

BVI company registered number 666671
Registered number: FC026321

Gold Diamond D St Pierre 2005 Ltd

**Annual report and financial statements
for the year ended 31 December 2014**

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Gold Diamond D St Pierre 2005 Ltd

Company Information

Directors	S Al Dhaheri K Al Shamsi F Veenstra
Registered number	FC026321
Registered office	171 Main Street PO Box 4041 Road Town Tortola British Virgin Islands
Business address	400 Capability Green Luton Bedfordshire LU1 3LU United Kingdom

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Strategic report for the year ended 31 December 2014

The directors present their strategic report and the unaudited financial statements of the company for the year ended 31 December 2014

Business review

The principal activity of the company continued to be the operation of a hotel in the United Kingdom

The company has reported an operating profit of £207,770 (2013 £495,714) for the underlying business before adjusting for exceptional items of £1,944,756 (2013 £16,204,207)

Exceptional items relate to the reversal of impairment of fixed assets of £1,944,756 (2013 impairment charge of £237,916) and the forgiveness of debt of £Nil (2013 £16,442,123)

The profit for the year, after taxation, amounted to £1,900,200 (2013 £16,307,196)

The directors consider the key financial indicators to be

	2014	2013
Gross profit margin	41.16 %	42.12 %
Operating profit margin before impairment and forgiveness of debt	2.64 %	6.42 %
Profit after tax	£1,900,200	£16,307,196
Valuation of hotel asset	£8,200,000	£6,000,000

Principal risks and uncertainties

The company is subject to a variety of risks, which may have an adverse impact on the business, its operating results, turnover, profit, assets and reserves

Listed below are the main risks which, in the opinion of the directors, could significantly affect the company's business

- *Competitive risks*

The directors review the hotel against a self selected group of competitor hotels. These reports allow the company to compare accommodation occupancy percentage, average rate, revenue per available room (RevPAR) and its competitive position in market penetration, average rate and revenue generation against the competitive group.

- *Currency risk*

The hotel business is affected by the strength of sterling, with strong sterling increasing the effective room rates to international guests.

- *Legislative risks*

Health and safety regulations are constantly reviewed and to this effect the hotel has an appointed Health and Safety Manager to carry out all legally required training and to ensure all health and safety policies are communicated and adhered to.

- *Economic environment*

The company operates in a competitive environment influenced by the UK economy. Adverse economic and financial market developments, including recession and currency fluctuations could lead to lower revenues and reduced income. Recent experience shows a recession lessens both leisure and business travel and negatively affects rooms' rates and/or occupancy levels and other income-generating activities such as food and beverage sales. This may result in worsening of operating results and potentially reduce the value of properties.

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Strategic report for the year ended 31 December 2014

Principal risks and uncertainties (continued)

- *Events that impact domestic and international travel*

Room rates and occupancy levels of the hotel could be negatively affected by events that reduce domestic and/or international travel. These include events such as acts of terrorism, epidemics, travel-related industrial action and increased fuel costs all of which could result in a fall in both domestic and worldwide travel. Such events may lead to a fall in demand for hotel rooms that would have a subsequent impact on the company's operations and financial results.

- *Technology and systems*

The company is reliant upon certain IT systems for the smooth and efficient running of its business and any disruption to those IT systems could have a detrimental effect on the running of the business. If the company does not keep up-to-date with new IT developments it runs the risk of becoming less competitive, which could result in a loss of customers and a failure to attract new customers.

Future developments

The company is endeavouring to improve performance.

The directors expect the hotel to continue to trade profitably and benefit from an improving market in 2015.

This report was approved by the board on 19 October 2015 and signed on its behalf by

F. Veenstra
Director



K. Al Shamsi
Director



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Directors' report for the year ended 31 December 2014

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2014

Results and dividends

The profit for the year, after taxation, amounted to £1,900,200 (2013 £16,307,196)

The directors do not recommend the payment of a dividend (2013 £Nil)

Going concern

The directors believe that the company has sufficient financial resources to meet its trading obligations as and when they fall due and accordingly these financial statements have been prepared on a going concern basis

Future developments

An indication of the likely future developments of the company are provided in the strategic report

Fixed Assets

The directors have considered the value of the company's hotel asset, restating it at 31 December 2014 to reflect a valuation of £8,200,000 (2013 £6,000,000) by Christies LLP dated 17 December 2014. The valuation was carried out in accordance with the RICS Valuation - Professional Standards effective from January 2014

Financial risk management objectives and policies

The activities of the company expose it to a number of financial risks, which it seeks to mitigate, including credit risk and liquidity risk

- Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The company's credit risk is primarily attributable to its trade receivables which are stated net of allowances for doubtful receivables and where there is an identified loss event they are impaired

Credit risk is spread over a large number of counterparties and customers

- Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short term debt from its immediate parent undertaking

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below

S Al Dhaheri
D White
K Al Shamsi
F Veenstra

(resigned 22 March 2015)
(appointed 23 March 2015)
(appointed 27 July 2015)

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Directors' report for the year ended 31 December 2014

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 prepared 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 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 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, 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 company law. 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.

This report was approved by the board on 19 October 2015 and signed on its behalf by

F Veenstra
Director



K. Al Shamsi
Director



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Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	7,865,567	7,716,690
Cost of sales		<u>(4,628,355)</u>	<u>(4,466,467)</u>
Gross profit		3,237,212	3,250,223
Administrative expenses		<u>(3,029,442)</u>	<u>(2,754,509)</u>
Operating profit	3	207,770	495,714
Exceptional items			
Impairment reversal/(charge) - tangible fixed assets	4	1,944,756	(237,916)
Forgiveness of debt	4	-	<u>16,442,123</u>
Profit on ordinary activities before interest and taxation		2,152,526	16,699,921
Interest receivable and similar income	6	3,002	3,677
Interest payable and similar charges	7	<u>(255,328)</u>	<u>(396,402)</u>
Profit on ordinary activities before taxation		1,900,200	16,307,196
Tax on profit on ordinary activities	8	-	-
Profit for the financial year	17	<u>1,900,200</u>	<u>16,307,196</u>

All amounts relate to continuing operations

The company has no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented

Gold Diamond D St Pierre 2005 Ltd

Registered number FC026321

Balance sheet as at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	9		-		-
Tangible assets	10		8,200,000		6,000,000
			<u>8,200,000</u>		<u>6,000,000</u>
Current assets					
Stocks	11	128,049		112,162	
Debtors	12	380,733		437,385	
Cash at bank and in hand		782,190		723,524	
		<u>1,290,972</u>		<u>1,273,071</u>	
Creditors amounts falling due within one year	13	(1,213,999)		(5,474,358)	
Net current assets/(liabilities)			<u>76,973</u>		<u>(4,201,287)</u>
Total assets less current liabilities			<u>8,276,973</u>		<u>1,798,713</u>
Creditors amounts falling due after more than one year	14		(4,578,060)		-
Net assets			<u><u>3,698,913</u></u>		<u><u>1,798,713</u></u>
Capital and reserves					
Called up share capital	16		1,956,257		1,956,257
Profit and loss account	17		1,742,656		(157,544)
Shareholder's funds	18		<u><u>3,698,913</u></u>		<u><u>1,798,713</u></u>

The financial statements on pages 5 to 16 were approved by the board of directors on 19 October 2015 and were signed on its behalf by

F. Veenstra
Director

K Al Shamsi
Director

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Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention as modified to include the revaluation of land and hotel buildings and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Going concern

The directors believe that the company has sufficient financial resources to meet its trading obligations as and when they fall due and accordingly these financial statements have been prepared on a going concern basis.

1.3 Cash flow statement

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 "Cash flow statements".

1.4 Turnover

Turnover is the value of goods and services sold, within the United Kingdom, as part of the company's continuing ordinary activities after deducting sales based taxes.

Turnover is recognised on room sales and guest services when rooms are occupied and services have been rendered.

1.5 Taxation

Corporation tax payable is provided on taxable profits 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.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

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Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

Tangible fixed assets include freehold hotels. Land and hotel buildings are stated at fair value, and hotel fixtures, fittings and equipment are stated at cost. Hotel refurbishment costs are capitalised in the period in which they are incurred. Repairs and maintenance costs are expensed as incurred.

A full valuation is carried out by a qualified external valuer every year. Revaluation gains are taken to the statement of total recognised gains and losses. Revaluation losses are recognised in the statement of total recognised gains and losses to the extent that they offset previous revaluation gains. All other losses, including those incurred by a clear consumption of economic benefit, are charged to the profit and loss account. On revaluation of assets carried at fair value, accumulated depreciation at the date of valuation is taken to the statement of total recognised gains and losses.

Freehold land is not depreciated. Depreciation on hotel buildings, fixtures, fittings and equipment is provided at rates calculated to write off the value/cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	-	Lesser of estimated useful life and 50 years
Fixtures, fittings and equipment	-	Between 3 and 25 years

The carrying value of fixtures, fittings and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of assets below depreciated cost is charged to the profit and loss account.

1.8 Stocks

Stock is valued at the lower of cost and net realisable value.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.10 Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.11 Dividend distribution

The company makes dividend distributions to its shareholders as permissible under the regulations set out within Division 4 of the BVI Business Companies Act, 2004.

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Notes to the financial statements for the year ended 31 December 2014

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3. Operating profit

The operating profit is stated after charging/(crediting)

	2014 £	2013 £
Depreciation of tangible fixed assets		
- owned by the company	107,932	60,957
Operating lease rentals		
- plant and machinery	55,668	74,363
Difference on foreign exchange	(119)	-
Deferred incentive fees write back	-	(186,834)
	<u> </u>	<u> </u>

Deferred incentive fees write back

In the prior financial year, the directors considered the probability of a deferred incentive fee previously accrued being paid and reached the conclusion that it was very unlikely based on performance. Further analysis was performed in the current year, where the same conclusion was reached and therefore no provision has been recognised

4. Exceptional items

	2014 £	2013 £
Impairment reversal/(charge) - tangible fixed assets	1,944,756	(237,916)
Forgiveness of debt	-	16,442,123
	<u> </u>	<u> </u>
	1,944,756	16,204,207

Impairment reversal - tangible fixed assets

The directors have considered the carrying value of the company's hotel asset following a valuation by Christies LLP dated 17 December 2014, carried out in accordance with the RICS Valuation - Professional Standards effective from January 2014. This resulted in the reversal of impairment of £1,944,756 (2013 impairment charge of £237,916)

Forgiveness of debt

Under the terms of the sale of the company on 15 February 2013 and its subsequent refinancing, the net indebtedness of the company to its previous parent undertaking was forgiven

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Notes to the financial statements for the year ended 31 December 2014

5 Staff costs

The company had no employees other than the directors during the year ended 31 December 2014 or the previous financial year

The directors did not receive or waive any emoluments in respect of their services to the company during the year ended 31 December 2014 or the previous financial year

6. Interest receivable and similar income

	2014 £	2013 £
Bank interest receivable	<u>3,002</u>	<u>3,677</u>

7 Interest payable and similar charges

	2014 £	2013 £
On amounts payable to parent undertaking	240,856	396,402
Loan arrangement fees	14,472	-
	<u>255,328</u>	<u>396,402</u>

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Notes to the financial statements for the year ended 31 December 2014

8. Tax on profit on ordinary activities

	2014 £	2013 £
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 lower than) the standard rate of corporation tax in the UK of 21.49% (2013 23.25%). The differences are explained below

	2014 £	2013 £
Profit on ordinary activities before tax	1,900,200	16,307,196
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 23.25%)	408,353	3,791,423
Effects of		
Impairment of tangible fixed assets	(417,928)	55,315
Expenses not deductible for tax purposes	16,977	8,926
Capital allowances for year in excess of depreciation	(243,095)	(261,167)
Adjustments to tax charge in respect of prior periods	-	(23,006)
Write off of connected company loans and impairments	-	(3,822,793)
Worldwide debt cap disallowances	-	26,286
Group relief	235,693	225,016
Current tax charge for the year	-	-

Factors that may affect future tax charges

A change in the main UK corporation tax rate from 23% to 21% was substantively enacted on 2 July 2013 and became effective from 1 April 2014. A further reduction to the main UK corporation tax rate to 20% effective from 1 April 2015 was also enacted on this date. On 8 July 2015 further reductions to 19% from 1 April 2017 and to 18% from 1 April 2020 were announced, but these have not yet been substantively enacted into legislation.

9. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	1,769,743
Amortisation	
At 1 January 2014 and 31 December 2014	1,769,743
Net book value	
At 31 December 2014	-
At 31 December 2013	-

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Notes to the financial statements for the year ended 31 December 2014

10 Tangible fixed assets

	Freehold buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2014	8,384,418	10,490,767	18,875,185
Additions	34,827	328,349	363,176
Transfer	2,503,791	-	2,503,791
Revaluation	(3,698,418)	-	(3,698,418)
At 31 December 2014	7,224,618	10,819,116	18,043,734
Accumulated depreciation and impairment			
At 1 January 2014	3,139,383	9,735,802	12,875,185
Charge for the year	-	107,932	107,932
Transfer	2,503,791	-	2,503,791
Impairment losses written back	(1,944,756)	-	(1,944,756)
Reversal on revaluation	(3,698,418)	-	(3,698,418)
At 31 December 2014	-	9,843,734	9,843,734
Net book value			
At 31 December 2014	7,224,618	975,382	8,200,000
At 31 December 2013	5,245,035	754,965	6,000,000

The directors have considered the value of the company's hotel asset, restating it at 31 December 2014 to reflect a valuation of £8,200,000 (2013 £6,000,000) by Christies LLP dated 17 December 2014. The valuation was carried out in accordance with the RICS Valuation - Professional Standards effective from January 2014.

The valuation has been incorporated into the financial statements, the resulting revaluation adjustment has been taken to the profit and loss account. The revaluation during the year ended 31 December 2014 resulted in an impairment reversal of £1,944,756 (Note 4).

No deferred tax is provided on timing differences arising from the revaluation of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will be rolled over.

If land and buildings had not been revalued, they would have been included at the following amounts:

	2014 £	2013 £
Cost	10,923,036	10,888,209
Aggregate depreciation	(3,698,418)	(5,643,174)
Net book value based on historical cost	7,224,618	5,245,035

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Notes to the financial statements for the year ended 31 December 2014

11 Stocks

	2014 £	2013 £
Finished goods and goods for resale	<u>128,049</u>	<u>112,162</u>

12. Debtors

	2014 £	2013 £
Trade debtors	139,843	158,365
Amounts owed by group undertakings	-	11,117
Other debtors	23,656	33,931
Prepayments and accrued income	217,234	233,972
	<u>380,733</u>	<u>437,385</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

13. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	356,332	277,110
Loan from parent undertaking	-	4,564,587
Amounts owed to group undertakings	422,444	214,098
Other creditors	19,458	18,691
Accruals and deferred income	415,765	399,872
	<u>1,213,999</u>	<u>5,474,358</u>

The loan balance owed to Silver Diamond TEHC24 Sarl, the immediate parent undertaking, at 31 December 2013 was repaid on 17 April 2014

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

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Notes to the financial statements for the year ended 31 December 2014

14 Creditors amounts falling due after more than one year

	2014 £	2013 £
Loan from parent undertaking	4,578,060	-

On 17 April 2014, the company entered into three new loan agreements with Silver Diamond TEHC24 Sarl, the immediate parent undertaking. The loans are repayable on 17 April 2024 or within 4 years and 350 days from the date of agreement with 30 days written notice.

The loan interest is payable quarterly and included within amounts owed to group undertakings, as a creditor due within one year. Loan arrangement fees are amortised over the loan term and the loan is shown net of these deferred fees.

The loan principal values and interest rates are shown in the table below.

Loan principal £	Arrangement fee %	Unamortised arrangement fee £	Interest rate LIBOR 3mGBP %
2,110,304	3.79%	68,131	+3.14% (capped at 3.50%)
527,576	2.12%	9,513	+3.14%
2,017,824	-	-	+6.51%
4,655,704		77,644	

15. Deferred taxation

At 31 December 2014, a deferred tax asset relating to trading losses and other timing differences of £1,376,863 (2013: £1,399,863) has not been recognised as there is insufficient evidence of future taxable trading profits to confirm recoverability in the foreseeable future.

16 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
10 ordinary shares of US\$1 each	6	6
1,956,251 ordinary shares of £1 each	1,956,251	1,956,251
	1,956,257	1,956,257

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Notes to the financial statements for the year ended 31 December 2014

17. Reserves

	Profit and loss account £
At 1 January 2014	(157,544)
Profit for the financial year	1,900,200
At 31 December 2014	<u>1,742,656</u>

18. Reconciliation of movement in shareholder's funds/(deficit)

	2014 £	2013 £
Opening shareholder's funds/(deficit)	1,798,713	(16,464,734)
Profit for the financial year	1,900,200	16,307,196
Shares issued during the year	-	1,956,251
Closing shareholder's funds	<u>3,698,913</u>	<u>1,798,713</u>

During the previous financial year, the company issued 1,956,251 ordinary £1 shares for consideration of £1,956,251

19. Capital commitments

At 31 December 2014, the company had capital commitments as follows

	2014 £	2013 £
Contracts placed for future capital expenditure not provided in the financial statements	-	63,807

20. Operating lease commitments

At 31 December 2014, the company had annual commitments under non-cancellable operating leases for assets other than land and buildings expiring as follows

	2014 £	2013 £
Expiry date		
Within one year	5,428	7,727
Between two to five years	<u>49,191</u>	<u>51,796</u>

21. Contingent liability

During the year the company entered into a facility agreement with a number of third parties, in respect of a loan to Silver Diamond TEHC24 Sàrl, the immediate parent undertaking, of up to £340,000,000, which has been fully drawn at the year end date. This loan was secured by way of a fixed and floating charge over the present and future property and assets of the company and those of several other group undertakings. The directors do not anticipate the security being called in.

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Notes to the financial statements for the year ended 31 December 2014

22. Related party transactions

Advantage has been taken of the exemption available under Financial Reporting Standard 8 "Related Party Disclosures" from disclosing transactions with group companies that are wholly owned within the Silver Diamond TEHC24 Sarl group

23 Immediate and ultimate parent undertakings and controlling party

The immediate parent undertaking is Silver Diamond TEHC24 Sarl, a company registered in Luxembourg Silver Diamond TEHC24 Sarl is the parent undertaking of the smallest group to consolidate these financial statements

The directors regard Tamweelview European Holdings SA, a company registered in Luxembourg, as the ultimate parent undertaking Tamweelview European Holdings SA is the parent undertaking of the largest group to consolidate these financial statements, copies of which are available from 13, rue Edward Steichen (1st floor), L-2540 Luxembourg

The ultimate controlling entity is the Abu Dhabi Investment Authority, registered in United Arab Emirates