
Millennium & Copthorne (Jersey Holdings) Limited

Unaudited

Annual report and financial statements

For the Year Ended 31 December 2018



Millennium & Copthorne (Jersey Holdings) Limited

Company Information

Directors Copthorne Hotels Limited
C A Harrington
J M Grech

Company secretary Copthorne Hotels Limited

Registered number 5846574

Registered office Victoria House
Victoria Road
Horley
Surrey
RH6 7AF

Millennium & Copthorne (Jersey Holdings) Limited

Contents

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Statement of comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Notes to the financial statements	7 - 12

Millennium & Copthorne (Jersey Holdings) Limited

Strategic report For the Year Ended 31 December 2018

Business review

Millennium & Copthorne (Jersey Holdings) Limited ('the Company') is an indirect subsidiary of Millennium & Copthorne Hotels plc. The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte Limited.

The profit on ordinary activities before taxation for the year was £3,243,000 (2017: profit before taxation £2,822,000).

The profit for the year after taxation amounted to £2,627,000 (2017: profit after taxation £2,279,000).

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.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Millennium & Copthorne Hotels plc group ('the Group') and are not separately managed. Further discussion of these risks and uncertainties, and others, in context of the Millennium & Copthorne Hotels plc group ('the Group') as a whole, is provided on pages 38 to 45 of the Group's annual report for the year ended 31 December 2018 which does not form part of this report.

Financial key performance indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis of key performance indicators is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 17 September 2019 and signed on its behalf.


J M Grech
Director

Millennium & Copthorne (Jersey Holdings) Limited

**Directors' report
For the Year Ended 31 December 2018**

The Directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is that of a financing company.

Directors

The Directors who served during the year were:

Copthorne Hotels Limited
C A Harrington
J M Grech

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17 September 2019 and signed on its behalf.


J M Grech
Director

Millennium & Copthorne (Jersey Holdings) Limited

**Directors' responsibilities statement
For the Year Ended 31 December 2018**

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.

Millennium & Copthorne (Jersey Holdings) Limited

**Statement of comprehensive income
For the Year Ended 31 December 2018**

	Note	2018 £000	2017 £000
Interest receivable and similar income	3	3,243	2,822
Profit before tax		3,243	2,822
Tax on profit	4	(616)	(543)
Profit for the financial year		2,627	2,279

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£000NIL).

The notes on pages 7 to 12 form part of these financial statements.

Millennium & Copthorne (Jersey Holdings) Limited
Registered number: 5846574

Statement of financial position
As at 31 December 2018


	Note	2018 £000	2017 £000
Fixed assets			
Debtors: amounts falling due after more than one year	5	219,501	219,501
		<u>219,501</u>	<u>219,501</u>
Current assets			
Debtors: amounts falling due within one year	5	15,187	11,944
		<u>15,187</u>	<u>11,944</u>
Creditors: amounts falling due within one year	6	(1,822)	(1,206)
		<u>(1,822)</u>	<u>(1,206)</u>
Net current assets		13,365	10,738
Net assets		<u>232,866</u>	<u>230,239</u>
Capital and reserves			
Called up share capital	8	206,220	206,220
Profit and loss account		26,646	24,019
		<u>232,866</u>	<u>230,239</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of 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 on 17 September 2019.


J-M Grech
Director

Millennium & Copthorne (Jersey Holdings) Limited

**Statement of changes in equity
For the Year Ended 31 December 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	206,220	24,019	230,239
Comprehensive income for the year			
Profit for the year	-	2,627	2,627
Total comprehensive income for the year	-	2,627	2,627
Total transactions with owners	-	-	-
At 31 December 2018	206,220	26,646	232,866

The notes on pages 7 to 12 form part of these financial statements.

**Statement of changes in equity
For the Year Ended 31 December 2017**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	206,220	21,740	227,960
Comprehensive income for the year			
Profit for the year	-	2,279	2,279
Total comprehensive income for the year	-	2,279	2,279
Total transactions with owners	-	-	-
At 31 December 2017	206,220	24,019	230,239

The notes on pages 7 to 12 form part of these financial statements.

Notes to the financial statements
For the Year Ended 31 December 2018

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.

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 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;
- 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.

1.3 Going concern

The financial statements have been prepared on the going concern basis, which the Directors consider to be appropriate as the Company has adequate resources to continue in operational existence for the foreseeable future.

1.4 Impact of new international reporting standards, amendments and interpretations

IFRS 9

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 01 January 2018. Further information is detailed in the Group's annual report on page 120.

Notes to the financial statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.4 Impact of new international reporting standards, amendments and interpretations (continued)

IFRS 15

From 01 January 2018, the Company has applied IFRS 15 using the modified retrospective approach.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 01 January 2018. Further information is detailed in the Group's annual report on page 120.

1.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

1.6 Taxation

Tax is recognised in the Statement of comprehensive income, 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.

1.7 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.

1.8 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.

Millennium & Copthorne (Jersey Holdings) Limited

Notes to the financial statements For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.8 Financial instruments (continued)

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 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. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2017 - £NIL).

Millennium & Copthorne (Jersey Holdings) Limited

Notes to the financial statements
For the Year Ended 31 December 2018

3. Interest receivable

	2018 £000	2017 £000
Interest receivable from group companies	3,243	2,822
	<u>3,243</u>	<u>2,822</u>

4. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	616	543
Total current tax	<u>616</u>	<u>543</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25 %).

Factors that may affect future tax charges

The headline rate of UK corporation tax effective from 1 April 2017 is 19% (reduced from 20%). The UK government has introduced additional legislation, which has been enacted, to further reduce the headline rate of UK corporation tax from 19% to 17% from 1 April 2020. This will reduce the company's future current tax charge accordingly.

Millennium & Copthorne (Jersey Holdings) Limited

**Notes to the financial statements
For the Year Ended 31 December 2018**

5. Debtors

	2018 £000	2017 £000
Due after more than one year		
Amounts owed by group undertakings	219,501	219,501
	<u>219,501</u>	<u>219,501</u>
Due within one year		
Amounts owed by group undertakings	15,187	11,944
	<u>15,187</u>	<u>11,944</u>

6. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	663	663
Corporation tax	1,159	543
	<u>1,822</u>	<u>1,206</u>

7. Financial instruments

	2018 £000	2017 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	234,688	231,445
	<u>234,688</u>	<u>231,445</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(663)	(663)
	<u>(663)</u>	<u>(663)</u>

Financial assets and liabilities measured at amortised cost comprise intragroup loans.

Millennium & Copthorne (Jersey Holdings) Limited

**Notes to the financial statements
For the Year Ended 31 December 2018**

8. Share capital

	2018	2017
	£000	£000
Allotted, called up and fully paid		
206,220,001 (2017 - 206,220,001) ordinary shares of £1.00 each	206,220	206,220

9. 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 Republic Hotels & Resorts Limited, a company incorporated in the Republic of Singapore. The smallest group in which the results of the Company are consolidated is headed by Millennium & Copthorne Hotels plc, a company registered in England and Wales. The consolidated accounts of Millennium & Copthorne Hotels plc are available at www.millenniumhotels.com.