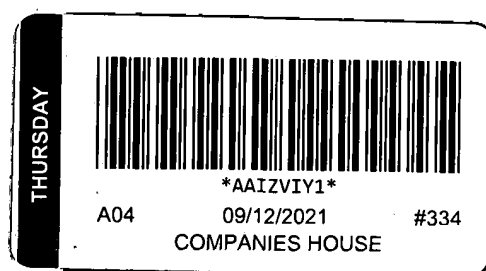


The Berkeley Hotel Limited

Reports and financial statements

For the year ended 31 December 2020

Registered number: 3669260



The Berkeley Hotel Limited

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Strategic report	2
Directors' report	5
Statement of directors' responsibilities	9
Independent auditor's report	10
Income statement & Statement of other comprehensive income	14
Balance sheet	15
Statement of changes in equity	16
Notes to the financial statements	17

The Berkeley Hotel Limited

Directors and other information

Board of Directors

Fady Bakhos
Liam Cunningham

Registered office

27 Knightsbridge
London
SW1X 7LY

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Solicitors

MacFarlanes LLP
10 Norwich Street
London
EC4A 1BD

Registered number

3669260

The Berkeley Hotel Limited

Strategic report

The directors present their Strategic Report for the year ended 31 December 2020.

Principal activity

The main activity of The Berkeley Hotel Limited ('the Company') continues to be the ownership and operation of The Berkeley Hotel, London, a five star hotel in the United Kingdom. The Company's results are consolidated within the group financial statements of Selene Holdings Limited ("the Group").

Business review

The Company achieved a turnover of £13.3 million (2019: £52.6 million) in the year ended 31 December 2020 which represents a decrease of 74.7% (2019: decrease of 4.1%) compared to the previous year, driven by the impact of the COVID-19 pandemic and development works to the hotel. The Company returned an operating loss of £11.7 million in the year to 31 December 2020 (2019: £6.0 million profit).

During the year the "The Garden at The Berkeley" offering was pioneered, turning unused side space at the hotel into a successful new restaurant. In addition two new initiatives were launched; The Berkeley Blue Bar bikes; delivering cocktails to guests around Belgravia and The Berkeley Breakfast in Bed service – both contributing to revenue and brand awareness at this challenging time. Despite the initiatives, and marked by the adverse impact of COVID-19, the key performance indicators for the company show a deterioration year on year, as demonstrated in the table below:

	2020	2019
Gross profit %	5.5	65.7
Operating (loss)/profit %	(87.8)	11.4

COVID-19

The directors consider that in the short term, the biggest financial risk facing the Company is the continued outbreak of COVID-19, that started in February 2020, which was subsequently categorised as an international pandemic by the World Health Organisation on 11 March 2020. Measures taken by various governments worldwide including the UK government, to contain the spread of the virus have severely affected the performance of the hotel from March 2020 to date, leading to the unprecedented decision to close the hotel between 24 March 2020 and 14 July 2020. Management has got every confidence that the travel and leisure market will recover once vaccination rates reach higher levels and national and international restrictions are eased. Government easing of restrictions from mid April 2021 continues to have a positive impact on Company's occupancy and revenue KPI's. In the interim, the directors and management of the Company are working very closely with third parties and ownership to secure sufficient liquidity to meet its obligations, maximising the available support from the UK government and renegotiating contractual arrangements. The directors are confident that the company's liquidity requirements will be met, predominantly through the continued financial support of the Group's ultimate beneficial owner, His Excellency Sheikh Hamad Bin Jassim Bin Jaber Al Thani, further details of which are provided in the going concern note.

The Berkeley stepped up and helped support the London community during the COVID-19 pandemic, manned by its volunteer staff. The Berkeley created a "999 Drive Thru meal service" for London Emergency Services, serving 400 daily lunches as well as providing hotel meals to sheltered accommodation for the elderly.

The Berkeley Hotel Limited

Strategic report (*continued*)

Principal risks and uncertainties

The directors consider that the following are the principal risk factors that could materially and adversely affect the Company's future operating profits or financial position.

- General economic risk – the Company is exposed to general economic risk, including changes in the economic outlook in the London five-star luxury hotel and leisure industry. Most importantly, in the short term there is an economic risk related to COVID-19, which resulted in the closure of the hotel between 24 March 2020 and 14 July 2020 and continued government restrictions, that severely limited the hotel operations during 2020 and which continue to have an impact. The Company is also exposed to government changes in industrial, fiscal, monetary or regulatory policies. The impact of general economic risk is mitigated to some extent by the high net worth of the Company's customer base, however, the current environment has restricted the ability of high net worth individuals to visit the hotels.
- Brexit risk – The result of the EU referendum in the UK has led to a further degree of uncertainty over global economic conditions and forecasts, particularly around free movement and visa requirements. Until the position is clearer the directors will not know how the business will be affected, if at all. However, the directors shall continue to monitor the risks.
- Liquidity risk - the Company secured a new 10 year loan on 1 April 2020, which replaced the Murabaha facility and matures on 5 February 2030. The refinancing resulted in a £48m reduction in the Company's debt and was agreed at a competitive all-in annual interest rate of 2.7% and with the Company's intermediate parent company, Constellation Hotels Holding Ltd S.C.A's guarantee in place. The company has obtained a letter of financial support from its ultimate beneficial owner which pledges financial support throughout the going concern assessment period to 31 December 2022. In addition, the Company has performed a robust review of all its contractual commitments, reduced its non-essential expenditure and utilised UK government assistance programs. Management forecasts a gradual return of operating profits and cash inflows in Q1 and Q2 of 2022, with a more optimistic outlook in 2023.
- Reputation risk – related to the hotel's brand in the marketplace and on social media, health and safety and customer loyalty. The risk is mitigated by the Company via various measures to provide a bespoke customer service, adhering to all health and safety regulations, including those around the COVID-19 pandemic, acting within the scope of Modern Slavery Act 2015, money laundering and anti-bribery regulations.

The Berkeley Hotel Limited

Strategic report (continued)

Section 172(1) statement

Information required under s172(1) of the Companies Act 2006 which is not documented below is shown within the 'Business review' and 'Principal risks and uncertainties' sections of the Strategic Report.

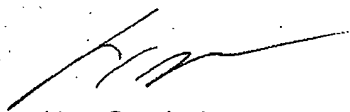
During the year, the Directors have had regard to the matters set out in s172(1) (a) to (f) of the Companies Act 2006 when performing their duties. Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

Section 172 requires directors to have regard to, amongst other matters, the: a) likely consequences of any decisions in the long-term, b) interests of the company's employees; c) need to foster the company's business relationships with suppliers, customers and others, d) impact of the company's operations on the community and environment, e) desirability of the company maintaining a reputation for high standards of business conduct; and f) need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the matters set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. We set out below examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duties.

The directors have acted in a way that they consider to be most likely to promote the success of the Group for the benefits of all stakeholders; fostering high standards, good governance, an appropriate code of conduct and the need to act fairly for all members of the Group. The directors consider that the Group's key stakeholders are its clients, owners, employees, suppliers and the local community. It is considered vital that strong relationships are built with key stakeholders, which are both meaningful and mutually beneficial. Appropriate due diligence is done before entering into new relationships with any key supplier to ensure the propriety of business operations, including considerations of environmental and social responsibilities.

By order of the board and signed on its behalf by



Liam Cunningham
Director

30 November 2021

The Berkeley Hotel Limited

Directors' report

The directors present their report for the year ended 31 December 2020.

Dividends

The dividends paid during the year amounted to £102,709 (2019: £Nil)

Directors and their interests

The directors who held office during the year were as follows:

Liam Cunningham
Fady Bakhos

Directors' liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Future developments

The Berkeley continues to evolve, defined by its contemporary design aesthetic and continued innovation. Extensive development works continue throughout the hotel's north façade on the freehold side, with the steel structure of 33-39 Knightsbridge, adjacent to the hotel, now undergoing fit out stage.

This property will offer guests the opportunity to discover a redefined standard of luxury, creating an exclusive and world-class hub of art and culture, and introduce a new architectural landmark to London.

During 2021, Company management continues to focus on managing the welfare of its staff, guests and its financial stability as a result of the widespread COVID-19 pandemic. The hotel was closed from 24 March 2020 to 14 July 2020 following the lockdown and social distancing guidelines set by the UK government. Since its re-opening, the hotel operations were severely limited by government restrictions which started to ease only from mid April 2021. Despite that, Company management is projecting a gradual recovery in Q1 and Q2 2022.

Company management recognises the inevitable negative impact the outbreak of COVID-19 will have on the London five-star luxury hospitality industry and has taken necessary steps to minimise liquidity risk by utilising the support offered by the UK government and managing its discretionary cost base.

A true testament to the strength of the hotel, of its management and ownership is the fact that, despite the challenging environment caused by the outbreak of COVID-19, the Company was able to secure new long term financing on 1 April 2020. As part of this refinancing, the Company reduced its debt by £48m and secured a competitive all-in annual interest rate of 2.7% for the next ten years, maturing on 5 February 2030.

The potentially adverse impact of The United Kingdom leaving the European Union and the continued pressure of the increase in the supply of luxury accommodation in London are two other factors that we continually monitor and strategize. Management believes it has the team, strategies and initiatives in place to defend and build on its position effectively.

The directors believe that the worldwide economic and geopolitical events will continue to affect the Group's hotels trading conditions, but that the hotels are well placed to either address those risks or leverage the opportunities accordingly.

The Berkeley Hotel Limited

Directors' report (*continued*)

Future developments (*continued*)

The Group's projections for 2022 show a gradual return of operating profits and cash inflows.

Business relationships

In accordance with the Companies (Miscellaneous Reporting) Regulations 2018 there is a requirement to disclose how the directors have regard to the need to foster the Company's business relationships with suppliers, customers and others. This disclosure is included in the 'Section 172(1) statement' section of the Strategic Report.

Equal opportunities and diversity

The Company is an equal opportunities employer and will continue to ensure it offers career opportunities without discrimination. Full consideration is given to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. The Company has continued the employment wherever possible of any person who becomes disabled during their employment. Opportunities for training, career development and promotion do not operate to the detriment of disabled employees.

Employee involvement

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2005. During the year, the policy of providing employees with information, including information relating to the economic and financial factors affecting the performance of the company, has been continued through the staff quarterly meetings. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Employees participate directly in the success of the business through the Company's various incentive schemes.

Political donations

The company made no political contributions during the year (2019: £Nil).

Going Concern – reliance on the ultimate beneficial owner

The Company is loss making, predominantly due to adverse impact of COVID-19 pandemic and interest payable on its borrowings. As at the balance sheet date, the Company had net current liabilities of £188.6 million (2019: net current assets of £72.6 million) and net assets of £32 million (2019: £51.3 million). The directors have performed a going concern assessment with reference to the company's cash flow forecasts for a period up until 31 December 2022. These forecasts are prepared using a base case scenario which reflects severe but plausible downside assumptions, including potential revenue recovery profiles, cost estimates, capital expenditure and financing costs. As part of the going concern assessment the directors also consider forecast covenant breaches within the going concern assessment period and the ongoing support required from the ultimate beneficial owner which is discussed in more detail below.

The Berkeley Hotel Limited

Directors' report *(continued)*

Going Concern – reliance on the ultimate beneficial owner *(continued)*

The Group continues to invest in the development of the hotel through various room enhancement programs, and continued investment in its food and beverage offering. This investment continues to be funded by the ultimate beneficial owner and intermediate parent company as there is confidence in the long-term return on investment and viability of the business.

The Group's projections for the remainder of 2021 and 2022 show that the Company is dependent on the support provided by the ultimate beneficial owner for operating and capital expenditure obligations. In addition, the Company will require support for the servicing of debt. At the balance sheet date, the Company had secured a covenant waiver with the lender until August 2021 in relation to the Debt to EBITDA covenant. On 2 November 2021, the Company secured a further waiver of the Debt to EBITDA covenant up until 5 February 2023.

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Excellency Sheikh Hamad Bin Jassim Bin Jaber Al Thani, pledging to support the Company should this be required for a period of at least 12 months from the date of the signing of the financial statements.

The directors have made enquiries to satisfy themselves that the ultimate beneficial owner has sufficient liquid resources available to provide the financial support required by the Company. Based on the results of the assessment described above, the directors have concluded that it remains appropriate to prepare the annual report and accounts on a going concern basis.

Disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

The Berkeley Hotel Limited

Directors' report (*continued*)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and Ernst & Young LLP will therefore continue in office.

Approved by the Board of Directors ('the Board') and signed on behalf of the Board



Liam Cunningham
Director

30 November 2021

The Berkeley Hotel Limited

Statement of directors' responsibilities

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board



Liam Cunningham
Director

30 November 2021

The Berkeley Hotel Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKELEY HOTEL LIMITED

Opinion

We have audited the financial statements of The Berkeley Hotel Limited for the year ended 31 December 2020 which comprise the Income Statement, Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the

The Berkeley Hotel Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKELEY HOTEL LIMITED (*continued*)

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

The Berkeley Hotel Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKELEY HOTEL LIMITED (*continued*)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework are United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), and the relevant direct tax compliance regulation in the United Kingdom as well as the anti-money laundering legislation, data protection act, occupational health and safety regulations and other employment regulations.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation, including board minutes.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of senior management and where applicable, those charged with governance; review of board minutes; testing journals identified by specific risk criteria and obtaining written representations from management on behalf of the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and we designate revenue recognition and specifically the risk of management override as fraud risks. In response to the fraud risks identified, we performed audit procedures including: incorporating data analytics into our testing of journals posted to accounts associated to revenue; testing specific revenue transactions back to source documentation and setting precise revenue expectations and comparing to actuals.


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

The Berkeley Hotel Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BERKELEY HOTEL LIMITED (*continued*)

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.

A handwritten signature in dark ink, appearing to read 'Ernst & Young LLP', is written over the printed name and company details.

Rebecca Turner (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
1 More London Place
SE1 2AF

30 November 2021

The Berkeley Hotel Limited

Income statement

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	3	13,320	52,552
Cost of sales		(12,592)	(18,050)
Gross profit		728	34,502
Administrative expenses	5	(16,236)	(26,465)
Other Income	5	3,855	-
Loss on disposal of fixed assets	5	(53)	(2,062)
Operating (loss)/profit	5	(11,706)	5,975
Income from shares in group undertakings		-	6
Finance costs	6	(9,767)	(8,663)
Profit on disposal of investments	11	30,777	-
Profit/(loss) before tax		9,304	(2,682)
Tax credit/(charge)	7	2,423	(126)
Profit /(loss) for the financial year		11,727	(2,808)

All activities in the current and preceding periods are derived from continuing operations.

Statement of other comprehensive income

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Profit/(loss) for the year		11,727	(2,808)
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	17	(319)	(654)
Tax on remeasurements of defined benefit liability	16	60	111
Dividends paid		(103)	-
Distribution - group restructure		(30,675)	-
Other comprehensive loss, net of tax		(31,037)	(543)
Total comprehensive loss for the year		(19,310)	(3,351)

The Berkeley Hotel Limited

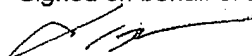
Balance sheet

as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	8	233,419	221,384
Intangible assets	9	1,350	1,800
Right of use assets	10	6,317	6,510
Employee benefits	17	1,018	-
Investments	11	-	-
		242,104	229,694
Current assets			
Stocks	12	1,037	1,039
Trade and other receivables	13	72,057	86,581
Cash at bank and in hand		3,796	4,823
		76,890	92,443
Current liabilities			
Trade and other payables	14	(85,455)	(14,756)
Lease liability	10	(39)	(122)
Loans and borrowings	15	(180,033)	(4,956)
		(188,637)	72,609
Net current (liabilities)/assets			
		53,467	302,303
Total assets less current liabilities			
Non current liabilities			
Loans and borrowings	15	-	(227,072)
Lease liability	10	(6,704)	(6,597)
Employee benefits	17	-	(144)
Deferred taxation	16	(14,794)	(17,211)
		31,969	51,279
Net assets			
Capital and reserves			
Called up share capital	18	150	150
Profit and loss account		31,819	51,129
		31,969	51,279
Shareholders' funds			
		31,969	51,279

These financial statements were approved by the Board of Directors on 30 November 2021.

Signed on behalf of the Board of Directors



Liam Cunningham
Director

The Berkeley Hotel Limited

Statement of changes in equity

for the year ended 31 December 2020

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2019	150	54,480	54,630
Loss for the financial year	-	(2,808)	(2,808)
Other comprehensive income	-	(543)	(543)
At 31 December 2019	150	51,129	51,279
Profit for the financial year	-	11,727	11,727
Other comprehensive loss	-	(259)	(259)
Distribution on group restructure		(30,675)	(30,675)
Distribution to group undertakings		(103)	(103)
At 31 December 2020	150	31,819	31,969

The accompanying notes form an integral part of the financial statements.

The reserve for Retained earnings represents accumulated profits/(losses) of the Company less any distributions to shareholders.

The Berkeley Hotel Limited

Notes

forming part of the financial statements

1 Statement of compliance

The Berkeley Hotel Limited is a company incorporated and domiciled in the England and Wales. The company's registered office is 27 Knightsbridge, London, SW1X 7LY.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

These financial statements are presented in sterling, being the functional currency of the company. All financial information presented in sterling has been rounded to the nearest thousand, except where otherwise stated.

2 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure* (FRS 101) and in accordance with the applicable accounting standards.

In these financial statements, the company has adopted certain disclosure exemptions available under FRS 101. These include:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 16 and 11 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 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 paragraphs 17 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;
- the requirements of paragraphs 130(f), 134(d to f) and 135(c to e) of IAS 36 Impairments of Assets.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Selene Holdings Limited. The results of the Company are included in the publicly available consolidated financial statements of Selene Holdings Limited.

As the consolidated financial statements of Selene Holdings Limited include the equivalent disclosures, the company has also taken the exemption under FRS 101 available in respect of the following:

The Berkeley Hotel Limited

Notes (continued)

2 Significant accounting policies (continued)

Basis of preparation (continued)

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- Certain disclosures required by IAS 36 *Impairment of Assets*.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial assets and liabilities which are measured at fair value.

Foreign currency

Transactions in foreign currencies are translated to the functional currency of the company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Use of estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The key accounting judgements and sources of estimation uncertainty affecting these financial statements are:

- Carrying value of tangible fixed assets and specifically the estimation of the useful economic lives of property, plant and equipment and the assumptions used in impairment testing.
- Carrying amount of intangible assets - the estimation of the useful economic life of intangible assets and the assumptions used in impairment testing.
- Defined benefit plans - The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned to date, discounting that amount and deducting the fair value of any plan assets. There is inherent estimation uncertainty in determining the fair value of the pension liability the calculation of which includes a range of financial and demographic assumptions.
- Taxation - Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in the note "Taxation".

The Berkeley Hotel Limited

Notes (continued)

2 Significant accounting policies (continued)

Use of estimates and judgements(continued)

- Discount rate used to determine the IFRS 16 lease liability

Estimates to underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Going Concern – reliance on the ultimate beneficial owner

The Company is loss making, predominantly due to adverse impact of COVID-19 pandemic and interest payable on its borrowings. As at the balance sheet date, the Company had net current liabilities of £188.6 million (2019: net current assets of £72.6 million) and net assets of £32 million (2019: £51.2 million). The directors have performed a going concern assessment with reference to the company's cash flow forecasts for a period up until 31 December 2022. These forecasts are prepared using a base case scenario which reflects severe but plausible downside assumptions, including potential revenue recovery profiles, cost estimates, capital expenditure and financing costs. As part of the going concern assessment the directors' also consider forecast covenant breaches within the going concern assessment period and the ongoing support required from the ultimate beneficial owner which is discussed in more detail below.

The Group continues to invest in the development of the hotel through various room enhancement programs, and continued investment in its food and beverage offering. This investment continues to be funded by the ultimate beneficial owner and intermediate parent company as there is confidence in the long-term return on investment and viability of the business.

The Group's projections for the remainder of 2021 and 2022 show that the Company is dependent on the support provided by the ultimate beneficial owner for operating and capital expenditure obligations. In addition, the Company will require support for the servicing of debt.

At the balance sheet date the Company had secured a covenant waiver with the lender until August 2021 in relation to the Debt to EBITDA covenant. On 2 November 2021 the company secured a further waiver of the Debt to EBITDA covenant up until 5 February 2023.

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Excellency Sheikh Hamad Bin Jassim Bin Jaber Al Thani, pledging to support the Company should this be required for a period of at least 12 months from the date of the signing of the financial statements including the financial support that may be required should the extension to the covenant waiver not be agreed.

The directors have made enquiries to satisfy themselves that the ultimate beneficial owner has sufficient liquid resources available to provide the financial support required by the Company. Based on the results of the assessment described above, the directors have concluded that it remains appropriate to prepare the annual report and accounts on a going concern basis.

The Berkeley Hotel Limited

Notes (continued)

2 Significant accounting policies (continued)

Revenue recognition

Revenue represents sales (excluding VAT and similar taxes) of goods and services net of trade discounts provided in the normal course of business. Revenue is derived from hotel operations and includes the rental of rooms, food and beverage sales, and other revenue. Room and Food and Beverage revenue is recognised when the control over good/or services is transferred to the customer, rooms are occupied and food and beverages are sold.

Taxation

The income tax expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Company is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Pension

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned to date, discounting that amount and deducting the fair value of any plan assets.

The Berkeley Hotel Limited

Notes (continued)

2 Significant accounting policies (continued)

Pension (continued)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Stocks

Stocks of finished goods are measured at the lower of cost and net realisable value.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through the statement of profit or loss and other comprehensive income. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through the statement of profit or loss and other comprehensive income, transaction costs.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

Subsequent measurement

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

The Berkeley Hotel Limited

Notes (continued)

2 Significant accounting policies (continued)

Financial instruments (continued)

(i) Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through the statement of profit or loss and other comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. For trade receivables and some intercompany loans, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the statement of profit or loss and other comprehensive income, loans and borrowings, or payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Berkeley Hotel Limited

Notes (continued)

2 Significant accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities (continued)

Subsequent measurement – loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

(iii) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Ordinary dividends are recognised in the period in which they are paid to shareholders.

Tangible fixed assets

Recognition and measurement

Items of tangible fixed assets are measured at cost less accumulated depreciation and impairment.

If significant parts of an item of tangible fixed assets have different useful lives, then they are accounted for as separate items (major components) of tangible fixed assets.

Any gain or loss on disposal of an item of tangible fixed assets is recognised in profit or loss.

Depreciation

Depreciation has not been charged on the freehold and leasehold properties held by the Company as the residual values of those properties exceeds the carrying values.

As a result, on an annual basis the Company estimates the recoverable amount of its hotel properties based on the higher of their net realisable values or the present values of future cash flows expected to result from their use. Where the recoverable amount is less than the carrying amount of the hotel properties the Company recognises an impairment loss in the profit and loss account.

Other fixed assets are stated at cost less accumulated depreciation.

The Berkeley Hotel Limited

Notes (continued)

2 Significant accounting policies (continued)

Depreciation (continued)

Depreciation of other tangible assets is provided on a straight-line basis over the following useful lives:

Fixtures, fittings, plant and machinery	between 2 and 20 years
Structural improvements	25 years

Assets under the course of construction are not depreciated until brought into use.

Intangible assets

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight line method over their estimated useful lives, and is recognised in the income statement.

The estimated useful life for the current and comparative year of intellectual property is 10 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. An impairment loss is reversed, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The Berkeley Hotel Limited

Notes (continued)

2 Significant accounting policies (continued)

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Furlough income comprises government grants received under the COVID-19 job retention scheme which are recognised in the period to which the underlying furloughed staff costs relate to.

Investments

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

New and amended standards adopted by the Company

The standards and interpretations listed below have become effective since 1 July 2019 for annual periods beginning on or after 1 January 2020. While the list of new standards is provided below, we note that these new standards do not have an impact on the Company's financial statements

- Amendments to IFRS 3 Definition of a Business
- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 Definition of Material conceptual Framework for Financial Reporting

3 Revenue

	2020 £'000	2019 £'000
Rooms	8,448	36,298
Food and Beverage	3,544	10,128
Other	1,328	6,126
	<u>13,320</u>	<u>52,552</u>

All revenue arises in the United Kingdom. Other revenue includes revenue generated from the health club.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2020 No.	2019 No.
Hotel and administration	408	458

The Berkeley Hotel Limited

Notes (continued)

4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£'000	£'000
Wages and salaries	9,592	12,795
Social security costs	840	1,045
Other pension costs	931	480
	<u>11,363</u>	<u>14,320</u>

One of the directors is remunerated by third party management company Hume Street Management Consultants Limited which charged fees of £3,750,000 (2019: £5,000,000) to Maybourne Hotels Limited, the management company for the hotel and a related group undertaking. An amount of £1,530,000 relates to services provided to Claridge's Hotel (a sister hotel of the Berkeley hotel and under common ownership until 12 December 2017), and an amount of £2,220,000 relates to services provided to the Selene Holdings Limited. The Berkeley incurred £992,000 of the £2,220,000 fee, which is included in the financial statements of the Company.

The other director does not receive any remuneration from this Company for his services provided to the Company but is remunerated by another group entity.

5 Operating profit

This is stated after charging:

	2020 £'000	2019 £'000
Expenses relating to leases of low-value assets	33	33
Depreciation (note 8)	6,205	6,379
Depreciation of right of use assets (note 10)	193	215
Loss on disposal of fixed assets	53	2,056
Furlough income (other income)	(3,855)	-
Amortisation	450	450
Cost of stocks recognised as an expense	901	2,490
	<u></u>	<u></u>
Auditor's remuneration	2020 £'000	2019 £'000
Audit of these financial statements	70	35
	<u></u>	<u></u>
Amounts receivable by the auditors and their associates in respect of:		
Other services relating to taxation	-	26
	<u></u>	<u></u>

The Berkeley Hotel Limited

Notes (continued)

6 Finance costs

	2020 £'000	2019 £'000
External bank loans	7,656	8,325
Amortisation of loan issue expenses	1,813	32
Interest arising on pension liabilities	-	1
Interest on lease liabilities (note 10)	298	301
Interest arising on corporation tax liability	-	4
	<hr/>	<hr/>
Finance costs	9,767	8,663
	<hr/>	<hr/>

The Company secured a new 10 year loan on 1 April 2020 with Deutsche Pfandbriefbank AG which replaced the Murabaha facility and matures on 5 February 2030. This refinancing resulted in the Company reducing its debt from £236.6 million to £182.5 million and securing a competitive all-in annual interest rate of 2.7%, compared with 3.5% previously. Arrangement fees incurred in relation to this new facility of £1,673,000 have been capitalised and in line with the group's accounting policies and are amortised over the period of the loan using the effective interest method. £126,000 was amortised in the year ended 31 December 2020. Arrangement fees previously offset against old loan facilities and exit fees payable totalling £1,665,000 were immediately recognised in the profit and loss account

7 Income taxes

	2020 £'000	2019 £'000
Amounts recognised in profit or loss		
Current tax		
UK corporation tax	-	-
	<hr/>	<hr/>
Adjustment in respect of prior years	(66)	(861)
	<hr/>	<hr/>
Total current tax (credit)/charge	(66)	(861)
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of temporary differences	(4,175)	947
Adjustments in respect of prior periods	(185)	128
Impact of change in tax rates	2,003	(88)
	<hr/>	<hr/>
Total deferred tax (credit)/ charge	(2,357)	987
	<hr/>	<hr/>
Total tax (credit)/charge in the income statement	(2,423)	126
	<hr/>	<hr/>

The Berkeley Hotel Limited

Notes (continued)

7 Income taxes (continued)

Reconciliation of tax (credit)/charge	31 December 2020 £'000	31 December 2019 £'000
Profit/(loss) on ordinary activities before tax	9,304	(2,682)
Profit/(loss) on ordinary activities before tax at the standard corporation tax rate in UK of 19.00% (2019: 19.00%)	1,768	(510)
Group relief surrendered/(received) not paid for	-	69
Expenses not deductible for tax purposes	276	357
Non taxable income	(5,848)	-
Corporate Interest Restriction	(407)	-
Prior period adjustments to capital gains	-	466
Impact of change in tax rates	2,003	(88)
Disallowable interest in relation to corporate interest restriction	-	578
Adjustments to tax charge in respect of previous periods	(252)	(733)
Other	37	(13)
Total tax (credit)/charge	(2,423)	126

Factors which may affect future tax charges

The enacted main rate of corporation tax was reduced from 20% to 19% from 1 April 2017 and further reduced to 17% from 1 April 2020. In the Finance Act 2020, it was announced that the enacted reduction in the main rate of corporation tax effective 1 April 2020 would not take place. In the Finance Act 2021, it was further announced that the rate of corporation tax would rise to 25% from 1 April 2023. However, this change was not substantively enacted as at the balance sheet date and hence has not been taken into account in measuring deferred tax in these financial statements. The Group's future tax charge could be affected by numerous factors including, but not limited to, any future consequences of the UK leaving the European Union and any tax reforms adopted from the OECD's BEPS actions such as those in relation to the deductibility of interest, anti-avoidance or transfer pricing. No quantification of these changes is currently possible due to uncertainty around when any currently proposed rules will be enacted or effective.

The Berkeley Hotel Limited

Notes (continued)

8 Tangible fixed assets	Freehold/Long leasehold land and buildings £'000	Structural improvements £'000	Assets under the course of construction £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
Cost					
At 31 December 2019	134,706	23,067	28,930	89,325	276,028
Additions	-	-	18,293	-	18,293
Reclassification	-	504	(1,048)	544	-
Disposals	(17)	-	-	(590)	(607)
At 31 December 2020	134,689	23,571	46,175	89,279	293,714
Accumulated depreciation					
At 31 December 2019	-	2,343	-	52,301	54,644
Disposals	-	-	-	(554)	(554)
Charge for the year	-	963	-	5,242	6,205
At 31 December 2020	-	3,306	-	56,989	60,295
Net book value					
At 31 December 2020	134,689	20,265	46,175	32,290	233,419
At 31 December 2019	134,706	20,724	28,930	37,024	221,384

At 31 December 2020 Deutsche Pfandbriefbank AG held a first fixed charge over all property, buildings, fixtures, fittings and fixed plant and machinery at the The Berkeley Hotel and a floating charge over all of the Company's assets in respect of the amounts owed by the Company at the year end of £179.3 million (2019: owed to Barwa Bank £230.7 million).

Assets under the course of construction relate to the enabling/shell and core works on the second phase of the development project of the Berkeley which includes uplifting the existing stock and development of the freehold wing of the property.

In accordance with the Company's accounting policies, the directors undertake an annual review of the carrying value of all other property, plant and equipment to determine whether there is any indication of impairment. An impairment test was performed at 31 December 2020 by comparing the carrying amount of these assets to their recoverable amounts.

The recoverable amount is determined as the higher of value in use and fair value less costs of disposal. In determining an asset's recoverable amount the directors are required to make judgements, estimates and assumptions that impact on the carrying value of the properties. The estimates and assumptions used are based on historical experience and other factors that are believed to be reasonable based on information available. At 31 December 2020, the fair value of the hotel as determined by JLL was significantly higher than the carrying amount. The directors conclude that the carrying value of property, plant and equipment is not impaired at 31 December 2020.

The Berkeley Hotel Limited

Notes (continued)

9 Intangible assets

Reconciliation of carrying amount

	Intellectual property £'000 Group
Cost	
At 31 December 2019	4,500
	<hr/>
At 31 December 2020	4,500
	<hr/> <hr/>
<i>Accumulated amortisation and impairment losses</i>	
	£'000
At 31 December 2019	2,700
Amortisation	450
	<hr/>
At 31 December 2020	3,150
	<hr/> <hr/>
Net book value	
At 31 December 2019	1,800
	<hr/>
At 31 December 2020	1,350
	<hr/> <hr/>

In 2013, the company purchased back certain intellectual property from Maybourne Management Services Limited, a company with common directors, for £4.5 million, being its estimated fair value. The fair value was calculated using the Royalty Relief approach which is widely considered to be the most appropriate means of determining the value of intellectual property. Amortisation of this intangible over 10 years commenced in the financial year ended 31 December 2013.

The Berkeley Hotel Limited

Notes (continued)

10 Leases

Right-of-use assets	Property £'000	Vehicles £'000	Total £'000
Balance at 1 January 2020	6,401	109	6,510
Depreciation expense	(97)	(96)	(193)
Balance at 31 December 2020	6,304	13	6,317

Lease Liabilities	31 December 2020 £'000	31 December 2019 £'000
Balance at 1 January 2020	6,719	6,606
Additions during the year	-	119
Interest	298	301
Payments	(275)	(307)
Balance at 31 December 2020	6,742	6,719
Non-current	6,704	6,597
Current	39	122
Balance at 31 December 2019	6,743	6,719

Amounts recognised in Income statement	31 December 2020 £'000	31 December 2019 £'000
Interest on lease liabilities	(298)	(301)
Depreciation of right of use assets	(193)	(215)
Expenses relating to short-term leases	(144)	-
Expenses relating to leases of low-value assets	(35)	(33)
Total amount recognised in profit or loss	(670)	(549)

The Berkeley Hotel Limited

Notes (continued)

10 Leases (continued)

Leases - Estimating the incremental borrowing rate IFRS 16.26

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable market interest rates adjusted to reflect the terms and conditions of the lease. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate as at 1 January 2020. The weighted-average rate applied is 4.4%.

Non-cancellable lease rentals are payable on certain plant and machinery, motor fleet contract hire and leased buildings. These represent the minimum undiscounted future lease payments in aggregate that the Company is required to make under existing lease

	2020 £'000	2019 £'000
Less than one year	389	492
Between one and five years	1,287	1,298
More than five years	36,347	36,611
	<hr/>	<hr/>
	38,023	38,401
	<hr/>	<hr/>

11 Investments

Investments in subsidiary undertakings

	2020 £'000	2019 £'000
At cost and net book value		
At beginning and end of year	-	6
Investment in subsidiary written off	-	(6)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The Company's direct subsidiary undertakings The Minema Limited and The Berkeley Hotel (49907) Company Limited were dissolved on 15 October 2019. The value of the company's investments in these subsidiaries was therefore written off in the prior period.

On 15 October 2019 the Company received a non cash dividend from its subsidiary The Berkeley Hotel (49907) Company Limited for the amount of £6,000.

On 13 March 2020 the Company sold the entire £1 share capital of Goldrange Properties Limited ("the entity") to Selene S.A.R.L. for an amount of £102,709; an entity registered in Luxembourg and an intermediate parent undertaking of the company.

The Berkeley Hotel Limited

Notes (continued)

11 Investments (continued)

This consideration receivable of £102,709 representing the book value of Goldrange Properties net assets at the date of disposal was then assigned to Selene Midco Limited, the company's immediate parent undertaking. The consideration receivable of £102,709 was offset by a distribution of the same amount which was made by the Company to Selene Midco Limited. A deemed distribution of £30,675k is recognised to reflect the difference between the book value and the fair value of the net assets of the entity.

12 Stocks	2020 £'000	2019 £'000
Raw materials and consumables	1,037	1,039

The replacement cost of stocks did not differ significantly from the amounts shown above.

13 Trade and other receivables	2020 £'000	2019 £'000
Trade debtors	937	4,803
Amounts owed by group undertakings	69,865	78,227
Amounts owed by related party	384	518
Other debtors	26	121
Other taxes and social security	175	1,718
Prepayments and accrued income	670	1,194
	72,057	86,581

Amounts included within debtors are unsecured, interest free and repayable on demand.

14 Trade and other payables	2020 £'000	2019 £'000
Trade creditors	734	1,741
Amounts owed to group undertaking	11,038	7,724
Amounts owed to related party	70,926	97
Other taxes and social security	-	2,308
Other creditors	386	274
Accruals and deferred income	2,371	2,612
	85,455	14,756

The Berkeley Hotel Limited

Notes (continued)

15 Loans and borrowings

	2020 £'000	2019 £'000
Non current liabilities		
Secured bank loans	-	227,072
	<hr/>	<hr/>
	-	227,072
	<hr/>	<hr/>
	2020 £'000	2019 £'000
Current liabilities		
Secured bank loans	179,284	3,499
Accrued interest	749	1,457
	<hr/>	<hr/>
	180,033	4,956
	<hr/>	<hr/>

The Company secured a new 10 year loan on 1 April 2020 with Deutsche Pfandbriefbank AG., which replaced the Murabaha facility and matures on 5 February 2030. This refinancing resulted in the Company reducing its debt from £230.5 million to £179.3 million and securing a competitive all-in annual interest rate of 2.7%, compared with 3.5% previously. The security package for the bank loans comprises cross company guarantees supported by debentures giving a fixed and floating charge over all the assets of the group.

Offset against bank loans are loan arrangement fees of £1,673,000 which, in line with the group's accounting policies, are amortised over the period of the loan using the effective interest method. £126,000 was amortised in the current period.

At the balance sheet date the Company had secured a covenant waiver with the lender until August 2021 in relation to the Debt to EBITDA covenant. As a result, the Company does not have an unconditional right to defer the settlement of liability for at least twelve months after the balance sheet date. The loan has therefore been classified as part of current liabilities as at 31 December 2020.

On 2 November 2021 the company secured a further waiver of the Debt to EBITDA covenant up until 5 February 2023.

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Excellency Sheikh Hamad Bin Jassim Bin Jaber Al Thani, pledging to support the Company should this be required for a period of at least 12 months from the date of the signing of the financial statements.

The Berkeley Hotel Limited

Notes (continued)

16 Deferred tax assets and liabilities

Recognised deferred tax (assets) and liabilities

	2020 £'000	2019 £'000
At 1 January	17,211	16,336
(Credited)/charged to profit and loss	(2,357)	986
Deferred tax on remeasurement of pension liability	(60)	(111)
	<hr/>	<hr/>
At 31 December	14,794	17,211
	<hr/>	<hr/>

Deferred tax (assets) and liabilities are attributable to the following:

	Assets 2020 £'000	Assets 2019 £'000	Liabilities 2020 £'000	Liabilities 2019 £'000	Net 2020 £'000	Net 2019 £'000
Depreciation in advance of capital allowances	(1)	(520)	-	-	(1)	(520)
Capital gains on properties	-	-	17,062	17,755	17,062	17,755
Rolled over gains	-	-	612	-	612	-
Tax value of losses carried forward	(2,867)	-	-	-	(2,867)	-
Other temporary differences	(12)	-	-	-	(12)	-
Defined benefit pension scheme	-	24	-	-	-	(24)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net deferred tax (assets)/liabilities	(2,880)	(544)	17,674	17,755	14,794	17,211
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Berkeley Hotel Limited

Notes (continued)

17 Employee benefits

The Coroin Limited Group and Selene Holdings Limited Group operate two pension schemes, a defined benefit scheme and a defined contribution scheme. The defined benefit scheme, The Maybourne Hotels Group Pension and Life Insurance Scheme, which has two sections - Staff and Senior Staff section, closed to new entrants with effect from 1 August 2006. The Maybourne Stakeholder Scheme, a defined contribution scheme, was introduced on 1 August 2006 and is open to all staff if they meet the eligibility criteria.

On 12 December 2017 Maybourne Hotels Limited, The Berkeley Hotel Limited, The Connaught Hotel Limited ("the Selene Employers") were transferred and ceased to be wholly owned subsidiaries of the same ultimate parent of which also owned Claridge's Hotel Limited ("the Transaction"). Up until the date of the transaction The Selene Employers were participating employers in the The Maybourne Hotels Group Pension and Life Insurance Scheme ("the Scheme") in respect of some of their employees. Claridge's Hotel Limited is the principal employer under the Scheme rules.

As a consequence of the Selene Employers not having a common ultimate parent with Claridge's Hotel Limited following the Transaction, the continued participation in the Scheme by the Selene employers required the agreement with the Trustees of the Scheme ("the Trustees") and Claridge's Hotel Limited. Interim agreement through a Memorandum of Understanding ("MOU") was reached on 11 December 2018 between the employers (including the Selene employers) and the Trustees that they will use reasonable endeavours to ensure that the actuarial valuation of the Scheme as at 31 March 2018 will be completed by 30 June 2019 and they will use all reasonable endeavours to ensure that a long term funding and investment strategy will be agreed by 30 June 2019. The MOU also documented that if the matters referenced above were agreed and documented to the satisfaction of the Trustees by 30 June 2019 the Trustees and Employer will take such steps as are necessary to allow the Selene or "Relevant" Employers (Maybourne Hotels Limited, The Berkeley Hotel Limited and The Connaught Hotel Limited) to continue to participate in the Scheme after 30 June 2019, such that no debt becomes due under section 75 of the Pensions Act 1995 on or before 30 June 2019 by reason of an actual or deemed employment-cessation event.

On 27 June 2019 the Employers including the Relevant Employers confirmed to the Trustees their acceptance of the 31 March 2018 valuation and confirmed their agreement to the proposals documented in the Trustees letter to the company dated 17 June 2019 confirming the continued participation in the scheme by the Relevant Employers should agreement be reached. The directors therefore consider agreement to have been reached with effect from 27 June 2019 and that section 75 liabilities will not be crystallised on the basis of this agreement including the Trustees agreement for continued participation in the scheme of the Relevant employers. The Relevant employers and Trustees will continue to work together to determine some of the details of the investment strategy and the long term future of the scheme.

It was agreed that obligations in respect of the Scheme shall be allocated between Coroin Limited and Claridge's Limited ("the Coroin Employers") on the one hand and the Selene Employers on the other hand in the ratio 49.5% to 50.5%. It was also agreed that future service contributions would be payable by each of the Employers as a percentage of the pensionable salaries of their respective employees who are members of the Scheme.

Management intend for the Scheme to be operated in this fashion with additional payment obligations above future service contributions being met initially by Coroin Limited on behalf of the Coroin Employers and by The Berkeley Hotel Limited on behalf of the Selene Employers. Accordingly, Coroin Limited recognises 49.5% of the Scheme net pension obligation in its balance sheet and 50.5% of the Scheme net pension obligation (along with the associated deferred tax) were transferred through equity to the balance sheet of The Berkeley Hotel Limited at the year ended 31 December 2017. Full disclosures in relation to the scheme in accordance with the requirements of IAS 19 are therefore provided below.

The Berkeley Hotel Limited

Notes (continued)

17 Employee benefits (continued)

	31 December 2020 £'000	31 December 2019 £'000
Total market value of pension scheme Assets	53,342	46,272
Present value of defined benefit Obligation	(52,324)	(46,416)
Excess of scheme assets over liabilities (liabilities/over assets)	1,018	(144)
Employee retirement benefit Asset/(liability) before tax	1,018	(144)
Related deferred tax (liability)/asset	(193)	24
Employee retirement benefit asset/(liability) after tax	825	(120)

The pension contributions to the defined benefit scheme for both Groups combined are assessed in accordance with the advice of an independent professionally qualified actuary. The most recent actuarial valuation was carried out at 31 March 2018 and revealed a funding deficit of £8,000,000 on the Technical Provisions basis and a deficit of £25,200,000 on the agreed basis for the Scheme's Long Term Funding Target. To achieve that target, the valuation recommended an overall monthly contribution cap of £345,776 (2019: £338,333) from 1 August 2019 until 31 March 2025, the date the Scheme is expected to be fully funded, which includes a contribution for future accrual of benefit at a rate of 46.7% (35.3% to June 2019) of pensionable salaries, contribution in respect of administration and other costs of £24,188 (2019: £23,667) and an additional contribution to the amount of £345,776 minus the above two contributions (2019: £338,333: minus the above two contributions). The valuations employed for IAS 19 purposes have been based on the most recent funding valuations (date of which is noted above) adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2020 and to take account of financial conditions at this date. They have been completed using the projected unit method and assets for this purpose have been valued at market value.

The Berkeley Hotel Limited

Notes (continued)

17 Employee benefits (continued)

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit asset and its components.

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January	46,416	41,818	(46,272)	(40,926)	144	892
Included in profit and loss						
Current service costs	437	334	-	-	437	334
Interest cost/(income)	958	1,231	(975)	(1,230)	(17)	1
Guaranteed Minimum Pensions	-	-	-	-	-	-
	1,395	1,565	(975)	(1,230)	420	335
Included in OCI						
Remeasurements:						
- Actuarial gain/(loss) arising from:						
- demographic assumptions	(949)	180	-	-	(949)	180
- financial assumptions	7,048	4,431	-	-	7,048	4,431
- experience adjustment	-	-	-	-	-	-
- Return on plan assets excluding interest income	-	-	(5,780)	(3,957)	(5,780)	(3,957)
	6,099	4,611	(5,780)	(3,957)	319	654

The Berkeley Hotel Limited

Notes (continued)

17 Employee benefits (continued)

Movement in net defined benefit liability (continued)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset)/liability	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Other						
Transfer of pension obligation and plan assets from Coroin Limited	-	-	-	-	-	-
Contributions paid by the employer	-	-	(2,180)	(2,040)	(2,180)	(2,040)
Benefits paid	(1,586)	(1,578)	1,586	1,578	-	-
Service cost	-	-	279	303	279	303
	<u>(1,586)</u>	<u>(1,578)</u>	<u>(315)</u>	<u>(159)</u>	<u>(1,901)</u>	<u>(1,737)</u>
Balance at 31 December	52,324	46,416	(53,342)	(46,272)	(1,018)	144

The Berkeley Hotel Limited

Notes (continued)

17 Employee benefits (continued)

The Berkeley Hotel Limited, on behalf of Selene employers, is expected to pay £0.5 million in respect of the contribution for future accrual of benefit and £1.5 million in respect of additional contribution.

The fair value of the plans' assets at 31 December is analysed as follows:

	31 December 2020 £'000	31 December 2019 £'000
Investment funds	30,340	26,642
Debt instruments	20,768	17,759
Other	2,234	1,871
	<u>53,342</u>	<u>46,272</u>

(b) Defined benefit obligation

(i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 December 2020	31 December 2019
Discount rate	1.30%	2.10%
Inflation rate (RPI)	3.05%	3.10%
Inflation rate (CPI)	2.15%	2.20%
Future pension growth	3.00%	3.05%
Rate of increase of deferred pensions	-	-
Life expectancy at age 65 for pensioners currently aged 65 (years)		
Female	24.0	24.3
Male	21.4	21.7
Life expectancy at age 65 for active members currently aged 45 (years)		
Female	25.1	25.5
Male	22.3	22.8

At 31 December 2020, the weighted average duration of the defined benefit obligation was 17.5 years (2019: 17.5 years).

(ii) Sensitivity analysis

Increasing the discount rate applied by 0.25% would result in a £2.3 million decrease in the net pension liability.

Decreasing the discount rate applied by 0.25% would result in a £2.3 million increase in the net pension liability.

Increasing the inflation rate applied by 0.25% would result in a £2.1 million increase in the net pension liability.

Decreasing the inflation rate applied by 0.25% would result in a £2.1 million decrease in the net pension liability.

The Berkeley Hotel Limited

Notes (continued)

17 Employee benefits (continued)

(ii) Sensitivity analysis (continued)

Increasing life expectancy by 1 year would result in a £2.6 million increase in the net pension liability. Decreasing life expectancy by 1 year would result in a £2.6 million decrease in the net pension liability. The sensitivity analysis has been prepared by the Group's external independent actuaries.

Within Selene Holdings Limited Group, following the departure of Maybourne Hotels Limited, pensions for 30 employees (2019: 47 employees) are funded through the defined contribution scheme. The defined contribution pension cost for the year amounted to £110,525 (2019: £197,100). From 1 April 2014 the Coroin Limited Group introduced the government led Auto-enrolment scheme, a contribution scheme, whereby all employees who are not members of any pension scheme would automatically be enrolled, unless opted out. The Auto-enrolment contribution pension cost for the year amounted to £633,516 (2019: £672,930). Selene Holdings Limited Group actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package. Pensions for 641 employees (2019: 770 employees) are funded through the defined contribution scheme.

The Berkeley Hotel Limited – Company

Pensions for 22 employees (2019: 23 employees) are funded through this scheme. The defined contribution pension cost for the year amounted to £62,028 (2019: £69,413). To comply with the law, the Company auto-enrolled all employees who are not members of any pension scheme from 1 April 2014 – auto-enrolment stakeholder pension scheme. 307 (2019: 344) employees were auto-enrolled in 2020 with a cost for the year of £294,485 (2019: £277,987). The Company actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package.

18 Called up share capital

	2020 £'000	2019 £'000
Authorised, issued, called up, allotted and fully paid		
1,000,000 "A" ordinary shares of £0.1 each	100	100
500,000 "B" ordinary shares of £0.1 each	50	50
	<hr/>	<hr/>
	150	150
	<hr/>	<hr/>

Shares rank equally, except for a dividend and return on capital, where the distribution rights of the "A" shares are 10,000 times those of "B" shares.

19 Capital commitments

	2020 £'000	2019 £'000
Capital commitment (land and buildings)		
Contracted for but not provided for in the accounts	24	25
	<hr/>	<hr/>

The Berkeley Hotel Limited

Notes (continued)

20 Related party disclosures

The company is exempt under the provisions of IAS 24 *Related Party Disclosures* from disclosing related party transactions entered into between two or more 100% owned members of a group.

At 31 December 2020, an amount of £77,000 (2019: £75,000) remains due from Hume Street Management Consultants Limited, the Company's management company in relation to services rendered to them during the year. At the same time an amount of £992,000 (2019: £Nil) remains due to Hume Street Management Consultants Limited at 31 December 2020. This entity is a related party by way of a common director.

At 31 December 2020, an amount of £7,000 (2019: £143,000) remains due from Claridge's Hotel Limited, a company that until 12 December 2017 formed part of the same group. At the same time an amount of £6,000 (2019: £38,000) remains due to Claridge's Hotel Limited at 31 December 2020. This entity is a related party by way of having a common management agreement with Maybourne Hotels Limited.

Coroin Limited, parent company of The Berkeley Hotel Limited until 12 December 2017, remains a related party due to having a common management agreement with Maybourne Hotels Limited. a common management agreement.

Cottage Linen Limited is a related party by way of a common director..

Transactions entered into, and trading balances outstanding at 31 December 2020 are as follows:

	Opening balance 31/12/2019	Loans advanced	Sales/ (purchases)	Payments/ (receipts)	Closing balance 31/12/2020
Related party Asset/(liability)	£'000	£'000	£'000	£'000	£'000
Hume Street Management Consultants Limited	75	-	3	(1)	77
Hume Street Management Consultants Limited	-	-	(992)	-	(992)
Claridge's Hotel Limited	105	-	1	(105)	1
Coroin Limited	(59)	-	(3)	59	(3)
Cottage Linen Limited	300	-	-	-	300
Constellation Hotel Holdings	-	(67,978)	-	-	(67,978)

The Berkeley Hotel Limited

Notes (continued)

21 Ultimate parent company

The company's ultimate parent company and controlling party is Prime Capital S.A., a company incorporated in Luxembourg. This is the largest group in which the results of the company are consolidated.

The ultimate controlling party is His Excellency Sheikh Hamad Bin Jassim Bin Jaber Al Thani.

Selene Holdings Limited, a company incorporated in Great Britain and registered in England and Wales is the smallest group in which the results of the company are consolidated. Copies of those statutory accounts will also be available from its registered office, 27 Knightsbridge, London, SW1X 7LY.

22 Subsequent events

At the balance sheet date the Company had secured a covenant waiver with the lender until August 2021 in relation to the Debt to EBITDA covenant. On 2 November 2021 the company secured a further waiver of the Debt to EBITDA covenant up until 5 February 2023.

There were no other events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.