks which impacts the recoverable amount of the Company's assets.

The key business risks and uncertainties affecting the Company are considered to relate to the competition from hotels in the immediate locality of the Copthorne Hotel London Gatwick. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Millennium & Copthorne Hotels Limited group ('the Group') and are not separately managed. Further discussion of these risks and uncertainties, and others including the impact of the COVID-19 pandemic, in context of the Millennium & Copthorne Hotels Limited group ('the Group') as a whole, is provided on pages 10 to 15 of the Group's annual report for the year ended 31 December 2020 which does not form part of this report.

#### Financial key performance indicators

The Directors measure four main KPIs specific to the Company in their evaluation of the performance of the Company. These are set out in the table below:

	2020	2019
RevPAR	£14.19	£43.01
Average Room Rate	£50.73	£59.90
Occupancy %	27.98%	71.8%
Gross Profit	£0.7m	£2.7m

#### Method of calculating KPIs

RevPAR is occupancy multiplied by average room rate.

Average room rate is room revenue divided by rooms sold.

Occupancy % is rooms sold divided by rooms available.

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**Copthorne Hotel (Gatwick) Limited**

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**Strategic report (continued)  
For the Year Ended 31 December 2020**

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**Directors' statement of compliance with duty to promote the success of the Company**

The Directors understand their duties under Section 172 of the Companies Act 2006 and more specifically, their duty to "act in the way each director considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to -

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The Group's 2020 annual report on pages 3-5 discusses in more detail how the the Company, operating as part of the Group, has met these requirements.

This report was approved by the board and signed on its behalf.



**Copthorne Hotels Limited, acting by David Hassan**  
Director

Date: 27-09-2021

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**Copthorne Hotel (Gatwick) Limited**

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**Directors' report  
For the Year Ended 31 December 2020**

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The Directors present their report and the financial statements for the year ended 31 December 2020.

**Principal activity**

The principal activities of the Company are the ownership and operation of the Copthorne Hotel London Gatwick.

**Results and dividends**

The loss for the year, after taxation, amounted to £841,000 (2019 - profit £243,000).

No dividend was declared in the current or preceding financial year.

**Directors**

The Directors who served during the year were:

Copthorne Hotels Limited  
J M Grech (resigned 11 December 2020)  
E S Kwek (appointed 11 December 2020)

**Going concern**

The Directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out in Note 1 to the financial statements. Accordingly, the Directors have prepared the financial statements on a going concern basis.

**Engagement with employees**

The Company engages with its employees at standards and practises set at Group level, further details of which are set out in the Group's annual report for the year ended 31 December 2020 on page 20.

**Engagement with suppliers, customers and others**

The Company engages with its suppliers, customers and others at standards and practises set at Group level, further details of which are set out in the Group's annual report for the year ended 31 December 2020 on page 21.

**Post balance sheet events**

There have been no events since the reporting date and the approval of these financial statements that require disclosure.

This report was approved by the board and signed on its behalf.



**Copthorne Hotels Limited, acting by David Hassan**

Director

Date: 27-09-2021

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**Copthorne Hotel (Gatwick) Limited**

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**Directors' responsibilities statement  
For the Year Ended 31 December 2020**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**Copthorne Hotel (Gatwick) Limited**

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**Statement of comprehensive income  
For the Year Ended 31 December 2020**

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	Note	2020 £	2019 £000
Turnover	3	1,743	5,561
Cost of sales		(1,018)	(2,825)
<b>Gross profit</b>		<b>725</b>	<b>2,736</b>
Administrative expenses		(1,701)	(2,399)
Other operating income		10	-
<b>Operating (loss)/profit</b>	4	<b>(966)</b>	<b>337</b>
Tax on (loss)/profit	7	125	(84)
<b>(Loss)/profit for the financial year</b>		<b>(841)</b>	<b>253</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 8 to 21 form part of these financial statements.



**Copthorne Hotel (Gatwick) Limited**  
Registered number: 0994968

**Statement of financial position**  
**As at 31 December 2020**


	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	8	6,409	6,654
		<u>6,409</u>	<u>6,654</u>
<b>Current assets</b>			
Stocks		21	27
Debtors: amounts falling due within one year	9	907	1,178
Cash at bank and in hand	10	23	399
		<u>951</u>	<u>1,604</u>
Creditors: amounts falling due within one year	11	(1,235)	(1,262)
<b>Net current (liabilities)/assets</b>		(284)	342
Deferred taxation	13	(43)	(73)
<b>Net assets</b>		<u><u>6,082</u></u>	<u><u>6,923</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	482	482
Share premium account		5,557	5,557
Profit and loss account		43	884
		<u><u>6,082</u></u>	<u><u>6,923</u></u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Copthorne Hotels Limited, acting by David Hassan**  
Director  
Date: 27-09-2021

The notes on pages 8 to 21 form part of these financial statements.

**Copthorne Hotel (Gatwick) Limited**

**Statement of changes in equity  
For the Year Ended 31 December 2020**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2020	482	5,557	884	6,923
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(841)	(841)
<b>Total comprehensive income for the year</b>	-	-	(841)	(841)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2020</b>	<b>482</b>	<b>5,557</b>	<b>43</b>	<b>6,082</b>

**Statement of changes in equity  
For the Year Ended 31 December 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2019	482	5,557	631	6,670
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	253	253
<b>Total comprehensive income for the year</b>	-	-	253	253
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2019</b>	<b>482</b>	<b>5,557</b>	<b>884</b>	<b>6,923</b>

The notes on pages 8 to 21 form part of these financial statements.

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## **Copthorne Hotel (Gatwick) Limited**

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### **Notes to the financial statements For the Year Ended 31 December 2020**

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#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

##### **1.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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## **Copthorne Hotel (Gatwick) Limited**

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### **Notes to the financial statements For the Year Ended 31 December 2020**

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#### **1. Accounting policies (continued)**

##### **1.3 Going concern**

The financial statements have been prepared on the going concern basis. The Company is dependent for its working capital on funds provided to it indirectly by Millennium & Copthorne Hotels Limited, the smallest group in which the results of the Company are consolidated.

Uncertainty due to the COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. Trading over the year and into the proceeding year has been impacted by COVID-19 with the Group temporarily shutting or reducing operations at a number of hotels, primarily in Europe and New Zealand. In response, the Directors have taken immediate and significant actions, all within management's control, to reduce costs and optimise the Group's cash flow and liquidity. Amongst these are the following mitigating actions: reducing capital expenditure through postponing or pausing refurbishment and property development activities, tight monitoring of manpower planning, monitoring of controllable variable expenses and negotiation of discounts with suppliers, and maximising of government assistance and relief programs. It is noted the Group has a limited fixed cost base due to owning the majority of its hotel properties.

Millennium & Copthorne Hotels Limited has indicated to the Company that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

##### **1.4 Revenue**

Revenue represents amounts derived in the United Kingdom from the ownership and operation of the hotel.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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## **Copthorne Hotel (Gatwick) Limited**

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### **Notes to the financial statements For the Year Ended 31 December 2020**

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#### **1. Accounting policies (continued)**

##### **1.5 Tangible fixed assets**

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

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

The estimated useful lives range as follows:

Building core	- 50 years or lease term if shorter
Building surface, finishes and services	- 30 years or lease term if shorter
Plant & machinery	- 20 years
Motor vehicles	- 4 years
Fixtures & fittings	- 10 years
Office equipment	- 10 years
Computer equipment	- 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Capital expenditure on major projects is recorded separately within fixed assets as capital work in progress. Once the project is completed the balance is transferred to the appropriate fixed asset categories. Capital work in progress is not depreciated.

Where applicable borrowing costs directly attributable to assets under construction and which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset.

##### **Calculation of recoverable amount**

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment.

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## **Copthorne Hotel (Gatwick) Limited**

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### **Notes to the financial statements For the Year Ended 31 December 2020**

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#### **1. Accounting policies (continued)**

##### **1.6 Operating leases: the Company as lessee**

The Company leases shuttle buses which fall under the scope of IFRS 16.

At the commencement of a lease, the Company recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the applicable incremental borrowing rate (single discount rate applied to a portfolio of leases with similar characteristics). The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Company is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is remeasured either when the Company changes its assessment of whether it will exercise an extension or termination option (if expected to be terminated early then any applicable penalties due will also be factored in the remeasurement) or if there is a change in the Company's estimate of the amount expected to be payable under the residual value guarantee.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

The Company has elected to apply exemptions for short-term leases (less than 12 months) and leases for which the underlying asset is of low value (£5,000 or less). For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease.

Right-of-use assets are presented within non-current assets on the face of the balance sheet, and lease liabilities are shown separately on the balance sheet in current liabilities and non-current liabilities depending on the length of the lease term.

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is initially recorded at the lower of fair value and the present value of minimum lease

##### **1.7 Government grants**

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Statement of financial position and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

##### **1.8 Finance costs**

Finance costs are charged to profit or loss 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.

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## **Copthorne Hotel (Gatwick) Limited**

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### **Notes to the financial statements For the Year Ended 31 December 2020**

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#### **1. Accounting policies (continued)**

##### **1.9 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### **1.10 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### **1.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a SELECT OR ENTER METHOD basis. Work in progress and finished goods include labour and attributable overheads.

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

##### **1.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **1.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## **Copthorne Hotel (Gatwick) Limited**

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### **Notes to the financial statements For the Year Ended 31 December 2020**

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#### **1. Accounting policies (continued)**

##### **1.14 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **1.15 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

###### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

###### **Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

###### **Impairment of financial assets**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

###### **Financial liabilities**

###### **Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.



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**Copthorne Hotel (Gatwick) Limited**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**1. Accounting policies (continued)**

**1.15 Financial instruments (continued)**

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies and the reported amount of revenue and expenses during the year. The Company evaluates its estimates and assumptions on an ongoing basis. Such estimates and judgements are based upon historical experience and other factors it believes to be reasonable under the circumstances, which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

Key estimates and judgements have been made in the following area:

**Asset carrying values**

Management performs an assessment at each balance sheet date of assets where risk of impairment has been identified. Key judgement areas include the carrying values of property, plant and equipment. The recovery of these assets is dependent on future cash flows receivable and the provision of future services or goods by third parties.

Where risk of impairment has been identified an impairment review has been performed and where appropriate, external evaluations have been undertaken.

**3. Turnover**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	<b>1,743</b>	<b>5,561</b>
	<b>1,743</b>	<b>5,561</b>

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**Copthorne Hotel (Gatwick) Limited**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**4. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>255</b>	<b>273</b>
	<hr/>	<hr/>
	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

**5. Employees**

Staff costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>890</b>	<b>2,156</b>
Social security costs	<b>89</b>	<b>139</b>
Other staff costs	<b>93</b>	<b>103</b>
	<hr/>	<hr/>
	<b>1,072</b>	<b>2,398</b>
	<hr/>	<hr/>

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Operating staff	<b>37</b>	<b>88</b>
Administration staff	<b>11</b>	<b>8</b>
Maintenance staff	<b>2</b>	<b>6</b>
Sales staff	<b>2</b>	<b>2</b>
	<hr/>	<hr/>
	<b>52</b>	<b>104</b>
	<hr/>	<hr/>

**6. Interest payable and similar expenses**

Interest expense recognised during the current year under IFRS 16 'Leases' was less than £1,000.

**Copthorne Hotel (Gatwick) Limited**

**Notes to the financial statements  
For the Year Ended 31 December 2020**

**7. Taxation**

	<b>2020 £000</b>	<b>2019 £000</b>
Current tax on profits for the year	(94)	87
Adjustments in respect of previous periods	-	7
	<u>(94)</u>	<u>94</u>
<b>Total current tax</b>	<u>(94)</u>	<u>94</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(31)	(10)
<b>Total deferred tax</b>	<u>(31)</u>	<u>(10)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(125)</u>	<u>84</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19 %). The differences are explained below:

	<b>2020 £000</b>	<b>2019 £000</b>
(Loss)/profit on ordinary activities before tax	<u>(966)</u>	<u>337</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19 %)	(184)	64
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9	-
Adjustments to tax charge in respect of prior periods	(94)	-
Short term timing difference leading to an increase (decrease) in taxation	31	20
Unrelieved tax losses carried forward	113	-
<b>Total tax (credit) / charge for the year</b>	<u>(125)</u>	<u>84</u>

**Copthorne Hotel (Gatwick) Limited**

**Notes to the financial statements  
For the Year Ended 31 December 2020**

**7. Taxation (continued)**

**Factors that may affect future tax charges**

The standard rate of corporation tax applicable to the Company for the year ended 31 December 2020 was 19.0%. The Government has indicated that the rate of corporation tax may be increased to 25% with effect from 1 April 2023. Should legislation increasing the rate to 25% be substantively enacted, any timing differences which exist at that point would reverse at 25% rather than 19% and deferred tax balances would be revalued accordingly.

**8. Tangible fixed assets**

	Freehold property £000	Plant & machinery £000	Fixtures & fittings £000	Right-of-use asset* £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2020	6,525	3,000	2,719	20	12,264
Additions	-	-	10	-	10
At 31 December 2020	6,525	3,000	2,729	20	12,274
<b>Depreciation</b>					
At 1 January 2020	820	2,462	2,317	11	5,610
Charge for the year on owned assets	55	85	106	9	255
At 31 December 2020	875	2,547	2,423	20	5,865
<b>Net book value</b>					
At 31 December 2020	5,650	453	306	-	6,409
At 31 December 2019	5,705	538	402	9	6,654

\*The right-of-use asset addition represents the asset under IFRS 16 'Leases'. Refer to Note 14 for further information.

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**Copthorne Hotel (Gatwick) Limited**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**9. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	(146)	16
Amounts owed by group undertakings	1,014	1,035
Other debtors	18	32
Prepayments and accrued income	21	95
	<u>907</u>	<u>1,178</u>

In the current and prior year, the Company's trade debtors are principally accounted for within the central sales ledger of Copthorne Hotels Limited, a Group company, and therefore included within the amount owed by Group undertaking.

**10. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	23	399
Less: bank overdrafts	(536)	-
	<u>(513)</u>	<u>399</u>

**11. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts	536	-
Amounts owed to group undertakings	497	168
Corporation tax	-	439
Other creditors	39	403
Accruals and deferred income	163	252
	<u>1,235</u>	<u>1,262</u>

In the current and prior year, the Company's trade creditors are principally accounted for within the central purchase ledger of Copthorne Hotels Limited, a Group company, and therefore included within the amount due to Group undertaking.

**Copthorne Hotel (Gatwick) Limited**

**Notes to the financial statements  
For the Year Ended 31 December 2020**

**12. Financial instruments**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>23</b>	<b>399</b>

Financial Liabilities measured at amortised cost comprise amounts owed to group undertakings.

**13. Deferred taxation**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	<b>(72)</b>	<b>(83)</b>
Charged to profit or loss	<b>30</b>	<b>10</b>
<b>At end of year</b>	<b>(42)</b>	<b>(73)</b>

The provision for deferred taxation is made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	<b>(42)</b>	<b>(73)</b>
	<b>(42)</b>	<b>(73)</b>

**14. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
425,000 (2019 - 425,000) Deferred shares of £1.00 each	<b>425</b>	<b>425</b>
5,655,988 (2019 - 5,655,988) Ordinary shares of £0.01 each	<b>57</b>	<b>57</b>
	<b>482</b>	<b>482</b>

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.

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**Copthorne Hotel (Gatwick) Limited**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**15. IFRS 16 Leases**

The Company leases shuttle buses used as guest transportation to/from Gatwick Airport, which fall under IFRS 16 Leases. Exemptions were used for short term leases (less than 12 months) and low value assets (£5,000 or less).

Movements in the right of use asset and lease liability are shown below:

	2020 £000	2019 £000
<b>Amounts recognised in the income statement</b>		
Depreciation	9	11
<b>Total</b>	<u>9</u>	<u>11</u>

Interest on the lease liability was less than £1,000 during the current year.

	2020 £000	2019 £000
<b>Right of use asset net book value</b>		
At 1 January	9	20
Depreciation	(9)	(11)
<b>At 31 December</b>	<u>-</u>	<u>9</u>
	2020 £000	2019 £000
<b>Lease Liability</b>		
Current	-	9
<b>Total</b>	<u>-</u>	<u>9</u>

The Company's lease liability was determined by discounting the relevant lease payments at the Group's incremental borrowing rate of 1.9% taking into account motor vehicles of a similar nature in the United Kingdom.

**16. Post balance sheet events**

There have been no events since the reporting date and the approval of the financial statements that require disclosure.

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**Copthorne Hotel (Gatwick) Limited**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**17. Controlling party**

The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Ltd incorporated in the Republic of Singapore. The accounts of the ultimate holding company, which heads the largest group in which the results of the Company are consolidated, are available to the public at The Accounting and Corporate Regulatory Authority, 10 Anson Road # 05 01/15, International Plaza, Singapore 079903.

The immediate holding and controlling company is Copthorne Hotel Holdings Limited, a company registered in England and Wales. The smallest group in which the results of the Company are consolidated is headed by Millennium & Copthorne Hotels Limited, a company registered in England and Wales.