

Company Registration No. 08123731 (England and Wales)

HUTONG LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018
PAGES FOR FILING WITH REGISTRAR



HUTONG LIMITED

CONTENTS

	Page
Statement of financial position	1
Notes to the financial statements	2 - 7

HUTONG LIMITED

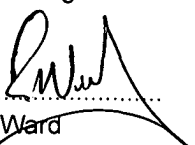
STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		926,490		1,139,497
Current assets					
Stocks		76,302		72,693	
Debtors	4	3,150,445		1,352,334	
Cash at bank and in hand		2,993,117		2,926,888	
		<u>6,219,864</u>		<u>4,351,915</u>	
Creditors: amounts falling due within one year	5	<u>(4,745,541)</u>		<u>(3,356,288)</u>	
Net current assets			<u>1,474,323</u>		<u>995,627</u>
Total assets less current liabilities			<u>2,400,813</u>		<u>2,135,124</u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves			<u>2,400,812</u>		<u>2,135,123</u>
Total equity			<u>2,400,813</u>		<u>2,135,124</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 29/4/2019 and are signed on its behalf by:


R M Ward
Director

Company Registration No. 08123731

HUTONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

Company information

Hutong Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 Argyll Street, London, W1F 7EB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have considered the period ahead, and whilst recognising the current economic climate, they are confident that the company will continue to report profits in future years and generate a positive cash flow for the Aqua group. If the company were unable to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets as current assets.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT. Restaurant sales are recognised on the provision of the service. Deposits received in advance for events are deferred until that service is provided.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the unexpired term of the lease of 15 years
Fixtures, fittings & equipment	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

HUTONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are valued at lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

HUTONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors, other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

HUTONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Staff costs

The company engages the services of a related staff services company and does not employ staff in its own right. Such costs are recognised on the provision of the service.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the income statement on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Staff costs

The company engages the services of a related staff services company and does not employ staff in its own right. Staff costs during the year amounted to £2,623,529 (2017: £2,395,516).

HUTONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

3 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 December 2017	1,333,282	1,079,392	2,412,674
Additions	-	2,362	2,362
At 30 November 2018	1,333,282	1,081,754	2,415,036
Depreciation and impairment			
At 1 December 2017	327,428	945,749	1,273,177
Depreciation charged in the year	81,216	134,153	215,369
At 30 November 2018	408,644	1,079,902	1,488,546
Carrying amount			
At 30 November 2018	924,638	1,852	926,490
At 30 November 2017	1,005,854	133,643	1,139,497

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	160,182	134,090
Amounts due from fellow group undertakings	2,557,056	807,430
Other debtors	393,059	382,807
	3,110,297	1,324,327
Deferred tax asset	40,148	28,007
	3,150,445	1,352,334

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	801,274	787,755
Amounts due to fellow group undertakings	2,332,835	1,014,819
Corporation tax	177,875	236,437
Other taxation and social security	201,674	194,837
Other creditors	1,231,883	1,122,440
	4,745,541	3,356,288

HUTONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

6 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 1 Ordinary of £1 each	1	1
	<u>1</u>	<u>1</u>

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Howard Woolf FCA.

The auditor was Gerald Edelman.

8 Financial commitments, guarantees and contingent liabilities

Hutong Limited and its fellow subsidiary undertakings have provided cross guarantees as part of a group guarantee arrangement in order to secure a bank loan with Aqua Brit Limited, a fellow subsidiary undertaking. The directors, R M Ward and D H Yeo, have provided personal guarantees limited to £3m. In addition, the bank hold charges on two privately owned properties of the directors. There is a fixed and floating charge over the assets of the company.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018 £	2017 £
5,103,117	5,472,017

10 Related party transactions

The company has taken advantage of the exemption available under FRS102 1A whereby it has not disclosed transactions and balances with any wholly owned group companies.

11 Parent company

The immediate parent company is ANKH Concepts Limited and the ultimate parent company is Contemporary Global Limited. Both companies are registered in the British Virgin Islands.