

Citagrep Limited

Directors' Report and Financial Statements

for the year ended 31 December 2017

Registered number 02745971



Citagrep Limited
Directors' report and financial statements
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Citagrep Limited

STRATEGIC REPORT

Principal activities and review of the business

The principal activity of the company is that of operating an apartment hotel in Central London.

Business review

For the year ended December 31st, 2017, the profit before tax was £1,481,000 representing an increase of 10% when compared to last year (2016: £1,342,000). This increase was mainly driven by an increase in turnover.

Financial risk management policies and objectives

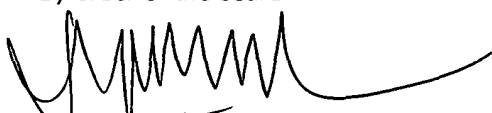
The company is financed by an intercompany loan from Orville SAS (holding company) and it is required to meet all terms and conditions set out in the loan.

Future developments

The directors do not currently have plans for any significant changes to the business operations, however, they are mindful of the ongoing uncertainty presented by the United Kingdom's decision to leave the European Union. The directors will continue to monitor development in this area to ensure that the company is able to mitigate any adverse consequences of this change while remaining poised to exploit any opportunities that may arise.

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. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the board



Kian Tiong Alfred Ong
Director

Date: 18th September 2018

Citagrep Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2017.

Results and dividends

For the financial year 2017, the activities of the Company resulted in a profit of £1,151,000 (2016 : £1,056,000) as set out on page 6 of the financial statements.

On September 29, 2017, after due and careful consideration, it was resolved to pay an interim dividend of £1,500,000 to Orville SAS, the single Member of the Company.

Directors

The directors who served during the year were as follows:

Kian Tiong Alfred Ong
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.

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 the immediate parent company.

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.

This report was approved by the board on 18th September 2018.


Kian Tiong Alfred Ong
Director

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

The directors are responsible for preparing the Annual Report, 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 CITAGREP LIMITED

Opinion

We have audited the financial statements of Citagrep 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 profit 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.

Other information

The directors are responsible for the other information, which comprises the strategic report, and directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information;
- in our opinion the information given in the strategic report and the directors' report 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITAGREP LIMITED (continued)

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.

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

Citagrep Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Turnover	2	4,327	3,996
Administrative and operating expenses		(2,710)	(2,493)
Operating profit	3	1,617	1,503
Interest income	5	-	1
Interest expense	5	(136)	(162)
Profit on ordinary activities before taxation		1,481	1,342
Tax on profit on ordinary activities	6	(330)	(286)
Profit for the year		1,151	1,056

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

The company has no other comprehensive income besides the profit for the year, therefore no statement of other comprehensive income has been presented.

The notes on pages 9 to 15 form part of the financial statements.

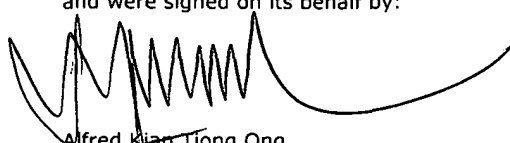
Citagrep Limited

BALANCE SHEET
as at 31 December 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	7		6,950		7,324
Current assets					
Debtors	8	277		206	
Cash at bank and in hand		1,186		1,011	
		<u>1,463</u>		<u>1,217</u>	
Creditors:					
Amounts falling due within one year	9	(6,322)		(6,082)	
Net current liabilities			<u>(4,859)</u>		<u>(4,865)</u>
Total assets less current liabilities			<u>2,091</u>		<u>2,459</u>
Provisions for liabilities and charges					
Deferred tax	10	(154)	(154)	(173)	(173)
Net assets			<u>1,937</u>		<u>2,286</u>
Capital and reserves					
Called up share capital	11		1,175		1,175
Profit and loss account			762		1,111
Equity shareholders' funds			<u>1,937</u>		<u>2,286</u>

The notes on pages 9-15 form part of these financial statements.

These financial statements were approved by the board of directors on 18th September 2018.
and were signed on its behalf by:


Alfred Kian Tiong Ong
Director
Company registered number 02745971

Citagrep Limited

STATEMENT OF CHANGES IN EQUITY as at 31 December 2017

	Share Capital £'000	Profit and loss account £'000	Total Shareholders' funds £'000
At 1 January 2016	1,175	1,555	2,730
Profit for the year	-	1,056	1,056
Dividends	-	(1,500)	(1,500)
At 31 December 2016	1,175	1,111	2,286
At 1 January 2017	1,175	1,111	2,286
Profit for the year	-	1,151	1,151
Dividends	-	(1,500)	(1,500)
Balance as at 31 December 2017	1,175	762	1,937

The notes on pages 9-15 form part of these financial statements.

Citagrep Limited

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

1 Accounting policies

Basis of accounting

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

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.

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 and in preparing an opening FRS 101 IFRS balance sheet for the purposes of the transition to FRS 101.

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

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.

Citagrep Limited

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

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.

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.

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.

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. 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.

Citagrep Limited

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

3 Profit on ordinary activities before taxation	2017 £'000	2016 £'000
This is stated after charging:		
Depreciation of owned fixed assets	482	471
Auditor's remuneration:		
Audit of these financial statements	13	11
Tax compliance services	-	1

There were no non-audit fees paid to the auditor.

4 Staff numbers and costs	2017 £'000	2016 £'000
Wages and salaries	327	350
Social security costs	32	34
Other pension costs	7	6
	366	390

Directors' remuneration for the current and prior year was borne by other group companies, and has not been recharged to the company.

Average number of employees during the year	2017	2016
Administration and operations	16	17

5 Interest	2017 £'000	2016 £'000
Interest expense on intercompany loan	136	162
	136	162
Interest income	-	1
	-	1

Citagrep Limited

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

6 Taxation

(a) Analysis of charge in year	2017 £'000	2016 £'000
Current tax:		
UK corporation tax on profits of the year	349	310
Deferred tax charge - current year	(19)	(24)
Tax on profit on ordinary activities	<u>330</u>	<u>286</u>

(b) Factors affecting 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
Profit on ordinary activities before tax	<u>1,481</u>	<u>1,342</u>
Profit on ordinary activities multiplied by standard rate of 19.25% (2016: 20%)	285	268
Effects of:		
Depreciation in excess of capital allowances	60	45
Adjustments from previous year	4	-
Revenue in capital	-	(3)
Deferred tax charge - current year	<u>(19)</u>	<u>(24)</u>
Current tax charge for the year	<u>330</u>	<u>286</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.

Citagrep Limited

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

7 Tangible fixed assets

	Freehold land and buildings £'000	Fixtures fittings and equipment £'000	Total £'000
Cost			
At 1 January 2017	8,625	3,581	12,206
Additions	-	108	108
At 31 December 2017	<u>8,625</u>	<u>3,689</u>	<u>12,314</u>
Depreciation			
At 1 January 2017	2,629	2,253	4,882
Charge for the year	121	361	482
At 31 December 2017	<u>2,750</u>	<u>2,614</u>	<u>5,364</u>
Net book value			
At 1 January 2017	<u>5,996</u>	<u>1,328</u>	<u>7,324</u>
At 31 December 2017	<u>5,875</u>	<u>1,075</u>	<u>6,950</u>

8 Debtors

	2017 £'000	2016 £'000
Trade debtors	106	85
Other debtors	71	38
Corporation tax	12	12
Prepayments and accrued income	88	71
	<u>277</u>	<u>206</u>

9 Creditors

(a) Amounts falling due within one year:

	2017 £'000	2016 £'000
Loan from parent company	(4,090)	(3,954)
Trade creditors	(86)	(30)
Amount due to fellow subsidiary	-	(8)
Corporation tax	(173)	(147)
Other creditors	(183)	(227)
Dividend Payable	(1,500)	(1,500)
Other taxes and social security costs	(170)	(128)
Accruals and deferred income	(120)	(88)
	<u>(6,322)</u>	<u>(6,082)</u>

The intercompany loan is due to parent, Oriville SAS. The principal amount received was £7,326,550 and is repayable on demand. The above represents the principal after repayments. Interest is charged at 3.425% per annum.

Citagrep Limited

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

10 Provisions for liabilities and charges

	2017 £'000	2016 £'000
Depreciation in excess of capital allowances	(154)	(173)
Undiscounted deferred tax liability	<u>(154)</u>	<u>(173)</u>

	2017 £'000	2016 £'000
As of 1 January	(173)	(197)
Net deferred tax credit in profit and loss account	19	24
As of 31 December	<u>(154)</u>	<u>(173)</u>

11 Called up share capital

	2017 £'000	2016 £'000
Allotted, issued and fully paid : 1,175,000 ordinary shares of £1 each	<u>1,175</u>	<u>1,175</u>

Citagrep Limited

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

12 Related parties

Balances with related parties at 31 December 2017 were as follows, of which none are provided for:

	2017 £'000	2016 £'000
Receivables/(payables)		
Citadines S.A. (France)	-	(4)
Ascott International Management (2001) Pte Ltd	(1)	(1)
Ascott Hospitality Management Limited	(8)	-
Soderetour	(7)	-

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

	2017 £'000	2016 £'000
Soderetour UK Limited	457	419

Citagrep Ltd takes advantage of the related party exemption within IAS 24 in not disclosing transactions or balances with an entity which has control, joint control or significant influence over the entity or is another entity that is under the control, joint control or significant influence of the same ultimate parent as the entity.

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 £6,868 (2016: £5,622) 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 subsidiary of Oriville SAS, a company incorporated in France.

The smallest group in which the results of the company are consolidated is the Ascott Residence Trust, a Singapore domiciled unit trust.

The largest group in which they were consolidated is that headed by CapitaLand Limited, N° 168 Robinson Road #30-01 - Capital Tower- Singapore 069812, a company incorporated in Singapore and listed on the Singapore Stock Exchange.