

Citadines St Marks Limited

Directors' Report and Financial Statements
for the year ended 31 December 2017

Registered number 02228941

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Citadines St Marks Limited
Directors' report and financial statements
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Citadines St Marks Limited
STRATEGIC REPORT

Principal activities and review of the business

The principal activity of the company up to the 31st March 2017 is that of operating an apartment hotel in Central London. Citadines St Marks ceased trading on this date.

Business review

For the year ended December 31 2017, the loss generated before taxation was £664,000 (loss 2016: £342,000). The increase in losses was a result of lower revenue generated by the apartment hotel due to its closure on 31st March 2017. Citadines St Marks ceased trading on this date. The lease of the property was not renewed.

Financial risk management policies and objectives

Following the cessation of trading operations during the year, the Company has no source of income from which to settle its liabilities. The directors have taken all reasonable steps to limit outgoings, however the company will be reliant on ongoing financial support from fellow subsidiary companies for the foreseeable future.

The Ascott Limited has provided written assurances that such support will be provided for a period of at least 12 months following the signature of the financial statements.

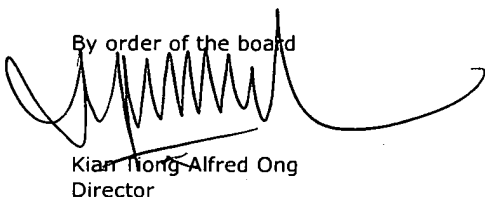
Future developments

Following the expiry of the lease and consequent closing of the Company's only property, the objectives of the entity are currently to conclude post termination matters in connection with the lease as efficiently as possible.

Beyond this, the wider group continue to look for opportunities to acquire new properties and where beneficial the Company may form part of these plans.

The directors have a reasonable expectation that the Company has adequate resources to continue operations for at least twelve months from the date of this report, taking into account the assurances from the Company's parent entity. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the board



Kian Hong Alfred Ong
Director

Date: 18th September 2018

Citadines St Marks Limited

DIRECTORS' REPORT

The directors submit their annual report and financial statements of Citadines St Marks Limited for the year ended 31 December 2017.

Results and dividends

For the financial year 2017, the activities of the Company resulted in a loss of £664,000 (loss 2016: £342,000) as set out on page 6 of the financial statements.

The directors do not recommend a payment of dividend (2016: nil).

Directors

The directors of the company during the year were:

Rebecca Catherine Hollants Van Looke (resigned 23 May 2017)

Kian Tiong Alfred Ong

Marie-Isabelle Aw

Eric Julien Adrien Fombonne (appointed 23 May 2017)

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Company secretary's details

Reed Smith Corporate Services Ltd
The Broadgate Tower
Third Floor
20 Primrose Street
London EC2A 2RS

Registered office

7/21 Goswell Road
London EC1M 7AH

Directors' remuneration

Directors' remuneration and retirement benefits for the current and prior year was borne by other group companies.

Disclosure of information to auditors

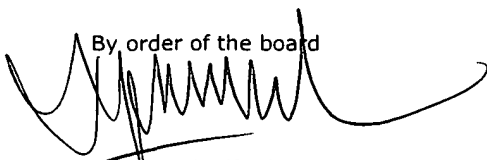
The directors who held office at the date of approval of this directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware;
- and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Kian Tiong Alfred Ong
Director

18th September 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITADINES ST MARKS LIMITED

Opinion

We have audited the financial statements of Citadines St Marks Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITADINES ST MARKS LIMITED (continued)

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Henry Todd (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

Date: 20 September 2018

Citadines St Marks Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Turnover	2	548	3,320
Administrative and operating expenses		(1,201)	(3,655)
Operating loss	3	(653)	(335)
Net interest and similar charges	5	(11)	(7)
Loss on ordinary activities before taxation		(664)	(342)
Tax on loss on ordinary activities	6	-	-
Loss for the year		(664)	(342)

The profit and loss account has been prepared on the basis that all trading operations ceased on 31st March 2017.

The company has no other comprehensive income than the profit above, therefore no separate statement of other comprehensive income has been presented.

The notes on pages 9-14 form part of the financial statements.

Citadines St Marks Limited

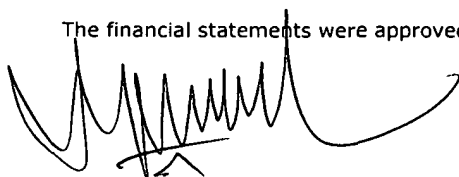
BALANCE SHEET as at 31 December 2017

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible fixed assets	7		-		172
Current assets					
Debtors	8	-		(20)	
Cash at bank and in hand		<u>17</u>		<u>303</u>	
		17		283	
Creditors					
Amounts falling due within one year	9	(4,044)		(3,818)	
Net current liabilities			<u>(4,027)</u>		<u>(3,535)</u>
Net liabilities			<u>(4,027)</u>		<u>(3,363)</u>
Capital and reserves					
Called up share capital	10		50		50
Profit and loss account			<u>(4,077)</u>		<u>(3,413)</u>
Equity shareholders' deficit			<u>(4,027)</u>		<u>(3,363)</u>

The notes on pages 9-14 form part of the financial statements.

The financial statements were approved by the board of directors on:

19th September 2018



Kian Tiong Alfred Ong
Director

Company Registration Number 02228941

Citadines St Marks Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2017

	Share Capital	Profit and loss	Total
	£'000	account	Shareholders'
		£'000	deficit
			£'000
At 1 January 2016	50	(3,071)	(3,021)
Loss for the year	-	(342)	(342)
At 31 December 2016	50	(3,413)	(3,363)
At 1 January 2017	50	(3,413)	(3,363)
Loss for the year	-	(664)	(664)
Balance as at 31 December 2017	50	(4,077)	(4,027)

The notes on pages 9-14 form part of the financial statements.

Citadines St Marks Limited

NOTES TO THE FINANCIAL STATEMENTS as at 31 December 2017

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The presentation currency of these financial statements is sterling. 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 exemptions has been taken.

The financial statements have been prepared on a going concern basis.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Following the cessation of trading operations during the year, The Company has no source of income from which to settle its liabilities. The Directors have taken all reasonable steps to limit outgoings, however the company will be reliant on ongoing financial support from parent and fellow subsidiary companies for the foreseeable future.

The company is dependant for its working capital on funds provided to it by The Ascott Limited. The Ascott Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the company and in particular will not seek repayment of the amounts currently made available.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for repayment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that 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.

Under FRS 101, the Company is considered to be a qualifying entity and has applied the exemptions available in respect of the following disclosures:

Cash flow statement and related notes

Comparative period reconciliations for share capital and tangible fixed assets

Disclosures in respect of capital management

The effects of new but not yet effective IFRSs

Disclosures in respect of the compensation of Key Management Personnel

Disclosures in respect of related parties

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Citadines St Marks Limited

NOTES TO THE FINANCIAL STATEMENTS as at 31 December 2017

Accounting policies (continued)

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Tangible fixed assets

The cost of tangible fixed assets is the purchase cost together with any incidental cost of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Office equipment	5 to 10 years
Fixtures and fittings	5 to 10 years

Leased assets and obligations

All leases are operating leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the quoted rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required under FRS101.

Critical accounting judgements and key sources of estimation uncertainty

- (a) The preparation of the Financial Statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected. 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.
- (b) There were no significant judgements made in 2017 aside from the going concern assumption as described in the strategic report on page 1.

Citadines St Marks Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) as at 31 December 2017

2 Turnover

Turnover, all of which is derived from operations in the United Kingdom, represents the income from the letting of apartment hotel rooms net of value added tax for the period of 1st Jan 2017 to 31st March 2017 - after which the company ceased trading operations.

Turnover is accrued on a daily rate basis for apartments occupied. The rental income from commercial units within the Company's property is also included in turnover and is stated net of value added tax.

3 Operating loss

	2017 £'000	2016 £'000
This is stated after charging:		
Depreciation	171	123
Operating lease rentals - land and buildings	449	1,795
Auditor's remuneration		
Audit of these financial statements	7	9
Tax compliance services	-	13
	<u>7</u>	<u>22</u>

4 Employees

	2017	2016
The average weekly number of persons employed by the company during the year was:	3	10

The aggregate payroll costs of these persons were as follows:

	2017 £'000	2016 £'000
Wages and salaries	48	270
Social security costs	9	21
Pension costs	1	4
	<u>58</u>	<u>295</u>

Citadines St Marks Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)
as at 31 December 2017

5 Interest	2017 £'000	2016 £'000
Interest expense on intercompany loan	11	7
	<u>11</u>	<u>7</u>

6 Taxation	2017 £'000	2016 £'000
(a) Analysis of charge for the year		
UK Corporation tax on profit of the current year	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting the current tax charge for the year.

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2017 £'000	2016 £'000
Loss on ordinary activities before tax	<u>(664)</u>	<u>(342)</u>
Loss on ordinary activities multiplied by standard rate of 19.25% (2016: 20%)	(128)	(69)

Effects of:

Group relief surrendered for nil payment	128	69
Current tax charge for the year	<u>-</u>	<u>-</u>

Factors that affect future tax charges

Reductions in the UK corporation tax from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

This will reduce the Company's future current tax charge accordingly.

Citadines St Marks Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)
as at 31 December 2017

7 Tangible Fixed Assets

	Fixtures and fittings £'000	Office equipment £'000	TOTAL £'000
Cost :			
1st January 2017	942	43	985
Disposals	(1)	-	(1)
31st December 2017	<u>941</u>	<u>43</u>	<u>984</u>
Depreciation :			
1st January 2017	770	43	813
Charge for the year	171	-	171
31st December 2017	<u>941</u>	<u>43</u>	<u>984</u>
Net book value :			
1st January 2017	<u>172</u>	<u>-</u>	<u>172</u>
31st December 2017	<u>-</u>	<u>-</u>	<u>-</u>

8 Debtors

	2017 £'000	2016 £'000
Trade debtors	-	(15)
Amounts due by related party	-	(170)
Other debtors, prepayments and accrued income	-	165
	<u>-</u>	<u>(20)</u>

9 Creditors - amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	(3)	139
Amounts due to related party	(3,626)	(3,438)
Accruals and deferred income	(415)	(519)
Overdraft	0	-
	<u>(4,044)</u>	<u>(3,818)</u>

Amounts due to the immediate parent company and ultimate parent company consist of unsecured interest free and repayable on demand loans of £2.7m and S\$0.8m.

In addition, the Company holds two interest bearing loans with fellow subsidiaries. These consist of a £0.2m loan at 3.32% and a £0.1m loan at Libor 3 month +3%. Both are unsecured and repayable on demand.

Citadines St Marks Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2017

10 Called up share capital	2017 £'000	2016 £'000
Allotted, issued and fully paid : Equity: 50,000 ordinary shares of £1	<u>50</u>	<u>50</u>

11 Financial commitments and contingent liabilities	2017 £'000	2016 £'000
The company has annual commitments in respect of buildings under non-cancellable operating leases expiring as follows:		
In over five years	<u>-</u>	<u>1,760</u>

12 Related party disclosures

Balances payable to related parties at 31 December 17 were as follows:

	2017 £'000	2016 £'000
Ascott Hospitality Management (UK) Ltd	(217)	(174)
Citadines SA	(21)	(3)
The Ascott Limited	(1,882)	(1,882)
Ascott International (2001) Management Pte Ltd	(1,351)	(1,356)
The Cavendish Hotel (London) Limited	(141)	-

During the year the company incurred the following expenditure with related parties:

	2017 £'000	2016 £'000
Ascott Hospitality Management (UK) Ltd	68	386
Citadines SA	4	33

13 Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

14 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a wholly owned subsidiary of Ascott International Management Pte Ltd, a company incorporated in Singapore.

The smallest group in which the results of the company are consolidated is that headed by The Ascott Limited, a company incorporated in Singapore.

The group financial statements can be obtained from The Ascott Limited, N° 168 Robinson Road #30-01 - Capital Tower- Singapore 069812.

The largest group in which they were consolidated is that headed by Capitaland Limited (ultimate parent company), N° 168 Robinson Road #30-01 - Capital Tower- Singapore 069812.