
Copthorne Hotel (Merry Hill) Limited

Unaudited

Annual report and financial statements

For the Year Ended 31 December 2020

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Copthorne Hotel (Merry Hill) Limited

Company Information

Directors	Copthorne Hotels Limited J M Grech (resigned 11 December 2020) E S Kwek (appointed 11 December 2020)
Company secretary	Copthorne Hotels Limited
Registered number	2590620
Registered office	Corporate Headquarters Scarsdale Place Kensington London W8 5SY

Copthorne Hotel (Merry Hill) Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Statement of comprehensive income	5
Statement of financial position	6 - 7
Statement of changes in equity	8
Notes to the financial statements	9 - 21

Copthorne Hotel (Merry Hill) Limited

Strategic report For the Year Ended 31 December 2020

Business review

Copthorne Hotel (Merry Hill) 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.

As a result of Covid-19, the hotel was closed throughout parts of the year and consequently turnover for the year was £1,769,000 (2019: £4,615,000). The loss on ordinary activities before taxation for the year was £689,000 (2019: profit before taxation £12,000).

The loss for the year after taxation amounted to £684,000 (2019: profit after taxation £4,000).

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 Merry Hill Dudley. 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	£23.22	£47.55
Average Room Rate	£61.79	£64.65
Occupancy %	37.6%	73.5%
Gross Profit	£0.7m	£1.9m

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.

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.

Copthorne Hotel (Merry Hill) Limited

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

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



Copthorne Hotels Limited, acting by David Hassan

Director

Date: 27-09-2021

Copthorne Hotel (Merry Hill) Limited

Directors' report For the Year Ended 31 December 2020

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

Principal activity

The principal activity of the Company is as the operator and lessee of the Copthorne Hotel Merry Hill Dudley from its subsidiary company Copthorne Hotel (Merry Hill) Construction Limited.

Results and dividends

The loss for the year, after taxation, amounted to £682,000 (2019 - profit £4,000).

No interim or final dividend was paid during the current or preceding 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.

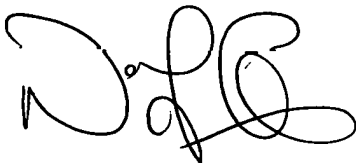
Engagement with suppliers, customers and others

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 the financial statements that require disclosure in these financial statements.

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



Copthorne Hotels Limited, acting by David Hassan
Director

Date: 27-07-2021

Copthorne Hotel (Merry Hill) Limited

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

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.

Copthorne Hotel (Merry Hill) Limited

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

	Note	2020 £	2019 £000
Turnover	3	1,769	4,615
Cost of sales		(1,105)	(2,692)
Gross profit		664	1,923
Administrative expenses		(1,353)	(1,911)
Operating (loss)/profit	4	(689)	12
Tax on (loss)/profit	6	7	(8)
(Loss)/profit for the financial year		(682)	4

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 9 to 21 form part of these financial statements.

Copthorne Hotel (Merry Hill) Limited
Registered number: 2590620

Statement of financial position
As at 31 December 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	7	9,951	10,173
Investments	8	1	1
		<u>9,952</u>	<u>10,174</u>
Current assets			
Stocks		15	27
Debtors: amounts falling due within one year	9	600	667
Cash at bank and in hand	10	-	385
		<u>615</u>	<u>1,079</u>
Creditors: amounts falling due within one year	11	<u>(5,024)</u>	<u>(5,026)</u>
Net current liabilities		(4,409)	(3,947)
Creditors: amounts falling due after more than one year	12	(4,606)	(4,606)
Deferred taxation	14	(197)	(199)
Net assets		<u><u>740</u></u>	<u><u>1,422</u></u>
Capital and reserves			
Called up share capital	15	2,378	2,378
Share premium account		158	158
Profit and loss account		<u>(1,796)</u>	<u>(1,114)</u>
		<u><u>740</u></u>	<u><u>1,422</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

Copthorne Hotel (Merry Hill) Limited
Registered number: 2590620

Statement of financial position (continued)
As at 31 December 2020

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

Copthorne Hotel (Merry Hill) Limited

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020	2,378	158	(1,114)	1,422
Comprehensive income for the year				
Loss for the year	-	-	(682)	(682)
Total comprehensive income for the year	-	-	(682)	(682)
Total transactions with owners	-	-	-	-
At 31 December 2020	2,378	158	(1,796)	740

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2019	2,378	158	(1,118)	1,418
Comprehensive income for the year				
Profit for the year	-	-	4	4
Total comprehensive income for the year	-	-	4	4
Total transactions with owners	-	-	-	-
At 31 December 2019	2,378	158	(1,114)	1,422

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

Copthorne Hotel (Merry Hill) Limited

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

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.

Copthorne Hotel (Merry Hill) Limited

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

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 past year and more recent months 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 took 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.

Copthorne Hotel (Merry Hill) Limited

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

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.

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.

Depreciation is provided on the following basis:

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.

1.6 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.

Copthorne Hotel (Merry Hill) Limited

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

1. Accounting policies (continued)

1.7 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.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

1.9 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 first in, first out 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.

1.10 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.

Copthorne Hotel (Merry Hill) Limited

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

1. Accounting policies (continued)

1.11 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.

1.12 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.

1.13 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

Copthorne Hotel (Merry Hill) Limited

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

1. Accounting policies (continued)

1.13 Financial instruments (continued)

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.

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

	2020 £000	2019 £000
United Kingdom	1,769	4,615
	<u>1,769</u>	<u>4,615</u>

Copthorne Hotel (Merry Hill) Limited

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

4. Operating (loss)/profit

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

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	262	252
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

5. Employees

Staff costs were as follows:

	2020	2019
	£000	£000
Wages and salaries	741	1,548
Social security costs	71	97
Other staff costs	79	83
	<u>891</u>	<u>1,728</u>

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

	2020	2019
	No.	No.
Operating staff	39	120
Administration staff	10	10
Maintenance staff	3	4
Sales staff	1	2
	<u>53</u>	<u>136</u>

Copthorne Hotel (Merry Hill) Limited

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

6. Taxation

	2020	2019
	£000	£000
Corporation tax		
Current tax on profit for the year	-	(5)
Adjustments in respect of previous periods	(5)	4
Total current tax	<u>(5)</u>	<u>(1)</u>
Deferred tax		
Origination and reversal of timing differences	(2)	7
Adjustment relating to prior years	-	2
Total deferred tax	<u>(2)</u>	<u>9</u>
Taxation on ordinary activities	<u>(7)</u>	<u>8</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020	2019
	£000	£000
(Loss) / profit on ordinary activities before tax	<u>(689)</u>	<u>12</u>
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	(131)	2
Effects of:		
Tax charge relating to prior years	(5)	6
Short term timing difference leading to an increase (decrease) in taxation	(2)	-
Group relief	131	-
Total tax (credit) / charge for the year	<u>(7)</u>	<u>8</u>

Copthorne Hotel (Merry Hill) Limited

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

6. 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.

7. Tangible fixed assets

	Land and buildings £000	Plant & machinery £000	Fixtures & fittings £000	Capital work in progress £000	Total £000
Cost or valuation					
At 1 January 2020	13,098	519	1,563	107	15,287
Additions	4	4	131	(99)	40
At 31 December 2020	13,102	523	1,694	8	15,327
Depreciation					
At 1 January 2020	3,759	312	1,043	-	5,114
Charge for the year on owned assets	137	18	107	-	262
At 31 December 2020	3,896	330	1,150	-	5,376
Net book value					
At 31 December 2020	9,206	193	544	8	9,951
At 31 December 2019	9,339	207	520	107	10,173

Copthorne Hotel (Merry Hill) Limited

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

8. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	1
At 31 December 2020	1

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Copthorne Hotel (Merry Hill) Construction Limited	Ordinary	100%

9. Debtors

	2020 £000	2019 £000
Trade debtors	15	2
Amounts owed by group undertakings	535	538
Other debtors	34	52
Prepayments and accrued income	16	75
	600	667

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.

Copthorne Hotel (Merry Hill) Limited

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

10. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	-	385
Less: bank overdrafts	(540)	-
	<u>(540)</u>	<u>385</u>

11. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Bank overdrafts	540	-
Amounts owed to group undertakings	4,092	4,151
Corporation tax	-	70
Other creditors	35	386
Accruals and deferred income	357	419
	<u>5,024</u>	<u>5,026</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.

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

	2020	2019
	£000	£000
Amounts owed to group undertakings	4,606	4,606
	<u>4,606</u>	<u>4,606</u>

Copthorne Hotel (Merry Hill) Limited

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

13. Financial instruments

	2020	2019
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	-	385
Financial assets that are debt instruments measured at amortised cost	580	540
	<u>580</u>	<u>925</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(9,511)	(8,757)

Financial Liabilities measured at amortised cost comprise intercompany loan and other amounts due to subsidiary undertakings.

14. Deferred taxation

	2020	2019
	£000	£000
At beginning of year	(199)	(190)
Charged to profit or loss	2	(9)
At end of year	<u>(197)</u>	<u>(199)</u>

The deferred tax balance is made up as follows:

	2020	2019
	£000	£000
Difference between accumulated depreciation and capital allowances	(197)	(196)
Share-based incentive scheme	-	(5)
Other timing differences	-	2
	<u>(197)</u>	<u>(199)</u>

Copthorne Hotel (Merry Hill) Limited

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

15. Share capital

	2020	2019
	£000	£000
Allotted, called up and fully paid		
2,378,004 (2019 - 2,378,004) Ordinary shares of £1.00 each	2,378	2,378

16. Post balance sheet events

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

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.