

Registration number: 01988291

Horeco Limited

Annual report and unaudited financial statements

for the year ended 31 December 2018



Horeco Limited

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Horeco Limited

Company information

Directors	P F Roulot G O A Tscherning
Company secretary	G O A Tscherning
Registered office	66 Lincoln's Inn Fields London WC2A 3LH
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Bankers	JP Morgan Chase Bank N A Northeast Market PO Box 260180 London Baton Rouge LA 70826-0180

Horeco Limited

Strategic report for the year ended 31 December 2018

The directors present their Strategic report for the year ended 31 December 2018.

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

There have not been any significant changes in the company's principal activities in the period under review. The directors are not aware, at the date of this report, of any major changes in the company's activities in the next year.

The company incurred a loss before tax of £119,364 (2017: £321,551). The directors are satisfied with the result for the year. They consider that the company has built a sound base for future activities and that it will prosper in the future.

As at 31 December 2018, the company had net current assets of £6,371,181 (2017: £6,490,545) and total assets of £11,579,578 (2017: £11,698,942).

Principal risks and uncertainties

The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the directors consider only interest rate risk and credit risk to be relevant to the company.

Interest rate risk

Interest rate risk is considered low, because borrowings are with other group undertakings. Funding for all members of the Horeco Limited group is arranged centrally. The group regularly monitors interest rate risk and does not trade or speculate in any financial instruments.

Credit risk

Credit risk arises on the company's cash and debtors balances. The risk relating to cash balances is considered low, because cash is held with financial institutions with high credit ratings.

The risk relating to debtors balances is considered low, because most balances are held with other group undertakings.

Future developments

The directors believe that this business is likely to remain static for the forthcoming year, due to the current economic climate.

Horeco Limited

**Strategic report (continued)
for the year ended 31 December 2018**

Events after the balance sheet date

There were no events after the balance sheet date that required further disclosure.

Approved by the Board on 22.09.19 and signed on its behalf by:


.....
P F Roulot
Director

Horeco Limited

Directors' report for the year ended 31 December 2018

The directors present their annual report on the affairs of Horeco Limited ("the company") together with the unaudited financial statements for the year ended 31 December 2018.

The directors took advantage of the small companies exemption available under s415a in applying reduced directors' report disclosures.

Principal activity

The company acts as a holding company with subsidiary undertakings involved in the ownership and management of hotels in the United Kingdom.

Going concern

As at 31 December 2018, the company had net current assets of £6,371,181 (2017: £6,490,545) and total net assets of £11,579,578 (2017: £11,698,942). The parent company, Louvre Hotels Group S.A.S., has confirmed it will continue to support the company in meeting its obligations as they fall due and as a result, after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Dividends

The directors do not recommend the payment of a dividend (2017: £nil).

Directors

The directors, who served throughout the year except as noted, were as follows:

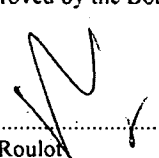
P F Roulot

G O A Tscherning - Company secretary and director

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Approved by the Board on 22.09.19 and signed on its behalf by:


.....
P F Roulot
Director

Horeco Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report including the financial statements in accordance with applicable law and regulations.

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Horeco Limited

Profit and loss account For the year ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses		<u>(100,894)</u>	<u>(326,540)</u>
Operating loss		(100,894)	(326,540)
Interest receivable and similar income	5	441,066	239,010
Interest payable and similar charges	6	<u>(459,536)</u>	<u>(234,021)</u>
Loss before taxation		(119,364)	(321,551)
Loss for the financial year		(119,364)	(321,551)

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above. Therefore, no statement of comprehensive income has been presented.

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

Horeco Limited

Balance sheet As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	9	<u>5,208,397</u>	<u>5,208,397</u>
Current assets			
Debtors: amounts falling due within one year	10	68,578,113	65,008,846
Cash at bank and in hand		<u>9,697,033</u>	<u>4,072,032</u>
		<u>78,275,146</u>	<u>69,080,878</u>
Creditors: amounts falling due within one year		<u>(71,903,965)</u>	<u>(62,590,333)</u>
Net current assets		<u>6,371,181</u>	<u>6,490,545</u>
Net assets		<u>11,579,578</u>	<u>11,698,942</u>
Capital and reserves			
Called-up share capital	13	14,850,000	14,850,000
Profit and loss account	14	<u>(3,270,422)</u>	<u>(3,151,058)</u>
Shareholder's funds		<u>11,579,578</u>	<u>11,698,942</u>

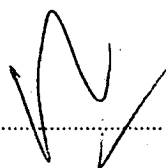
For the financial year ending 31 December 2018 the company was entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Horeco Limited (registration number: 01988291) were approved by the Board of directors and authorised for issue on 22.09.19

They were signed on its behalf by:



P F Roulot
Director

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

Horeco Limited

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

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2017	14,850,000	(2,829,507)	12,020,493
Loss for the year	-	(321,551)	(321,551)
At 31 December 2017	<u>14,850,000</u>	<u>(3,151,058)</u>	<u>11,698,942</u>
	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2018	14,850,000	(3,151,058)	11,698,942
Loss for the year	-	(119,364)	(119,364)
At 31 December 2018	<u>14,850,000</u>	<u>(3,270,422)</u>	<u>11,579,578</u>

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

Horeco Limited

Notes to the unaudited financial statements For the year ended 31 December 2018

1 General information

Horeco Limited ("the company") is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

66 Lincoln's Inn Fields
London
WC2A 3LH

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

The nature of the company's operations and its principal activities are set out in the Directors' report on page 4.

2 Adoption of new and revised standards

Application of new and revised International Financial Reporting Standards

The following adopted IFRSs have been issued and applied by the company in these financial statements. However, their adoption do not have an effect on these financial statements:

- IFRS 9 Financial Instruments (effective date 1 January 2018 other than hedge accounting provisions, effective 1 January 2019);

(i) IFRS 9 Financial Instruments

The standard replaces IAS 39 Financial Instrument: Recognition and Measurement. It introduces new requirements for classifying and measuring financial instruments and a new impairment model for financial assets.

The details of the new significant accounting policies are set out below. As noted above, the application of these new accounting policies has had no effect on the measurement of amounts recognised within these financial statements.

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Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

2 Adoption of new and revised standards (continued)

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the following IAS 39 categories for financial assets: held to maturity, loans and receivables and available for sale. Under IFRS 9, a financial asset is measured on initial recognition at amortised cost or fair value through the income statement.

The following accounting policies apply to the application of subsequent measurements of financial assets:

Financial assets in the case of fair value via the income statement

These assets are valued at their fair value. Net profits and losses, including any interest or dividend income, are recognised in the income statement.

Financial assets at amortised cost

These assets are valued at amortised cost using the effective interest method. Impairment losses are deducted from the amortised cost. Interest income, exchange rate gains and losses, and impairments are recognised in the income statement. Any profit or loss as a result of the removal from the balance sheet is recognised in the income statement.

Impairment of financial assets

IFRS 9 replaces the incurred credit loss model in IAS 39 with an expected credit loss model. The new impairment model applies to financial assets valued at amortised cost, contract assets, and investments in debt instruments when the fair value is recognised via the comprehensive income, but not to investments in equity instruments. Credit losses are recognised at an earlier stage in IFRS 9 than in IAS 39. This change has not led to an adjustment to the amounts recognised in the company's financial statements.

(ii) IFRS 15 'Revenue from Contracts with Customers'

The core principle of IFRS 15 is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. IFRS 15 will also result in enhanced disclosures about revenue and provide guidance for transactions that were not previously addressed comprehensively. IFRS 15 is effective for annual periods starting on or after 1 January 2018.

The application of IFRS 15 has no effect on the Income statement or Balance sheet compared to IAS 18.

The company has adopted FRS 101 "Reduced Disclosure Framework" incorporating the amendments to FRS 101 issued by FRC in December 2016. In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemption has been taken.

Early adoption of standards

The company did not adopt new or amended standards in the year that have yet to become effective.

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

2 Adoption of new and revised standards (continued)

New and revised IFRSs in issue but not yet effective

The following new standards and amendments of standards were issued by the IASB but are not effective for the financial year 2018.

IFRS 16	Leases	Effective 1 January 2019
IFRS 17	Insurance Contracts	Effective 1 January 2021
Amendments to IFRS 9	Prepayment Features with Negative Compensation	Effective 1 January 2021
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	Effective 1 January 2021
Annual Improvements to IFRS Standards 2015–2017 Cycle	Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	Effective 1 January 2021*
Amendments to IAS 19 Employee Benefits	Plan Amendment, Curtailment or Settlement	Effective 1 January 2021
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective 1 January 2021
IFRIC 23	Uncertainty over Income Tax Treatments	Effective 1 January 2021

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018, have had no material impact on the company.

3 Accounting policies

Summary of significant accounting policies

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

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

3 Accounting policies (continued)

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

These financial statements are separate financial statements. The company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Shanghai Jin Jiang International Hotels (Group) Company Limited. The group accounts of Shanghai Jin Jiang International Hotels (Group) Company Limited are available to the public and can be obtained as set out in note 16.

The principal accounting policies adopted are set out below.

Going concern

The parent company, Louvre Hotels Group S.A.S., has confirmed it will continue to support the company in meeting its obligations as they fall due and as a result, after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Foreign currencies

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities stated in foreign currencies are translated into sterling at the rates ruling at the year end. Exchange profits and losses are dealt with in the profit and loss account.

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

3 Accounting policies (continued)

Tax

The tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it related to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

3 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

3 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Recognition and measurement

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Impairment

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

3 Accounting policies (continued)

Financial liabilities (continued)

Classification

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no significant estimates or judgements used in preparing this financial statements.

5 Interest receivable and similar income

	2018 £	2017 £
Interest receivable from group undertakings	418,881	237,669
Bank interest receivable	19,936	1,341
Other finance income	2,249	-
	<u>441,066</u>	<u>239,010</u>

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

6 Interest payable and similar charges

	2018	2017
	£	£
Interest on loans from group undertakings	<u>459,536</u>	<u>234,021</u>

7 Information regarding directors and employees

The company has no employees (2017: none) and the directors were paid for their services to this company by Louvre Hotels Group S.A.S., in both the current and prior year. Full emolument disclosures are given in the accounts of Louvre Hotels Group S.A.S.. It is not practical to allocate their remuneration between the services rendered to different group companies.

8 Taxation

Tax on loss	2018	2017
	£	£
Adjustments in respect of previous years	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017: lower than the standard rate of corporation tax in the UK) of 19% (2017: 19.25%).

The differences are reconciled below:

	2018	2017
	£	£
Loss before tax	<u>(119,364)</u>	<u>(321,551)</u>
Corporation tax at standard rate	(22,679)	(61,888)
Increase arising from group relief tax reconciliation	<u>22,679</u>	<u>61,888</u>
Tax credit for the year	<u>-</u>	<u>-</u>

Factors that may affect current tax charges

The standard rate of tax applied to reported loss is 19% (2017: 19.25%) and reflects the reduction in the UK corporation tax rate from 20% to 19% from 1 April 2017. Further reductions to the standard rate of UK corporation tax to 17% from 1 April 2020 have been substantively enacted by the balance sheet date.

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

9 Investments

	Subsidiary undertakings £
Cost	
At 1 January 2018 and 31 December 2018	<u>6,953,397</u>
Provision for impairment	
At 1 January 2018 and 31 December 2018	<u>1,745,000</u>
Net book value	
At 31 December 2018	<u>5,208,397</u>
At 31 December 2017	<u>5,208,397</u>

Details of the company's subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting rights held	
			2018	2017
Louvre Hotels Group (UK)	Construction, project and hotel management	United Kingdom	100%	100%
Finaco Limited	Hotel developer	United Kingdom	100%	100%
Basildon Hotel Limited	Dormant	United Kingdom	100%	100%
Milcardar Limited	Hotel Management	United Kingdom	100%	100%
Saliwawadon Limited	Hotel Management	United Kingdom	100%	100%
Liverpool Hotel Limited	Dormant	United Kingdom	100%	100%
Runcorn Hotel Limited	Dormant	United Kingdom	100%	100%
Dartford Hotel Limited	Dormant	United Kingdom	100%	100%
Sheffield Hotel Limited	Dormant	United Kingdom	100%	100%
Newotel Limited	Dormant	United Kingdom	100%	100%

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

9 Investments (continued)

Runbaro Limited	Hotel Management	United Kingdom	100%	100%
Tyne & Wear Hotel Limited	Dormant	United Kingdom	100%	100%
Aston Lock Hotel Limited	Hotel Management	United Kingdom	100%	100%
Salford Hotel Limited	Dormant	United Kingdom	100%	100%
Camp-Hull Limited	Hotel Management	United Kingdom	100%	100%
Wrexham Limited	Dormant	United Kingdom	100%	100%

10 Debtors: amounts falling due within one year

	2018 £	2017 £
Trade receivables	330	163,371
Amounts owed by group undertakings	66,803,821	64,845,475
Corporation tax	1,773,962	-
	<u>68,578,113</u>	<u>65,008,846</u>

Included in amounts owed by group undertakings is an intercompany loan of £17,813,979 (2017: £15,663,979) repayable on demand. Interest is charged on intercompany loans at LIBOR + 0.125%.

Included in amounts owed by group undertakings is a provision of £2,802,391 (2017: £2,802,391) against the amounts owed by Runbaro Limited.

11 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	10,241	16,744
Amounts owed to group undertakings	71,893,724	62,277,051
Corporation tax	-	296,537
	<u>71,903,965</u>	<u>62,590,332</u>

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

11 Creditors: amounts falling due within one year (continued)

Included in amounts owed to group undertakings is an intercompany loan of £9,930,230 (2017: £9,681,809) repayable on demand. Interest is charged on intercompany loans at LIBOR + 0.125%.

12 Deferred taxation

A deferred tax asset of £3,400 (2017: £3,800) has not been recognised in respect of capital losses as there is insufficient evidence that the asset will be recovered.

13 Called-up share capital

Authorised, allotted, called-up and fully paid shares

	2018 No.	2018 £	2017 No.	2017 £
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
Redeemable shares of £1 each	14,800,000	14,800,000	14,800,000	14,800,000
	<u>14,850,000</u>	<u>14,850,000</u>	<u>14,850,000</u>	<u>14,850,000</u>

Redeemable shares of £1 each are allotted to Louvre Hotels Group S.A.S.

The ordinary shares and the redeemable shares rank *pari passu* in all respects. The redeemable shares may be redeemed at the option of the company no later than 31 December 2020. There is no premium payable on redemption. Redeemable shares are 14,800,000.

14 Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15 Related party transactions

The company has taken advantage of the exemption available under FRS 101, not to disclose transactions with other members of the group.

Horeco Limited

Notes to the unaudited financial statements (continued) For the year ended 31 December 2018

16 Controlling party

The directors consider the ultimate parent company and controlling entity to be Shanghai Jin Jiang International Hotels (Group) Company Limited, a company incorporated in China. The parent company of the largest group of which the company is a part and for which group accounts are prepared is Shanghai Jin Jiang International Hotels (Group) Company Limited.

A copy of the published accounts of Shanghai Jin Jiang International Hotels (Group) Company Limited can be obtained from the company's website www.jinjianghotels.com.cn.

The parent company of the smallest group of which the company is a part and for which group accounts are prepared is Louvre Hotels Group S.A.S., a company incorporated in France.

A copy of the published accounts of Louvre Hotels Group S.A.S. can be obtained from the Greffe du Tribunal de Commerce de Nanterre, 4 Rue Pablo Neruda, 92020 Nanterre, France.