

COMPANY REGISTRATION NUMBER: 03148309

HPL (UK) Limited
Financial Statements
31 December 2019

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HPL (UK) Limited

Financial Statements

Year Ended 31 December 2019

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HPL (UK) Limited

Officers and Professional Advisers

The board of directors

Mr Stephen Buong Lik Lau
Mr Christopher Tien Lock Lim
Mr Andrew Christopher Roberts

Company secretary

Miss Gabriella C V Morris

Registered office

4th Floor
239 Kensington High Street
London
United Kingdom
W8 6SA

Auditor

Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

Bankers

Oversea - Chinese Banking Corporation Ltd
The Rex Building, 3rd Floor
62 Queen Street
London
United Kingdom
EC4R 1EB

HPL (UK) Limited

Directors' Report *(continued)*

Year Ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Principal Activities

The principal activity of the company during the year is that of provision of management services and to seek and evaluate suitable business opportunities for future investment by other members of the Group.

Directors

The directors who served the company during the year were as follows:

Mr Stephen Buong Lik Lau
Mr Christopher Tien Lock Lim
Mr Siew Chong Chua
Mr Andrew Christopher Roberts

On 12 Augusts 2020 it was resolved by the board members that Mr Siew Chong Chua resignation as a director of the Company be accepted.

Going concern

In the light of Covid-19, the company has assessed the impact and concluded that given the principal activity of the entity is that of provision of management services and to seek and evaluate suitable business opportunities for future investment by other members of the Group, the impact on the cashflows is minimal and the company can continue to operate with existing cash reserves going forward. In doing so, sensitised cash flow forecasts have been considered. The directors believe that the company has adequate resources and believe that the company is well placed to manage its business risks successfully.

After considering the financial position of the company including its net liability position, available cash reserves, and with the commitments received from the parent undertaking with whom the company has intercompany loan as detailed under note 10 to not recall the loan for a period of at least 12 months from the date these financial statements were approved, the directors believe the company can continue in operational existence and therefore they continue to adopt the going concern basis in preparing the financial statements. Thus, they continue to adopt the going concern.

Events after the End of the Reporting Period

Particulars of events after the reporting date are detailed in note 11 to the financial statements.

Directors' Responsibilities Statement

The director is responsible for preparing the director's 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;

HPL (UK) Limited

Directors' Report *(continued)*

Year Ended 31 December 2019

Directors' Responsibilities Statement *(continued)*

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 14th September 2020 and signed on behalf of the board by:



Mr Andrew Christopher Roberts
Director

HPL (UK) Limited

Independent Auditor's Report to the Members of HPL (UK) Limited

Year Ended 31 December 2019

Report on the Audit of the Financial Statements

Opinion

In our opinion the financial statements of HPL (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income and retained earnings;
- the balance sheet; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

HPL (UK) Limited

Independent Auditor's Report to the Members of HPL (UK) Limited *(continued)*

Year Ended 31 December 2019

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

HPL (UK) Limited

Independent Auditor's Report to the Members of HPL (UK) Limited *(continued)*

Year Ended 31 December 2019

Matters on Which We are Required to Report by Exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of Our Report

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.

Matthew Hall

MATTHEW HALL FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cambridge, United Kingdom

Date: 14 September 2020

HPL (UK) Limited

Statement of Comprehensive Income and Retained Earnings

Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		1,035,000	1,010,000
Gross Profit		<u>1,035,000</u>	<u>1,010,000</u>
Administrative expenses		(1,314,510)	(985,690)
Operating (Loss)/Profit	4	<u>(279,510)</u>	<u>24,310</u>
Interest receivable and similar income	7	<u>1,081</u>	<u>40</u>
(Loss)/Profit Before Taxation		<u>(278,429)</u>	<u>24,350</u>
Tax on (loss)/profit		<u></u>	<u></u>
(Loss)/Profit for the Financial Year and Total Comprehensive Income		<u>(278,429)</u>	<u>24,350</u>
Retained Losses at the Start of the Year		<u>(3,503,283)</u>	<u>(3,527,633)</u>
Retained Losses at the End of the Year		<u>(3,781,712)</u>	<u>(3,503,283)</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 13 form part of these financial statements.

HPL (UK) Limited

Balance Sheet

31 December 2019

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	8	66,386	49,000
Current Assets			
Debtors	9	143,424	89,905
Cash at bank and in hand		34,607	544,139
		<u>178,031</u>	<u>634,044</u>
Creditors: amounts falling due within one year	10	<u>(4,026,029)</u>	<u>(4,186,227)</u>
Net Current Liabilities		<u>(3,847,998)</u>	<u>(3,552,183)</u>
Total Assets Less Current Liabilities		<u>(3,781,612)</u>	<u>(3,503,183)</u>
Net Liabilities		<u>(3,781,612)</u>	<u>(3,503,183)</u>
Capital and Reserves			
Called up share capital		100	100
Profit and loss account		<u>(3,781,712)</u>	<u>(3,503,283)</u>
Shareholders' Deficit		<u>(3,781,612)</u>	<u>(3,503,183)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 14th September 2020, and are signed on behalf of the board by:


Mr Andrew Christopher Roberts
Director

Company registration number: 03148309

The notes on pages 9 to 13 form part of these financial statements.

HPL (UK) Limited

Notes to the Financial Statements

Year Ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4th Floor, 239 Kensington High Street, London, W8 6SA, United Kingdom.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to companies reporting under FRS102.

3. Accounting policies

Basis of preparation

The financial statements are prepared in sterling, which is the functional currency of the entity.

The financial statements have been prepared under the historical cost convention.

Going concern

In the light of Covid-19, the company has assessed the impact and concluded that given the principal activity of the entity is that of provision of management services and to seek and evaluate suitable business opportunities for future investment by other members of the Group, the impact on the cashflows is minimal and the company can continue to operate with existing cash reserves going forward. In doing so, sensitised cash flow forecasts have been considered. The directors believe that the company has adequate resources and believe that the company is well placed to manage its business risks successfully.

After considering the financial position of the company including its net liability position, available cash reserves, and with the commitments received from the parent undertaking with whom the company has intercompany loan as detailed under note 10 to not recall the loan for a period of at least 12 months from the date these financial statements were approved, the directors believe the company can continue in operational existence and therefore they continue to adopt the going concern basis in preparing the financial statements. Thus, they continue to adopt the going concern.

Judgements and key sources of estimation uncertainty

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

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

The directors concluded that, due to the nature of the business, there are no critical accounting judgements or key sources of estimation uncertainty that are required to be disclosed here.

HPL (UK) Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2019

3. Accounting policies *(continued)*

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax and trade discount. Turnover from the provision of management services represents the value of service provided and is recorded at the value of the consideration due.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

HPL (UK) Limited

Notes to the Financial Statements (continued)

Year Ended 31 December 2019

3. Accounting policies (continued)

Tangible assets

All fixed assets are initially recorded at cost net of depreciation.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	=	10 years on straight line basis
Motor vehicles	=	5 years on straight line basis
Equipment	=	3 to 5 years on straight line basis

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

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. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible assets	26,003	30,419
Gains on disposal of tangible assets	(5,833)	

5. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	9,075	9,237

HPL (UK) Limited

Notes to the Financial Statements (continued)

Year Ended 31 December 2019

5. Auditor's remuneration (continued)

In addition to the above stated auditors remuneration fee payable, the company also incurred other fees payable in relation various tax advisory matters of £15,500 (year 2018: £nil).

6. Employee numbers

The average number of persons employed by the company during the year, including directors amounted to 8 (2018: 7).

7. Interest receivable and similar income

	2019	2018
	£	£
Interest on cash and cash equivalents	<u>1,081</u>	<u>40</u>

8. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 January 2019	20,164	197,593	11,815	229,572
Additions	935	42,454	—	43,389
Disposals	—	(29,454)	—	(29,454)
At 31 December 2019	<u>21,099</u>	<u>210,593</u>	<u>11,815</u>	<u>243,507</u>
Depreciation				
At 1 January 2019	18,089	151,308	11,175	180,572
Charge for the year	315	25,529	159	26,003
Disposals	—	(29,454)	—	(29,454)
At 31 December 2019	<u>18,404</u>	<u>147,383</u>	<u>11,334</u>	<u>177,121</u>
Carrying amount				
At 31 December 2019	<u>2,695</u>	<u>63,210</u>	<u>481</u>	<u>66,386</u>
At 31 December 2018	<u>2,075</u>	<u>46,285</u>	<u>640</u>	<u>49,000</u>

9. Debtors

	2019	2018
	£	£
Trade debtors	19,382	11,790
Other debtors	124,042	78,115
	<u>143,424</u>	<u>89,905</u>

Other debtors stated above includes £112,500 (year:2018 £62,710) receivable from group undertaking, Campden Hill Investment LLP. The debtor has been settled during the post balance sheet period.

All amounts shown under debtors fall due for payment within one year.

HPL (UK) Limited

Notes to the Financial Statements (continued)

Year Ended 31 December 2019

10. - Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	1,935	594
Amounts owed to group undertakings	3,980,436	4,148,197
Social security and other taxes	22,188	22,236
Other creditors	21,470	15,200
	<u>4,026,029</u>	<u>4,186,227</u>

Amounts owed to group undertaking represents a loan issued by the parent company, HPL Properties (West) Pte Limited which is interest-free and unsecured with no fixed repayment term.

11. Events after the end of the reporting period

The emergence of the COVID-19 coronavirus in 2020 has been considered as this has had a significant impact on economies and resulted in severe restrictions of movement of people across the United Kingdom. That said, this is not expected to impact the company's long term ability to fund its operations; reasonably likely scenarios have been modelled over the next 14 months and given the status of the entity there is minimal impact to short term liquidity.

On preparing these financial statements, the directors have assessed the impact of the pandemic on the company's principal activity as that of provision of management services and to seek and evaluate suitable business opportunities for future investment by other members of the Group, and concluded that its impact on the cashflows of the business is minimal and that going forward the company can continue to operate with its existing cash reserves and having received the commitments from the parent undertaking to continue in providing financial support, by if necessary to provide sufficient funds to cover the company's current liabilities. The COVID-19 pandemic has been considered as a non-adjusting post balance sheet event, and the directors will continue to monitor the future impact closely.

12. Controlling party

The Company's ultimate parent company and controlling party is Hotel Properties Limited, a company incorporated in Singapore, which is the parent undertaking of the largest group for which consolidated annual financial statements including the company's smallest group are available at its registered office address at 50 Cuscaden Road, #08-01 HPL House, Singapore 249724.

HPL Properties (West) Pte Ltd, a company incorporated in Singapore is the smallest group, being the immediate parent company of HPL (UK) Limited. A copy of the consolidated annual financial statements which includes this entity can be obtained from the registered office at the same address as that of the ultimate parent company as stated above.