

Citagrep Limited
Directors' Report and Financial Statements
for the year ended 31 December 2012
Registered number 2745971



Citagrep Limited
Directors' report and financial statements
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Citagrep Limited
Company Information

Directors

Sym Keun Lee

Francois-Xavier Bertin (Resigned 10 October 2012)

Choon Kwang Tan

Mane-Isabelle Aw

Secretary

REED SMITH CORPORATE SERVICES LIMITED

Auditors

KPMG LLP
15 Canada Square
London E14 5GL
United Kingdom

Registered office

7-21 Goswell Road
London EC1M 7AH

Registered number

2745971

Citagrep Limited Directors' Report

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The company's principal activity during the year is that of operating an apartment hotel

Soderetour UK Limited, a related party, is responsible for managing the apartment hotel

Relating to this, Soderetour UK Limited receives a management fee from Citagrep Limited calculated as follows

A basic management fee of 3% of the total revenue and

A basic management fee of 6% of Net Operating Profit (NOP) as defined in the agreement

There is also an incentive fee which is paid when the NOP has exceeded £1,313,240

Results and dividends

The profit for the year is set out on page 5 of the financial statements

Dividends paid during the year comprise a final dividend of £780,000 in respect of the previous year ended 2011, together with an interim dividend in respect of the year ended 2012 of £450,000

Directors

The directors who served during the year were as follows

Sym Keun Lee
Francois-Xavier Bertin (Resigned 10 October 2012)
Choon Kwang Tan
Marie-Isabelle Aw

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

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 auditors are unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any company's auditors are aware of that information

Auditors

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

This report was approved by the board on 14 June 2013



C K Tan
Director

Citagrep Limited

Statement of Directors' responsibilities in respect of the Directors' report and the Financial Statements

The directors are responsible for preparing 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)

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 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, 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 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 auditors' report to the members of Citagrep Limited

We have audited the financial statements of Citagrep Limited for the year ended 31 December 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



Shaun Kirby (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
15 Canada Square
London E14 5GL
~~31 May 2013~~ 12 July 2013

Citagrep Limited
Profit and Loss Account
for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2	4,094,839	4,227,451
Administrative and operating expenses		(2,825,861)	(2,810,583)
Operating profit	3	<u>1,268,978</u>	<u>1,416,868</u>
Interest receivable		716	16,950
Interest payable	5	(469,318)	(482,230)
Profit on ordinary activities before taxation		<u>800,376</u>	<u>951,588</u>
Tax on profit before taxation on ordinary activities	6	(340,599)	(312,944)
Profit for the financial year	14	<u>459,777</u>	<u>638,644</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

The company has no recognised gains or losses other than the profit above, therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit for the year stated above and their historical cost equivalents

The notes on pages 7 to 13 form part of the financial statements

Citagrep Limited
Balance Sheet
as at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	7	8,419,243	8,773,289
Current assets			
Debtors	8	281,273	383,152
Cash at bank and in hand		<u>1,284,206</u>	<u>1,819,518</u>
		1,565,479	2,202,670
Creditors, amounts falling due within one year	9	<u>(1,470,845)</u>	<u>(1,522,459)</u>
Net current assets		94,634	680,211
Total assets less current liabilities		<u>8,513,877</u>	<u>9,453,500</u>
Creditors amounts falling due after more than one year	10	<u>(7,326,550)</u>	<u>(7,495,950)</u>
Net assets		<u>1,187,327</u>	<u>1,957,550</u>
Capital and reserves			
Called up share capital	13	1,175,000	1,175,000
Profit and loss account	14	12,327	782,550
Shareholders' funds	15	<u>1,187,327</u>	<u>1,957,550</u>

The notes on pages 7-13 form part of these financial statements
These financial statements were approved by the board of directors on 14 June 2013
and were signed on its behalf by


C K Tan
Director
Company Registered Number 2745971

Citagrep Limited
Notes to the Financial Statements
for the year ended 31 December 2012

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and with applicable accounting standards in the United Kingdom

Under FRS1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published financial statements. 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.

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:

Freehold buildings	40 years
Fixtures, fittings & equipment	5 years

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 by FRS19.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leased assets and obligations

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

2 Turnover

Turnover, all of which is derived from operations in the United Kingdom, represents the invoiced value of services supplied stated net of value added tax. Turnover is accrued on a daily rate basis for apartments occupied. The rental income from the Company's property, net of value added tax, is also included in turnover and is stated net of value added tax.

Citagrep Limited
Notes to the Financial Statements (Continued)
for the year ended 31 December 2012

3 Operating profit	2012	2011
	£	£
This is stated after charging		
Depreciation of owned fixed assets	478,069	489,337
Auditor's remuneration		
Audit of these financial statements	8,320	12,627
Tax compliance services	1,000	-

4 Staff numbers and costs	2012	2011
	£	£
Wages and salaries	283,253	257,180
Social security costs	23,056	20,837
Other pension costs	1,681	3,577
	307,990	281,594

Directors' remuneration for the current and prior year was borne by the immediate parent company

Average number of employees during the year	2012	2011
Administration and operations	14	11

5 Interest payable	2012	2011
	£	£
Bank loans	469,318	482,230

Citagrep Limited
Notes to the Financial Statements (Continued)
for the year ended 31 December 2012

6 Taxation	2012	2011
	£	£
(a) Analysis of charge in year		
Current tax		
UK corporation tax on profits of the year	221,555	246,626
Deferred tax		
Deferred tax charge - current year	10,235	8,802
Deferred tax charge - prior year (including the impact of tax rate changes)	108,809	57,516
	119,044	66,318
Tax on profit on ordinary activities	340,599	312,944

(b) Factors affecting tax charge for the year

On 3 July 2012, the Finance Bill 2012 substantively enacted the reduction in the corporation tax rate to 23% from 1 April 2013. In December 2012, the Government announced that the corporation tax rate would reduce further to 21% with effect from April 2014. The Company has re-measured its deferred tax assets and liabilities as at 31 December 2012 using the enacted rate of 23%. The effects of the further rate reductions are not reflected in the financial statements for the year ended 31 December 2012 as they have not yet been enacted and the impact has not yet been estimated.

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

	2012	2011
	£	£
Profit before taxation	800,376	951,588
Standard rate of corporation tax in the UK	24.5%	26.5%
Profit multiplied by the standard rate of corporation tax	196,092	252,171
Effects of		
Depreciation in excess of capital allowances	36,404	13,207
Expenses not deductible for tax purposes	613	(18,752)
Capitalised revenue	(11,554)	-
Current tax charge for year (note 6a)	221,555	246,626

Refer to note 12 for details of deferred tax

Citagrep Limited
Notes to the Financial Statements (Continued)
for the year ended 31 December 2012

7 Tangible fixed assets

	Freehold land and buildings £	Fixtures fittings and equipment £	Total £
Cost			
At 1 January 2012	8,624,803	2,664,954	11,289,757
Additions	-	124,023	124,023
At 31 December 2012	<u>8,624,803</u>	<u>2,788,977</u>	<u>11,413,780</u>
Depreciation			
At 1 January 2012	1,942,427	574,041	2,516,468
Charge for the year	161,868	316,201	478,069
At 31 December 2012	<u>2,104,295</u>	<u>890,242</u>	<u>2,994,537</u>
Net book value			
At 31 December 2012	<u>6,520,508</u>	<u>1,898,735</u>	<u>8,419,243</u>
At 31 December 2011	<u>6,682,376</u>	<u>2,090,913</u>	<u>8,773,289</u>

8 Debtors

	2012 £	2011 £
Trade debtors	79,650	262,921
Other debtors	48,868	45,582
Amount due by related party	11,992	1,073
Prepayments and accrued income	140,763	73,576
	<u>281,273</u>	<u>383,152</u>

9 Creditors amounts falling due within one year

	2012 £	2011 £
Bank loans (note 11)	169,400	169,400
Trade creditors	25,023	11,936
Amount due to fellow subsidiary	545,001	715,370
Deferred tax (note 12)	268,568	149,524
Corporation tax	163,244	79,488
Other taxes and social security costs	122,658	137,124
Accruals and deferred income	176,951	259,617
	<u>1,470,845</u>	<u>1,522,459</u>

Citagrep Limited
Notes to the Financial Statements (Continued)
for the year ended 31 December 2012

10 Creditors amounts falling due after one year

	2012 £	2011 £
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Bank loan	<u>7,326,550</u>	<u>7,495,950</u>
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11 Analysis of maturity of debt

	2012 £	2011 £
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In one year or less	169,400	169,400
Between one and two years	169,400	169,400
Between two and five years	7,157,150	7,326,550
	<u>7,495,950</u>	<u>7,665,350</u>

The interest rate applicable to the loan is LIBOR 3 months plus an applicable margin rate. The debt will be fully repaid by September 2015.

Security interests are as follows:

- Guarantee from Onville in favour of the lenders and Deed of charge and memorandum of deposit from Onville
- Debenture creating fixed and floating from Citagrep Limited
- Pledge of the joint and the several guarantee issued by Citadines in favour of Citagrep Limited

The loan contains the following financial covenants:

- The ratio of the loan to market value of the residence (LTV ratio) is less than 70%
- The ratio of net operating profit divided by four to the aggregate of all principal, interest and commitment fees owed over the last quarter ended before the calculation date (DSCR Ratio) is greater than 1.10
- The financial indebtedness ratio on the calculation date is less than 8.50

12 Deferred taxation

	2012 £	2011 £
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Depreciation in excess of capital allowances	<u>(268,568)</u>	<u>(149,524)</u>
Undiscounted deferred tax liability	<u>(268,568)</u>	<u>(149,524)</u>

	2012 £	2011 £
At 1 January	(149,524)	(83,206)
Net deferred tax charge in profit and loss account (note 6)	<u>(119,044)</u>	<u>(66,318)</u>
At 31 December	<u>(268,568)</u>	<u>(149,524)</u>

Citagrep Limited
Notes to the Financial Statements (Continued)
for the year ended 31 December 2012

13 Called up share capital

	2012 £	2011 £
Allotted, called up and fully paid 1,175,000 ordinary shares of £1 each	<u>1,175,000</u>	<u>1,175,000</u>

14 Profit and loss account

	2012 £	2011 £
At 1 January	782,550	943,906
Profit for the financial year	459,777	638,644
Dividends Paid	(1,230,000)	(800,000)
At 31 December	<u>12,327</u>	<u>782,550</u>

15 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
At 1 January	1,957,550	2,118,906
Profit for the financial year	459,777	638,644
Dividends Paid	(1,230,000)	(800,000)
At 31 December	<u>1,187,327</u>	<u>1,957,550</u>

Citagrep Limited
Notes to the Financial Statements (Continued)
for the year ended 31 December 2012

16 Related parties

Balances with related parties at 31 December were as follows, of which none are provided for

Receivables/(payables)	2012	2011
	£	£
Ascott Hospitality Management (UK) Limited	(718)	1,073
Soderetour UK Limited	(511,345)	(707,139)
Soderetour UK Limited	11,992	-
FBM London Limited	(6,528)	(1,038)
Citadines S A (France)	(26,410)	(7,193)

During the year the company paid out the following expense to related parties for the provision of management services

	2012	2011
	£	£
Ascott Hospitality Management (UK) Limited	100,000	100,000
Soderetour UK Limited	739,773	955,466

17 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.

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

The company is a wholly owned subsidiary of Orville SAS a company incorporated in France.

The smallest group in which the results of the company are consolidated is that headed by Orville SAS, a company incorporated in France.

Orville SAS is a subsidiary of the Ascott Residence Trust a company incorporated in Singapore.

The group financial statements for Orville SAS may be obtained from 120 rue Jaures, 925232 Levallois Perret Cedex, France and for Ascott Residence Trust may be obtained from No 8 Shenton Way, # 13-01, Singapore.

The largest group in which they were consolidated is that headed by Capitaland Limited (ultimate parent company) a company incorporated in Singapore and listed on the Singapore Stock Exchange.