

Coroin Limited

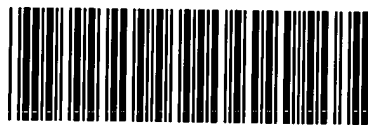
Annual Report and financial statements

Year ended 31 December 2021

Registered number: 05091711

MACFARLANES LLP
20 CURSITOR STREET
LONDON
EC4A 1LT

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Coroin Limited

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Coroin Limited

Directors and other information

Directors	Ziyad Clot Marc Socker Nasir Pasha
Secretary	Jeremy Cape
Registered office	27 Knightsbridge London SW1X 7LY
Auditor	Deloitte LLP 1 New Street Square London EC4A 1HQ
Bankers	Barclays Bank 1 Churchill Place London E14 5HP
Solicitors	MacFarlanes LLP 20 Cursitor Street London EC4A 1LT
Registered number	05091711

Coroin Limited

Strategic report

The directors present their Strategic report for the year ended 31 December 2021.

Activities

The principal activity of the corporate group of which Coroin Limited is the UK intermediate holding company ('the Group' as made up of those entities detailed in note 22 to these financial statements) is the ownership and management of Claridge's, a five star luxury hotel in Central London, 41-43 Brook Street, an investment property under development adjacent to Claridge's and The Maybourne Beverly Hills, a five star luxury hotel in Beverly Hills, California.

Claridge's Hotel

Throughout 2021 the Claridge's development project continued at a great pace, unveiling the new L'Epicerie kitchen, home to a new chef's table, Claridge's Wine Cellar, carefully restored ballroom and event space and The Painter's Room, which attracted global attention in collaboration with artist Annie Morris as the first new bar at Claridge's in over 20 years. Claridge's first ever Cocktail Book was launched in October 2021 with the hotel's first 'bar crawl' a much acclaimed event, which was the perfect opportunity to highlight the bars and focus attention on Claridge's as the place to order a cocktail in the capital. Claridge's Art Space was also launched with a party in October during Frieze Art Fair with an exhibition by Damien Hirst and received global headlines as the first hotel in the world with its own dedicated art gallery. Claridge's underground project won the prestigious Geotechnical Engineering Award 2021. A major refurbishment campaign across guest rooms and suites ensured the hotel was in a prime position as international business started to return to London in August 2021, when all travel restrictions were lifted. Claridge's Christmas Tree 2021 was created by designer of the moment, Kim Jones from Dior.

The Maybourne Beverly Hills Hotel

Eugene Leonard was appointed as General Manager of The Maybourne Beverly Hills in February 2021, and started to oversee a period of gradual refurbishment and restoration throughout the hotel, as well as spearhead a new spirit of innovation. Rooms and suites have been redesigned and refreshed by the highly acclaimed Bryan O'Sullivan throughout 2021. The Terrace restaurant overlooking Beverly Canon Gardens, has established itself as a popular local all-day dining haunt in Beverly Hills, with promotional focus throughout the year on events such as Mother's Day, Easter and Thanksgiving. Signature Maybourne touches such as world class art and colourful flower installations have brought the hotel lobby to life. The Cigar and Whiskey Bar opened in August 2021 and the much anticipated Maybourne Bar designed by Andre Fu opened just in time for New Years Eve 2021.

41-43 Brook Street

This leasehold property is located in the heart of Mayfair, next to Claridge's Hotel. It comprises a Grade II listed Georgian building fronting Brook Street with an attractive garden area and mews building to the rear. It was part let and part owner occupied. This prestigious property was granted full planning permission for conversion into additional rooms for Claridge's in October 2020 and has been incorporated into the redevelopment program. The works have commenced and are expected to finish by Q1 2023.

Management Company

Maybourne Hotels Limited ('Maybourne'), a company in which Coroin Limited indirectly holds a 50% interest, provides companies in the Group with a unique operating platform that supports the Group's hotels in key functions by realising synergies in the areas of reservations, revenue management, sales and marketing and finance. Maybourne management is also responsible for brand building, capital investment planning, as well as finance, purchasing, human resources and IT strategy supporting the Group hotels. The Group's ability to leverage this core functionality acting as one, plays an important role in the overall performance of the hotels and the creation of long term competitive advantage in the face of strong competition.

Coroin Limited

Strategic report (continued)

Business review

The outbreak of COVID-19 pandemic and subsequent government restrictions have severely impacted the results in the year ended 31 December 2021 as a result of the continued lockdowns and restrictions in the first half of the year with only limited business allowed during this period. This is reflected in the top-level key performance indicators listed below.

The pandemic has not slowed down the ongoing development works, which are on schedule to deliver a major transformation of Claridge's Hotel and its Brook Street extension. The first phase of transformation of The Maybourne Beverly Hills, which started in November 2020, with a full refurbishment of 138 guest bedrooms, hotel lobby and new lobby bar was finished in February 2022.

The Group's centralised services platform and group operational synergies are a major point of strength and differentiation amongst its competitors, playing a key role in sustaining industry leading performance, notwithstanding the adverse impact of the pandemic, unknown recovery route and significant increase in London's luxury supply of hotel rooms in recent years.

The Group sought support from the UK and US governments, including UK business rates relief, the utilisation of the UK Coronavirus Job Retention Scheme, and Employee Retention Credit in the US. Details are set out in Note 3.

The key performance indicators for the Group are highlighted in the below table.

	2021	2020
Turnover £ million	61.5	29.7
Operating (loss)/profit £ million	(20.9)	(40.6)
Loss before tax £ million	(53.8)	(102.9)
Adjusted loss before tax £ million*	(57.9)	(70.7)
Gross profit %	39.5	4.8

*Adjusted loss before tax is reconciled to the income statement as follows:

	2021	2020
	£'000	£'000
Loss before tax as per Consolidated income statement	(53,833)	(102,907)
Plus fixed asset impairment (reversals)/charges	(7,117)	30,170
Profit on disposal of fixed assets	3,023	2,075
Adjusted loss before tax	(57,927)	(70,662)

Coroin Limited

Strategic report *(continued)*

Business review *(continued)*

The Group continues to benefit from a diverse geographic client base, targeting premium leisure and corporate guests from international markets, but also from its domestic markets. We do not expect this pattern to change and it is a critical component of the Group's long-term growth plan to balance risk, especially the one posed by COVID-19 during 2021-22 and supply chain constraints from the war in Ukraine. The war has had a minimal impact on business from a customer base perspective.

COVID-19

The directors consider that in the short term, the biggest financial risk facing the Group is the one posed by the continued impact of COVID-19 pandemic and supply chain constraints linked to both the pandemic and war in Ukraine. Measures taken by various governments worldwide, including the UK and US government, to contain the spread of the virus have severely affected the performance of the hotel between March 2020 and June 2021, through both the closure of Claridge's Hotel from 24 March 2020 to 7 September 2020 and guided COVID-19 restrictions in place for the remainder of the period. We have however seen solid recovery in 2021 that has continued into 2022. The travel and leisure markets have slowly recovered with the hotel achieving record level. The average daily rate (ADR) in October and then again in November 2021. The ADR measures the average rental revenue earned for an occupied room per day. In the interim, the directors and management of the Group are working very closely with third parties and ownership to secure sufficient liquidity to meet its obligations, and renegotiating contractual arrangements. The directors are confident such liquidity is secured, predominantly as a result of the continued financial support from the Group's ultimate parent company Regis Investments S.A. and the group's ultimate beneficial owner.

Principal risks and uncertainties

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

- General economic risk – the Group is exposed to general economic risk, including changes in the economic outlook in the hotel and leisure industry. Inevitably the biggest source of financial uncertainty in 2022 is expected to be the prolonged impact of the COVID-19 pandemic and war in Ukraine and the financial and economic uncertainty that these bring. The Group is also exposed to the risk of future government changes in industrial, fiscal, monetary or regulatory policies as well as further restrictions (including restrictions to travel) to combat the spread of the virus.
- Liquidity risk - The Group maintains cash flow and covenant compliance forecast in order to ensure the Group is able to meet its liabilities as they fall due. With effect from 16 April 2020 – "2020 tranche" and 23 January 2021 – "2021 tranche", the Group negotiated with Dukhan Bank (UK Loan arrangements) an amendment to its lending agreements such that the financing return and capital repayments due in the period from 27 January 2020 to 27 October 2020 (2020 tranche) and due 27 January 2021 to 27 October 2021 (2021 tranche) are capitalised and rolled up into the loan balance, maturing on 31 October 2022. The debt service covenant was also waived until 31 March 2022. Dukhan Bank refinanced the principal amount of £396,790,000 upon its maturity on 27th October 2022, for a further 12 months until October 2023. The Group was also able to agree with JP Morgan (US loan arrangements) that debt service costs which are due monthly, would be covered by the monthly withdrawals from debt service reserve and topped up by the parent company which is the case until Q2 2022. These amendments were agreed in order to support the Group's liquidity requirements and offset the impact of the COVID-19 pandemic.

Coroin Limited

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

- Reputation risk – related to hotel prestige and 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, acting within the scope of Modern Slavery Act 2015, money laundering and anti-bribery regulations.
- COVID-19 and the War in Ukraine -The directors consider that in the short term, the biggest financial risks facing the Group are the ones posed by the continued impact of the COVID-19 pandemic as well as rising inflation and energy costs and supply chain constraints linked to the pandemic, the UK's exit from the European Union and the war in Ukraine. Measures taken by various governments worldwide, including the UK government, to contain the spread of the virus severely affected the performance of the hotels in 2020 and 2021. We did however see solid recovery in Quarter 4 2021 that has continued into 2022. The travel and leisure markets have slowly recovered since the pandemic with the hotel achieving record level RevPAR in October and then again in November 2021 although macroeconomic factors including political and economic instability mean that forecasting 2023 performance remains challenging. In the interim, the directors and management of the Company and the Group are working very closely with third parties and ownership to secure sufficient liquidity to meet their obligations, and renegotiating contractual arrangements. The directors are confident that the Company and the Group's liquidity requirements will be met, predominantly through the continued financial support of the Group's ultimate beneficial owner, His Highness Sheikh Hamad Bin Khalifa Al-Thani, further details of which are provided in the going concern note.

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.

Coroin Limited

Strategic report *(continued)*

Section 172(1) statement

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

Streamlined Energy and Carbon Report

The following Streamlined Energy and Carbon Report (SECR) provides environmental impact information in accordance with Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This report covers the SECR requirements of Coroin Ltd who aim to ensure the environment is left in a better condition for future generations, and this strategy underlines the importance of Environmental, and Social Governance (ESG) as well as sustainability, in supporting the future growth and development of the business. The management is working closely with BiU, its procurement agent and to arrange a 100% renewable energy contract, from a reliable solar panel provider from as early as Q3 2023.

Coroin Limited

Strategic report (continued)

Streamlined Energy and Carbon Report (continued)


The company has replaced steam boilers with high efficiency condensing boilers. Energy efficiency is achieved by use of LED lighting in all new design schemes, all the basement and garage lighting was upgraded to LED including occupation sensors to reduce consumption. Variable Speed Drives fitted to all new equipment affording supply on demand levels. Planned Preventative Maintenance (PPM) on all plant helps to extend the life span of plant and prevent degradation and failure and BMS controls to optimise efficient running. Kitchen equipment is now energy-efficient running on Induction and with only four gas grills in use. Free Cooling set up for all Original Air Handling units. Combination boilers have a summer setting where their central heating is turned off completely, and hot water is provided on demand. These boilers also have a temperature setting that will use less energy to adjust the setting to create a better blend of hot and cold water. The increase in Energy Consumption, Carbon Emissions and intensity ratios in the current year are partly due to development works at Claridge's, major refurbishment of the 41-43 Brook Street property as well as post Covid-19 recovery vs. prior year and part closure of the hotel.

	Measure	For the business year 2021	For the business year 2020	Units
Scope 1: Combustion of fuel and operation of facilities. Scope 2: Electricity purchased.	Energy Consumption used to calculate emissions (kWh)	13,422,178	5,865,529	kWh
Scope 1: Combustion of fuel and operation of facilities.	Emissions from the combustion of Fuels (tCO ₂ e)	1,143	566	tCO ₂ e
Scope 2: Electricity purchased and heat and steam generated.	Emissions from Purchased electricity (Location Based) (tCO ₂ e)	1,525	650	tCO ₂ e
	Total Gross	2,668	1,216	tCO ₂
	Intensity Ratio (tCo2e/£m turnover)	63.20	67.59	tCo2e/£m

Methodology

Where practicable, and for the majority of the calculation, primary data has been sourced from Supplier invoices and expense information. In the event that complete datasets are not available, estimated or aggregated data has been used. While a reasonable attempt has been made to provide a complete view, some exclusions have been made on the basis of materiality. All Greenhouse Gas (GHG) emissions have been converted using the UK Government GHG Conversion Factors for Company Reporting published by BEIS/DEFRA against the inputs from the primary data. Emissions from business travel or employees owned vehicles (where the company was responsible for the purchasing of the fuel) was obtained from the Company expense system.

Approved by the Board of directors and signed on behalf of the Board.


Nasir Pasha
Director

23 February 2023

Coroin Limited

Directors' report

Directors and their interests

The Directors of Coroin Limited ('the Company') who held office during the period and to the date of this report were as follows:

Sheikha Lulwah Bint Hamad Al-Thani	Resigned on 25 February 2021
Michele Faissola	Resigned on 25 February 2021
Ziyad Clot	Appointed on 25 February 2021
Marc Socker	Appointed on 25 February 2021
Nasir Pasha	Appointed on 25 February 2021
Jeremy Cape (Secretary)	Appointed on 25 February 2021

Details of Directors' interests are set out in note 22.

Directors' liabilities

An indemnity has been granted to one or more of its Group's directors and officers 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.

Dividends

During the period no dividends were paid or proposed (2020: £nil) during the year and up to the date of signing the financial statements.

Post balance sheet events

Disclosures in relation to post balance sheet events are set out in note 24.

Future developments

The Group will continue to have a strong focus on enhancing, investing in and further developing its iconic hotels, reflected by the ongoing development works at Claridge's, major refurbishment of the 41-43 Brook Street property adjacent to Claridge's Hotel and transition of The Maybourne Beverly Hills Hotel.

The Group's management recognises the inevitable negative impact the outbreak of COVID-19 has had on the 5-star luxury hospitality industry in London and Los Angeles and has taken necessary steps to minimise liquidity risk by negotiating an amendment to its financing arrangement to either capitalise interest and principal repayments due in 2022 or utilise certain reserves. In addition, the Company has utilised certain support initiatives offered by the UK and US governments and managed its discretionary cost base appropriately. During 2023, the Group has not utilised any support initiatives and resumed Debt service as the hotels recovered from COVID.

The potentially adverse impact of COVID-19 and the War in Ukraine is discussed in strategic report.

The directors believe that the worldwide economic and geopolitical events, particularly the war in Ukraine that started in February 2022, will continue to affect the Group hotels' trading conditions, but that the hotels are well placed to either address those risks or leverage the opportunities accordingly.

The Group's actual performance and projections for remainder of 2023 and Q1 2024 show gradual improvement year on year with return of operating profits from February 2022 (UK) and June 2022 (US) following the complete easing of restrictions in UK and US

Coroin Limited

Directors' report (*continued*)

Future developments (*continued*)

Dukhan Bank refinanced the principal amount of £396,790,000 upon its maturity on 27th October 2022, for a further 12 months until October 2023. All the current outstanding principal amounts were consolidated into a single loan with Murabaha of £396,790,000 and refinanced as a single facility at an interest rate of 5.8317%. The refinanced loan agreement includes two covenants: loan to value not exceeding 61.5 per cent and the debt service cover ratio at a level not less than 1.25:1.00. The directors confirm there are no matters indicating these covenants will not be met.

Equal opportunities and diversity

The Group 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 Group 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 Group, 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 Group's various incentive schemes.

Employees and social responsibility

Coroin group is committed to provide human, in-kind and/or financial support to the local communities where it is present, optimising its social and economic impacts through our team and our network of partners. The aim is to generate prosperity and sustainable development in the communities in which we are present.

Coroin group aims to ensure equal treatment and non-discrimination, encouraging equal opportunities for all employees' in relation to gender, race or religion and promoting measures to ensure employees professional and personal development, rejecting all types of discrimination and boosting internal equality. The group ensures that all employees receive fair and competitive remuneration.

Applications for the employment of disabled people are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of a member of a staff becoming disabled very effort is made to ensure that their employment with Coroin group continues all appropriate training is arranged.

Coroin Limited

Directors' report (*continued*)

Supplier and customer relationships

Coroin group seeks to understand and deliver the expectation of its suppliers and customers, as this is in our mutual interest.

We have a supplier code of conduct that establishes the values and principles required of our suppliers to drive the development of ethical and environmentally sustainable business practices. We also encourage our suppliers and customers to be part of our commitment to sustainability and responsible business conduct, sharing good practices and working together. We inform our suppliers and customers of the measures we have implemented to respect and uphold human rights, and we expect them to do the same. The Group complies with Reporting on Payment Practices and Performance Regulations 2017 and it covers:

- who needs to report
- what needs to be reported
- how the information needs to be reported
- when the information needs to be reported

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.

Political and charitable contributions

The Group made no political contribution (2020: £nil) and £9,998 charitable contributions or donations (2020: £nil, other than free provision of rooms and meals as discussed in strategic report) during the period.

Going Concern

Operating results

The Group's activities, together with the factors likely to affect its future development are set out in the 'Principal risks and uncertainties' section in the Strategic report. The Group's two hotel-owning subsidiaries have been impacted by UK and US government restrictions resulting from the COVID-19 pandemic, with some form of social and travel restrictions in place in early part of 2022. The Group has historically been reliant on the performance of its hotels to meet the Group's debt servicing requirements and associated covenants.

The Group is loss making, predominantly due to the impact of COVID-19 pandemic and interest payable on its borrowings. As at the balance sheet date, the Group had net current liabilities of £401.8 million (2020: net current liabilities of £12.6 million) and net assets of £235.6 million (2020: £240.9 million). The

Coroin Limited

Directors' report (*continued*)

Going Concern (*continued*)

directors have assessed the going concern position of the Group by assessing the cash flow and covenant forecasts of the Group which largely comprises the subsidiaries of Coroin Limited which are hotel owners and operators. These forecasts are prepared for the period to 31 March 2024 (the review period) using base case/downside assumptions, including potential revenue recovery profiles, cost estimates and real estate values as relevant to loan-to-value ratio covenants. The director's believe that further downside scenario such as closure of the hotels due to significant future travel restrictions or lockdowns is sufficiently remote but limited impact of these has been considered. Scenario assuming a drop in Occupancy of 10 percentage points, would lead to a potential reduction in revenue of £9.7m in 2022 and £14.4m in 2023 vs. base case scenario. Further the directors do not believe the potential recession linked to current inflation/slowdown due to Ukraine conflict will have significant impact on its performance for the remainder of 2023.

Capital expenditure

The continued major development project across the Group continues to be funded by the ultimate beneficial owner through the ultimate parent company Regis Investment S.A, directly to the subsidiary as there is confidence in the long-term return on investment and viability of the business.

The Group's projections for 2023 show that the Group is dependent on the support provided by the ultimate beneficial owner for capital expenditure obligations.

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Highness Sheikh Hamad Bin Khalifa Al-Thani, pledging to continue to support the Company in meeting its committed capital expenditure of at least £25.0m up to 31 December 2023. He further confirmed that Regis Investments S.A. has assured the directors via executed letter of support that it would not demand repayment within the next 12 months.

External financing

The Group have two loans with external providers: Dukhan Bank and JP Morgan. Following the year end, the Group refinanced both of their external loans, however, both loans have a maturity date which is within 12 months of the date of these financial statements. Whilst the directors are confident that they will secure refinancing of the loans, as at the date of signing the accounts and the imminent maturity dates, no refinancing agreements have been signed.

Dukhan Bank refinanced the principal amount of £396,790,000 upon its maturity on 27th October 2022, for a further 12 months until October 2023. All the current outstanding principal amounts were consolidated into a single loan with Murabaha of £396,790,000 and refinanced as a single facility at an interest rate of 5.8317%. The refinanced loan agreement includes two covenants: loan to value not exceeding 61.5 per cent and the debt service cover ratio at a level not less than 1.25:1.00. The directors confirm there are no matters indicating these covenants will not be met.

JP Morgan refinanced the principal amount of their loan of \$200,000,000 upon its maturity on 6th January 2023, for a further 90 days with an interest rate of LIBOR + 3.1%. The refinanced loan is secured by a lien and security interest in the Maybourne Beverly Hills hotel property.

Coroin Limited

Directors' report (*continued*)

Going Concern (*continued*)

The directors have started preliminary discussions with the current and various other lenders with a view to refinancing both of these loans. Whilst the directors are confident they will secure refinancing given the loan to value ratio on the assets the loan are secured against (the assets being Claridge's hotel for Dukhan Bank and Maybourne Beverly Hills for JP Morgan), the quality of said assets, the year to date and projected performance of said assets, and the high level of interest cover the performance is projected to generate, no agreements have been signed as at the date of signing the accounts.

Conclusion

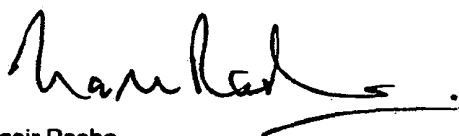
After making enquiries and taking into account the support of the ultimate beneficial owner required for the capital expenditure and the ongoing discussions around future availability of third party financing, the directors have a reasonable expectation that the Company can meet its liabilities as they fall due for a period of at least 12 months from the date on which these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The directors recognise however that there remains uncertainty due to the imminent maturity of the external financing arrangements with JP Morgan and the fact there are ongoing discussions with multiple lenders that have not been finalised at the date of signing these financial statements. In the event the external financial arrangements are not finalised, the directors would be dependent on the ultimate beneficial owner and hence these events and conditions create a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Auditor

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

These financial statements were approved by the Board of Directors on 20 February 2023

Signed on behalf of the Board of Directors



Nasir Pasha
Director

23 February 2023

Coroin Limited

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 elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of Companies Act 2006. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 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.

By order of the board and signed on its behalf by



Nasir Pasha
Director

23 February 2023

Independent auditor's report to the members of Coroin Limited

Independent auditor's report to the members of Coroin Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Coroin Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of other comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of Coroin Limited (*continued*)

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements which indicates that the directors recognise there remains uncertainty due to the imminent maturity of the external financing arrangements with JP Morgan and the fact there are ongoing discussions with multiple lenders that have not been finalised at the date of signing these financial statements. As stated in note 2, these events or

conditions, along with the other matters as set forth in note 2, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Coroin Limited (*continued*)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, property valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for in the following areas, and our specific procedures performed to address it are described below:

- We identified a risk due to fraud in relation to manual revenue journals due to their susceptibility to manipulation. For a sample of these manual journals we performed enquiries to determine the nature of these manual journals to revenue and obtained supportable third party evidence to corroborate; and
- We identified a risk due to fraud in relation to the valuation of plant, property & equipment. This is in response to the large capital investment made during the year and the potential market uncertainty which has impacted the revenue for the group and potential future cash flows. We worked with our valuation specialist to perform a review of the valuation report produced by third party valuer and assessed the valuation assumptions to confirm their reasonableness in line with industry expectations and market performance.

Independent auditor's report to the members of Coroin Limited (*continued*)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:


- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Coroin 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.



Jessica Hodges (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
23 February 2023

Coroin Limited

Consolidated income statement for the year ended 31 December 2021

		2021 £'000	2020 £'000
	<i>Note</i>		
Continuing operations			
Revenue	3	61,513	29,692
Cost of sales		(37,239)	(28,249)
		<hr/>	<hr/>
Gross profit		24,274	1,443
Administrative expenses	4,5	(31,180)	(30,105)
Depreciation and amortisation	8,10,12	(14,019)	(11,910)
		<hr/>	<hr/>
Operating loss	5	(20,925)	(40,572)
		<hr/>	<hr/>
Impairment reversal/(impairment)	8	7,117	(30,171)
Finance costs	6	(40,095)	(32,247)
Finance income	6	70	83
		<hr/>	<hr/>
Net finance costs		(40,025)	(32,164)
		<hr/>	<hr/>
Loss before tax		(53,833)	(102,907)
Income tax credit for the year	7	4,695	5,542
		<hr/>	<hr/>
Loss for the year		(49,138)	(97,365)
		<hr/>	<hr/>

The accompanying notes on pages 26 to 74 are an integral part of these financial statements.

Coroin Limited

Consolidated statement of other comprehensive income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Loss for the year		(49,138)	(97,365)
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	21	368	(272)
Tax on remeasurements of defined benefit liability	7	(152)	52
Revaluation of property, plant and equipment	8	92,503	13,748
Tax on revaluation of property, plant and equipment and investment property	7	(49,186)	(11,934)
Exchange differences on translation of foreign operations		188	514
		<hr/>	<hr/>
Other comprehensive profit, net of tax		43,721	2,108
		<hr/>	<hr/>
Total comprehensive (loss)/income for the year		(5,417)	(95,257)
		<hr/>	<hr/>

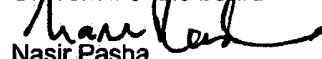
The accompanying notes on pages 26 to 74 are an integral part of these financial statements.

Coroin Limited
Consolidated statement of financial position
as at 31 December 2021

	Note	2021 £'000	2020 £'000
Assets			
Property, plant and equipment	8	1,374,032	1,210,227
Investment property	9	-	-
Intangible assets	10	2,335	2,650
Goodwill	11	2,921	2,921
Right of use assets	12	50,287	50,816
Restricted cash	13	27	4,396
Employee benefits	21	2,926	994
Total non-current assets		1,432,528	1,272,004
Trade and other receivables	15	14,208	10,182
Inventories	14	3,464	3,123
Cash and cash equivalents		2,733	531
Total current assets		20,405	13,836
Total assets		1,452,933	1,285,840
Equity			
Share capital	18	2	2
Additional paid-in capital	18	70,829	70,829
Retained earnings		(190,696)	(141,775)
Revaluation reserve		355,560	312,244
Foreign exchange reserve		(133)	(321)
Total equity		235,562	240,979
Liabilities			
Loans and borrowings	17	556,937	844,134
Lease liabilities	12	58,049	56,208
Other non-current liabilities		32,562	15,135
Deferred tax	7	147,612	102,974
Total non-current liabilities		795,160	1,018,451
Loans and borrowings	17	399,889	8,436
Lease liabilities	12	125	163
Trade and other payables	16	22,197	17,811
Total current liabilities		422,211	26,410
Total liabilities		1,217,371	1,044,861
Total equity and liabilities		1,452,933	1,285,840

The accompanying notes on pages 26 to 74 are an integral part of these financial statements.

On behalf of the board


Nasir Pasha
Director

23 February 2023

Coroin Limited

Consolidated statement of changes in equity for the year ended 31 December 2021

	Share Capital £'000	Additional Paid-in Capital £'000	Foreign exchange reserve £'000	Retained earnings £'000	Revaluation reserve £'000	Total £'000
At 31 December 2020	2	70,829	(835)	(44,190)	310,430	336,236
Comprehensive income						
Loss for the year	-	-	-	(97,365)	-	(97,365)
Other comprehensive income	-	-	514	(220)	1,814	2,108
Total comprehensive income	-	-	514	(97,585)	1,814	(95,257)
At 31 December 2020	2	70,829	(321)	(141,775)	312,244	240,979
Comprehensive income						
Loss for the year	-	-	-	(49,138)	-	(49,138)
Other comprehensive income	-	-	188	217	43,316	43,721
Total comprehensive loss	-	-	188	(48,921)	43,316	(5,417)
At 31 December 2021	2	70,829	(133)	(190,696)	355,560	235,562

The accompanying notes on pages 26 to 74 are an integral part of these financial statements.

Coroin Limited

Consolidated statement of cash flows for the year ended 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
Cash flows from operating activities			
Loss for the financial year		(49,138)	(97,365)
Adjustments for:			
Depreciation of property, plant and equipment	8	13,143	10,801
Depreciation of right-of-use-assets	12	588	141
Amortisation of intangible assets	10	293	958
(Impairment reversal)/Impairment		(7,117)	30,170
Loss on disposal property, plant and equipment	8	3,021	2,075
Finance costs	6	40,025	11,690
Retirement benefit obligations	21	(1,565)	(1,339)
Tax credit	7	(4,695)	(5,542)
		(5,445)	(48,411)
Increase in inventory	14	(342)	(46)
(Increase)/Decrease in trade and other receivables	15	(4,027)	8,782
Increase in trade and other payables	16	4,385	5,733
Net cash (used in) operating activities		(5,429)	(33,942)
Cash flow from investing activities			
Purchase of property plant and equipment	8	(82,764)	(75,495)
Net cash (used in) investing activities		(82,764)	(75,495)
Cash flows from financing activities			
Financing costs	6	(37,210)	(19,627)
Repayment of bank loans	17	-	(5,663)
Repayment of principal portion of lease liabilities	12	(664)	(556)
Receipt of loans from related party	22	108,280	104,853
Receipt of bank loans	17	13,056	15,608
Net cash from financing activities		83,462	94,615
Net decrease in cash and cash equivalents		(4,731)	(14,822)
Restricted cash	13	4,369	146
Exchange differences on translation of foreign operations		2,564	5,374
Cash and cash equivalents at 1 January		531	9,833
Cash and cash equivalents at 31 December		2,733	531

The accompanying notes on pages 26 to 74 are an integral part of these financial statements.

Coroin Limited

Company statement of financial position as at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
Non-current assets			
Investments	25	181,764	181,764
Amounts owed from subsidiary undertaking	25	112,645	109,132
Employee benefits	21	2,926	994
		<u>297,335</u>	<u>291,890</u>
Current assets			
Debtors	25	26	32
		<u>26</u>	<u>32</u>
Creditors: amounts falling due within one year	25	(109,782)	(109,912)
Net current liabilities		<u>(109,756)</u>	<u>(109,880)</u>
Total assets less current liabilities		<u>187,579</u>	<u>182,010</u>
Creditors: amounts falling due after one year	25	(113,239)	(109,572)
Deferred tax	7	(731)	(188)
		<u>(113,970)</u>	<u>(110,160)</u>
Net assets		<u>73,609</u>	<u>72,250</u>
Capital and reserves			
Called up share capital	18	2	2
Additional Paid-in capital	18	70,829	70,829
Retained earnings		2,778	1,419
		<u>73,609</u>	<u>72,250</u>
Total capital and reserves		<u>73,609</u>	<u>72,250</u>

As permitted by section 408(3) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. Total comprehensive income for the period ended 31 December 2021 was £1,359k (2020: £751k).

The accompanying notes on pages 44 and 75 to 78 are an integral part of these financial statements.
On behalf of the board



Nasir Pasha
Director

23 February 2023

Coroin Limited

Company statement of changes in equity for the year ended 31 December 2021

	Share Capital £'000	Paid-in Capital £'000	Retained earnings £'000	Total £'000
At 1 January 2020	2	70,829	668	71,499
Comprehensive income/(loss)				
Profit for the year	-	-	971	971
Other comprehensive loss	-	-	(220)	(220)
Total comprehensive income	-	-	751	751
At 31 December 2020	2	70,829	1,419	72,250
Comprehensive income/(loss)				
Profit for the year	-	-	1,143	1,143
Other comprehensive income	-	-	216	216
Total comprehensive income	-	-	1,359	1,359
At 31 December 2021	2	70,829	2,778	73,609

*The movement in other comprehensive (loss)/ income relates revaluation on the pension contributions to the defined benefit scheme (refer to note 21 for pension details)

Coroin Limited

Notes *(continued)*

1 Reporting entity

Coroin Limited ("the Company") is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006, and is registered in England and Wales. The Company's registered office is 27 Knightsbridge, London, SW1X 7LY. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

Details of the subsidiaries that are audited and the subsidiaries that made use of exemption from the obligation to prepare audited financial statements are contained in note 22 to the financial statements.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in note 22 and in the strategic report on page 2.

2 Basis of preparation and significant accounting policies

Statement of compliance

The consolidated financial statements of the Group, which comprise the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes thereto, have been prepared in accordance with the UK-adopted International Accounting Standards (UK-IAS).

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in the framework.

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

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- property, plant and equipment are measured at fair value;
- investment property is measured at fair value; and
- the defined benefit liability is recognised as the net fair value of the plan assets and the present value of the defined benefit obligation.

Functional currency and rounding

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

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the Group's 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.

The key accounting judgements and estimates in these financial statements include:

Estimates:

- fair value of property, plant and equipment (note 8); and
- discount rate used to determine the IFRS 16 lease liabilities (note 12);

Judgement:

- recognition of deferred tax assets (note 7);

Going concern

Operating results

The Group's activities, together with the factors likely to affect its future development are set out in the 'Principal risks and uncertainties' section in the Strategic report. The Group's two hotel-owning subsidiaries have been impacted by UK and US government restrictions resulting from the COVID-19 pandemic, with some form of social and travel restrictions in place in early part of 2022. The Group has historically been reliant on the performance of its hotels to meet the Group's debt servicing requirements and associated covenants.

The Group is loss making, predominantly due to the impact of COVID-19 pandemic and interest payable on its borrowings. As at the balance sheet date, the Group had net current liabilities of £401.8 million (2020: net current liabilities of £12.6 million) and net assets of £235.6 million (2020: £240.9 million). The directors have assessed the going concern position of the Group by assessing the cash flow and covenant forecasts of the Group which largely comprises the subsidiaries of Coroin Limited which are hotel owners and operators. These forecasts are prepared for the period to 31 March 2024 (the review period) using base case/downside assumptions, including potential revenue recovery profiles, cost estimates and real estate values as relevant to loan-to-value ratio covenants. The director's believe that further downside scenario such as closure of the hotels due to significant future travel restrictions or lockdowns is sufficiently remote but limited impact of these has been considered. Scenario assuming a drop in Occupancy of 10 percentage points, would lead to a potential reduction in revenue of £9.7m in 2022 and £14.4m in 2023 vs. base case scenario. Further the directors do not believe the potential recession linked to current inflation/slowdown due to Ukraine conflict will have significant impact on its performance for the remainder of 2023.

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Going concern (continued)

Capital expenditure

The continued major development project across the Group continues to be funded by the ultimate beneficial owner through the ultimate parent company Regis Investment S.A, directly to the subsidiary as there is confidence in the long-term return on investment and viability of the business.

The Group's projections for 2023 show that the Group is dependent on the support provided by the ultimate beneficial owner for capital expenditure obligations.

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Highness Sheikh Hamad Bin Khalifa Al-Thani, pledging to continue to support the Company in meeting its committed capital expenditure of at least £25.0m up to 31 December 2023. He further confirmed that Regis Investments S.A. has assured the directors via executed letter of support that it would not demand repayment within the next 12 months.

External financing

The Group have two loans with external providers: Dukhan Bank and JP Morgan. Following the year end, the Group refinanced both of their external loans, however, both loans have a maturity date which is within 12 months of the date of these financial statements. Whilst the directors are confident that they will secure refinancing of the loans, as at the date of signing the accounts and the imminent maturity dates, no refinancing agreements have been signed.

Dukhan Bank refinanced the principal amount of £396,790,000 upon its maturity on 27th October 2022, for a further 12 months until October 2023. All the current outstanding principal amounts were consolidated into a single loan with Murabaha of £396,790,000 and refinanced as a single facility at an interest rate of 5.8317%. The refinanced loan agreement includes two covenants: loan to value not exceeding 61.5 per cent and the debt service cover ratio at a level not less than 1.25:1.00. The directors confirm there are no matters indicating these covenants will not be met.

JP Morgan refinanced the principal amount of their loan of \$200,000,000 upon its maturity on 6th January 2023, for a further 90 days with an interest rate of LIBOR + 3.1%. The refinanced loan is secured by a lien and security interest in the Maybourne Beverly Hills hotel property.

The directors have started preliminary discussions with the current and various other lenders with a view to refinancing both of these loans. Whilst the directors are confident they will secure refinancing given the loan to value ratio on the assets the loan are secured against (the assets being Claridge's hotel for Dukhan Bank and Maybourne Beverly Hills for JP Morgan), the quality of said assets, the year to date and projected performance of said assets, and the high level of interest cover the performance is projected to generate, no agreements have been signed as at the date of signing the accounts.

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Going concern (continued)

Conclusion

After making enquiries and taking into account the support of the ultimate beneficial owner required for the capital expenditure and the ongoing discussions around future availability of third party financing, the directors have a reasonable expectation that the Company can meet its liabilities as they fall due for a period of at least 12 months from the date on which these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The directors recognise however that there remains uncertainty due to the imminent maturity of the external financing arrangements with JP Morgan and the fact there are ongoing discussions with multiple lenders that have not been finalised at the date of signing these financial statements. In the event the external financial arrangements are not finalised, the directors would be dependent on the ultimate beneficial owner and hence these events and conditions create a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A number of the Group's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Further information about the assumptions made in measuring fair values is included in note 19 on Financial Instruments and Risk Management.

New and amended standards adopted by the Company

There are no amendments to accounting standard or IFRIC interpretations that are effective for the year ended December 31, 2021 and that had a material impact on the company.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvements with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Basis of consolidation (continued)

in the consolidated financial statements from the date that control commences until the date that control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Investments in subsidiaries are carried at cost less impairment in the financial statements of the company.

Finance income and finance costs

The Group's finance income and finance costs include:

- interest expense;
- interest income;
- the net interest income or expense arising on pension assets; and
- the net gain or loss on hedging instruments that are recognised in profit or loss.

Interest income or expenses is recognised using the effective interest method.

Revenue

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. Rental income is also derived from the office space let by the investment property and various retail outlets.

Cost of sales

Cost of sales represents the direct costs related to the goods and services that are sold in the normal course of business.

Cost is derived from hotel operations, food and beverage costs, and other costs including direct staff and pension costs. Room, food and beverage cost and other costs are recognised in the same period as the revenues to which they relate.

Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise. Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Investment property (continued)

Any gains or losses on the retirement or disposal of investment property, is recognised in the income statement in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are recognised at cost.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Property, plant and equipment are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation

The Group annually reassesses the residual value and useful economic life of freehold properties held by the group. Where there is evidence that residual values exceed carrying values no depreciation is charged. Where the residual value is less than the carrying value, depreciation is charged straight line over the estimated useful economic life.

As a result, on an annual basis the Group 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 group recognises an impairment loss in the profit and loss account.

No depreciation is charged on assets under the course of construction. Other fixed assets are stated at cost less accumulated depreciation.

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

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Depreciation (continued)

Property with residual value less than carrying value	50 years
Plant and machinery	between 2 and 20 years
Fixtures and fittings	between 2 and 20 years
Short leasehold land buildings	between 1 and 5 years
Structural improvements	25 years

Intangible assets

Intangible assets acquired by the Group 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.

Goodwill

Goodwill arising on the acquisition of a business represents the excess of the acquisition cost over the fair value of the identifiable net assets when they were acquired. Goodwill is measured at cost less accumulated impairment losses.

Impairment

At each reporting date, the Group 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. Goodwill is tested annually for impairment.

Cash generating unit (CGU) is defined as 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.

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. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Coroin Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Impairment(continued)

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

Investments

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

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Trade and other receivables

Trade and other receivables are measured at their nominal amount less any allowance for doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

In the statement of cash flows cash and cash equivalents are shown net of short-term overdrafts which are repayable on demand.

Coroin Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Taxation

Income tax expense comprises current tax 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. Current tax also includes any tax arising from dividends.

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 Group 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.

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 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.

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

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Defined benefit plans

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.

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.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and 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.

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.

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Financial instruments (continued)

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.

(i) Financial Liabilities

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all financial assets 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.

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.

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.

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.

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Provisions and contingent liabilities

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

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

3 Revenue

	2021 £'000	2021 £'000	2021 £'000	2020 £'000	2020 £'000	2020 £'000
	UK	US	Consolidated	UK	US	Consolidated
Rooms	21,334	10,631	31,965	5,718	6,809	12,527
Food and Beverage	16,478	8,027	24,505	6,429	3,595	10,024
Other	2,511	2,532	5,043	5,839	1,302	7,141
	40,323	21,190	61,513	17,986	11,706	29,692

All revenue arises from continuing operations in the United Kingdom and the United States of America. Other revenue includes £1.9m (2020: £4.6m) from the UK Coronavirus Job Retention Scheme claimed in the UK. Revenue for rooms is recognised over time and revenue for food and beverage and other income are recognised at a point in time.

Coroin Limited

Notes (continued)

4 Staff numbers and costs

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

	2021 No.	2020 No.
Hotel and administration	721	617

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

	2021 No.	2020 No.
Number of directors	1	1

The Group aggregate payroll costs of these persons were as follows:

	2021 £'000	2020 £'000
Wages and salaries	24,685	19,726
Social security costs	1,014	1,457
Pension costs	1,200	1,205
	26,899	22,388

One of the directors of the Coroin subsidiaries, who resigned, was remunerated by third party management company Hume Street Management Consultants Limited which charged fees of £3,750,000 (2020: £3,750,000) to Maybourne Hotels Limited during the year as set out in note 21(a) of these financial statements. Maybourne Hotels Limited recharged £1,451,000 of this fee to Claridge's Hotel in accordance with the management agreement.

Some of the directors of Coroin Limited and its subsidiaries are remunerated by a Group management company Dilmun LLC, which was paid a consultancy fee of £6,000,000 (2020: £6,000,000) by Regis Investment S.A. the ultimate parent company registered in Luxembourg. The directors do not believe that it is practicable to apportion these amounts between their services as directors of the company and their services as directors of the parent and fellow subsidiary companies. Key Management Personnel received employer pension contributions of £82,570 (2020: £77,046) in the current year. No other benefits were received during the current year.

Coroin Limited

Notes (continued)

5 Operating loss

	2021 £'000	2020 £'000
Operating loss is stated after charging/(crediting):		
Depreciation of property, plant and equipment (note 8)	13,143	10,801
Depreciation of right-of-use-assets and investment property (note 12)	588	151
Amortisation of intangible fixed assets (note 10)	293	958
Cost of Inventory	8,905	3,718
Auditor's remuneration		
- Audit of group and company financial statements	42	40
- Audit of subsidiary financial statement	256	243
-Tax advisory services	-	-
	<u>298</u>	<u>283</u>

Coroin Limited

Notes (continued)

6 Net finance costs

	2021	2020
	£'000	£'000
Interest expense on bank loans and borrowings	26,493	20,445
Interest on special redeemable preference shares	31	30
Interest arising on pension liabilities	(27)	(14)
Amortisation of loan issue expenses and bank fees (i)	310	588
Interest arising on related party loan (Note 22)	10,830	10,642
Interest on lease liabilities (Note 12)	2,458	556
	40,095	32,247
Finance income	(70)	(83)
Net finance costs	40,025	32,164

(i) *Master Murabaha Agreement with Dukhan Bank (previous name Barwa Bank)*

On 11 December 2017 the Claridge's Hotel Holdings Limited entered into a £384,674,000 Master Murabaha Agreement with Dukhan Bank (known now as Dukhan Bank) with final maturity of 31 October 2022. Interest is charged at a rate of 3.5%. Arrangement fees incurred in relation to this new facility of £253,000 were capitalised and in line with the group's accounting policies are amortised over the period of the loan using the effective interest method. £52,000 was amortised in the year ended 31 December 2021. Additional bank fees of £25,000 incurred were recognised as an expense in the year and are included within the table above within interest expense on bank and loan borrowings. Details in relation to the refinancing of Dukhan bank loan is disclosed in the going concern statement.

On 26 April 2020, Claridge's Hotel Holdings Limited agreed with Dukhan Bank to capitalise any interest and capital repayment due in 2020 into a separate facility of £15,608,000, repayable in line with the main loan.

On 23 January 2021, Claridge's Hotel Holdings Limited also agreed to capitalise any interest and capital repayment due in 2021 into a new facility of £19,171,000, repayable in line with the main loan.

On 27th October 2022, Dukhan Bank refinanced the principal amount of £396,790,000, details are set out in Note 24.

Qatar Islamic Bank Q.S.C holds a first fixed charge over all property, buildings, fixtures, fittings and fixed plant and machinery at the Claridge's Hotel and a floating charge over all of the Company's assets in respect of the amounts owed by Claridge's Hotel Holdings Limited.

Loan Agreement with JP Morgan

On 20 December 2019, the Beverly Hills Acquisition LLC entered into a Loan and Security Agreement with JP Morgan Chase Bank, N.A. with a principal amount of \$200,000,000 (£153,268,000) in connection with the purchase of the Montage Beverly Hills Luxury Hotel. Debt issuance costs of \$2,562,000 (£1,963,000) for this loan as well as an additional \$77,000 (£59,000) related to the interest rate cap issuance discussed below was paid in connection with this loan. The unamortized debt issuance costs have been presented net within interest bearing loans and borrowings and in line with the group's accounting policies are amortised over the period of the loan using the effective interest method. \$347,000 (£258,000) was amortised in the year ended 31 December 2021. Interest charged at LIBOR + 3.1%. The Company's obligations under the 2019 Loan Agreement are secured by a lien and security interest in the hotel property.

Coroin Limited

Notes (continued)

7 Income taxes

(a) Amounts recognised in income statement

	2021 £'000	2020 £'000
Current tax		
UK corporation tax charge	-	-
Overseas tax for the period	4	2
Adjustment in respect to previous periods	-	(375)
	<hr/>	<hr/>
Total current tax	4	(373)
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of temporary differences	(8,686)	(7,895)
Adjustment in respect of prior periods	559	699
Impact of changes in tax rates	3,428	2,027
	<hr/>	<hr/>
Total deferred tax credit	(4,699)	(5,169)
	<hr/>	<hr/>
Income tax credit	(4,695)	(5,542)
	<hr/>	<hr/>

The standard rate of UK corporation tax is 19% and therefore 19% applies to the current tax charge arising during the year ended 31 December 2021. Legislation within the Finance Bill 2021 amended this rate to 25.0% with effect from April 2023 and therefore 25.0% has been applied, where applicable, to the entity's deferred tax balance as at the balance sheet date for balances which are expected to reverse after date.

Coroin Limited

Notes (continued)

7 Income taxes

Group reconciliation of effective tax

	2021 £'000	2020 £'000
(Loss) before tax	(53,833)	(102,910)
(Loss) before tax at the standard corporation tax rate in UK of 19.00% (2020:19.00%)	(10,278)	(19,553)
Expenses not deductible for tax purposes	128	544
Impairment	-	2,980
Current year amounts (charged)/credited to STRGL and OCI	(92)	-
Adjustment to tax charge in respect of prior periods	559	324
Amounts not recognised	1,183	15,259
Impact of change in tax rates	3,054	2,027
Property movements	-	(126)
Fixed asset differences	583	-
Difference in overseas tax rate	(371)	(892)
Adjustment to recognise LLP losses	(27)	(14)
State taxes	(1,245)	(3,106)
CIR restriction	2,059	(3,466)
Other amounts	(248)	481
Income tax credit	(4,695)	(5,542)

Coroin Limited

Notes (continued)

7 Income taxes (continued)

Group movements in deferred tax balances

	31 December 2020 £'000	Recognised in profit and loss £'000	Recognised in OCI £'000	31 December 2021 £'000
Deferred tax liabilities				
Property, plant and equipment – capital allowances	(2,859)	(26,624)	-	(29,483)
Tax value of losses carried forward	-	15,042	-	15,042
Property, plant and equipment - Capital gains	16,853	(16,853)	-	-
Financial instruments	(115,663)	(33,884)	-	(149,547)
Other temporary differences	601	47,854	(49,186)	(731)
Corporate interest restriction - allowance	2,149	(1,938)	-	211
Defined benefit pension scheme	8,811	8,085	-	16,896
Valuation allowance	(188)	340	(152)	-
	(12,678)	12,678	-	-
Total	(102,974)	4,700	(49,338)	(147,612)

Group unrecognised deferred tax assets

The following deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can use the benefits of them:

	2021 £'000	2020 £'000
Deferred tax assets		
Tax losses	19,076	13,363
Total	19,076	13,363

Coroin Limited

Notes (continued)

7 Income taxes (continued)

Company Movements in deferred tax balances

	31 December 2020 £'000	Recognised in profit and loss £'000	Recognised in OCI £'000	31 December 2021 £'000
Deferred tax asset				
Tax value of losses carried forward	1,424	(391)	-	1,033
Defined benefit pension scheme	(188)	-	(152)	(340)
Transitional adjustment	(1,424)	-	-	(1,424)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(188)	(391)	(152)	(731)
	<hr/>	<hr/>	<hr/>	<hr/>

Coroin Limited

Notes (continued)

8 Property, plant and equipment

	Freehold land and buildings £'000	Structural improvements £'000	Assets under the course of construction £'000	Fixtures fittings plant and machinery £'000	Group Total £'000
Group Cost					
At 31 December 2020	1,014,463	28,046	147,631	54,803	1,244,943
Additions	-	-	82,765	-	82,765
Disposal	(1,895)	(150)	-	(978)	(3,023)
Transfer	-	(1,623)	-	(6,737)	(8,360)
Exchange differences on translation of foreign operations	(2,384)	-	(24)	(7)	(2,415)
Revaluation	90,995	-	-	1,022	92,017
Reclassification	223	44,406	(85,258)	40,629	-
At 31 December 2021	1,101,402	70,679	145,114	88,732	1,405,927
Depreciation					
At 31 December 2020	30,791	-	-	3,925	34,716
Charge for the year	3,063	1,623	-	8,457	13,143
Transfer	-	(1,623)	-	(6,737)	(8,360)
Impairment reversal	(7,604)	-	-	-	(7,604)
At 31 December 2021	26,250	-	-	5,645	31,895
Net book value					
At 31 December 2021	1,075,152	70,679	145,114	83,087	1,374,032
At 31 December 2020	983,672	28,046	147,631	50,878	1,210,227

Coroin Limited

Notes (continued)

8 Property, plant and equipment (continued)

Qatar Islamic Bank Q.S.C holds a first fixed charge over all property, buildings, fixtures, fittings and fixed plant and machinery at the Claridge's Hotel and a floating charge over all of the Company's assets in respect of the amounts owed by Claridge's Hotel Holdings Limited at the period end of £396.8 million (2020: £383.2 million) to Dukhan Bank, the primary lender. It was due to be repaid on 31/10/2022, however Dukhan Bank refinanced the principal amount of £396.8 million on 27th October 2022, details of which are set out in Note 24. All the current outstanding principal amounts will be consolidated into a single commodity Murabaha and will be refinanced as a single facility on the terms and conditions to be discussed and agreed prior to maturity, particularly with regard to the margin to be applied as well as settlement terms.

On 20 December 2019, the Group acquired Montage Beverly Hills Hotel. The fair value of tangible fixed assets acquired was \$418,229,000 (£320,507,000).

Following the valuation of UK property, plant and equipment by Jones Lang LaSalle carried out for 31 December 2021, there has been impairment of £Nil (2020:£15,686,000) to the leasehold property, previously recognised as investment property and £Nil (2020: £2,594,000) to plant and equipment, both immediately recognise in the profit and loss account.

Following the valuation of US property, plant and equipment by Cushman & Wakefield carried out for 31 December 2021, there has been impairment reversal of £7,604,512 (2020 : Impairment of £15,264,000) to the freehold property, also immediately recognised in the profit and loss account.

If property, plant and equipment were measured using the cost model, the carrying amounts would be as follows:

	31 December 2021 £'000	31 December 2020 £'000
Cost	1,317,192	1,237,451
Accumulated depreciation	(105,949)	(92,806)
Net book value	1,211,243	1,144,645

Coroin Limited

Notes (continued)

8 Property, plant and equipment (continued)

Description of valuation techniques used and key inputs to valuation on property plant and equipment:

Property type	Valuation technique	Significant unobservable inputs	2021	2020
Claridge's Hotel	Discounted cash flow	Discount rate	6.50%	6.75%
		Terminal cap rate	3.25%	3.25%
		Occupancy	68%-74%	53%-75%
		ADR growth	1.6%-13.3%	1.2%-3.6%
		FF&E maintenance	2.5%-5%	2.5%-5%
		Capital deductions	£36.3m	£93m
The Maybourne Beverly Hills	Discounted cash flow *	Discount rate	6.75%	6.00%
		Terminal cap rate	5.7%	5.7%
		Occupancy	80%	80%
		ADR growth	3.0%-18.0%	3.0%-34.0%
		FF&E maintenance	4%	4%
		Capital deductions	\$83.9m	\$94.7m
Offices (last year included in investment property note 10)	Investment method	Void + Rent free	-	-
		ERV	-	-
		Equivalent yield	-	-
		Letting fees	-	-
		Capital deductions	-	-
		Discount rate	6.75%	6.75%
		Terminal cap rate	4.0%	4.0%
		Capital deductions	48.3m	56.7m

* Purchase price adjustment was needed to the fair value of the acquired hotel, on a pro-rata basis of the component values to equal the final purchase price of \$415m.

In 2021, given the progress made with the hotel refurbishment, the valuation is performed, so as to reflect the refurbishment costs and expected increased capacity. The discount rate represents underlying assumptions to reflect the execution risk in the plan. Significant increases/(decreases) in

Coroin Limited

Notes (continued)

8 Property, plant and equipment (continued)

ADR growth and occupancy in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in capital deductions and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Changes in planning status may also result in a significant change in the fair value of property under development.

9 Investment property

	Leasehold land and buildings 2021 £'000	Leasehold land and buildings 2020 £'000
Group		
Cost		
Total investment properties balance as at 1 Jan	-	41,623
Additions – work in progress	-	2,412
Adjustment in respect of leased investment properties	-	(24,300)
Disposal	-	(4,049)
Impairment	-	(15,686)
At 31 December	-	-

The fair value of 41-43 Brook Street property was disclosed as investment property until year end 31 December 2019. In 2020, the fair value of the property has been reclassified as part of Property, plant and equipment (note 8).

The significant unobservable inputs have been included in the table in note 8.

10 Intangible assets

Reconciliation of carrying amount

	2021 £'000 Group	2020 £'000 Group
Intellectual property		
Cost		
At 1 January	2,650	3,669
Acquisition	-	-
Amortisation	(293)	(958)
Exchange differences on translation of foreign operations	(22)	(61)
At 31 December	2,335	2,650

The Group's finite-lived intangible assets include advanced bookings which represents the value of bookings that contractually existed at the time of the acquisition of Montage Beverly Hills Hotel on 20 December 2019 and residential condo rental revenue asset which represents the estimated value of future residential condo rental revenue.

Coroin Limited

Notes (continued)

11 Goodwill

	31 December 2021 £'000	31 December 2020 £'000
<i>Cost</i>		
At beginning the year	2,921	2,921
Net book value		
At end of year	2,921	2,921

The goodwill recognised relates to the goodwill created on the purchase of the hotels as cash generating units at fair market value in 2005. The goodwill relates to the hotels only and no goodwill has been recognised on the other assets held by the Group. The Group accounts for acquisitions using the purchase accounting method as outlined in IFRS 3 Business Combinations.

The recoverable amount of the cash generating units is based on the fair value, less cost of disposal estimate. Valuations were carried out by independent external valuers. The Group tests goodwill annually for impairment. At 31 December 2021, the fair value, and hence the recoverable amount was deemed to be significantly higher than the carrying amount of the Group as cash generating units. There is no reasonable, foreseeable change in assumptions that would adversely impact on the carrying value of goodwill. The directors conclude that the carrying value of goodwill is not impaired at 31 December 2021.

12 Leases

	Property 2021 £'000	Property 2020 £'000
Right-of-use assets		
Balance at 1 January 2021	50,816	402
Additions during the year	58	50,566
Depreciation expense	(588)	(151)
Exchange differences on translation of foreign operations	1	(1)
Balance at 31 December 2021	50,287	50,816
Lease Liabilities	31 December 2021 £'000	31 December 2020 £'000
Balance at 1 January	56,371	10,390
Additions during the year	58	46,692
Interest	2,458	556
Payments	(664)	(588)
Exchange differences on translation of foreign operations	(50)	(679)
Balance at 31 December	58,173	56,371

Coroin Limited

Notes (continued)

12 Leases (continued)

	31 December 2021 £'000	31 December 2020 £'000
Non-current	58,049	56,208
Current	125	163
Balance at 31 December	58,173	56,371
Amounts recognised in Profit or Loss	31 December 2021 £'000	31 December 2020 £'000
Interest on lease liabilities	(2,458)	(556)
Depreciation of right of use assets and investment property	(588)	(151)
Expenses relating to short-term leases	-	(10)
Expenses relating to leases of low-value assets	(60)	(39)
Total amount recognised in profit or loss	(3,106)	(756)

Leases - Estimating the incremental borrowing rate IFRS 16.26

Right of use assets

Right-of-use assets of which the underlying asset meets the definition of investment property under IAS 40 Investment Property were recognised and presented separately in the statement of financial position. These leases were previously classified as operating leases and the Group did not classify and account for any property held under an operating lease as investment property.

The group has elected to initially measure the investment property right-of-use asset at an amount equal to the lease liability at 1 January 2019 and subsequent measurement will be at fair value in line with the measurement rules set out in IAS 40. The lease liability at the date of initial application was recognised based on is the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group 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 Group 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 Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable market interest rates adjusted to reflect the terms and conditions of the lease. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate as at 1 January 2020. The weighted-average rate applied is 3.52%.

The additions during the year relate to lease modifications including lease extensions and reclassification from investment property as set out in note 9.

Coroin Limited

Notes (continued)

12 Leases (continued)

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 group is required to make under existing lease arrangements.

	31 December 2021 £'000	31 December 2020 £'000
Less than one year	910	619
Between one and five years	5,872	5,933
Beyond five years	626,362	626,362
	<u>633,144</u>	<u>632,914</u>

13 Restricted cash

Under the terms of the debt agreement, the Group is required to maintain certain debt service reserves, cash collateral and operating fund accounts that have been classified as restricted cash. The restricted cash maintained in the period is £27k (\$37k).

14 Inventory

	31 December 2021 £'000	31 December 2020 £'000
Raw materials and consumables	3,464	3,123

The directors are of the opinion that the net realisable value of inventory is greater than the carrying value. There was no material write down of inventories to net realisable value during the year ended 31 December 2021 (2020: £nil).

15 Trade and other receivables

	31 December 2021 £'000	31 December 2020 £'000
Trade receivables	4,331	2,945
Amounts owed by related parties (note 22)	5,413	559
Taxes and social security	1,731	5,142
Other receivables	1,004	965
Prepayments	1,729	571
	<u>14,208</u>	<u>10,182</u>

Trade and other receivables includes a bad debt provision of £675k (2020: £674k).

All amounts owed by group companies and related parties arise mainly from trading transactions and are unsecured, interest free and repayable on demand.

Coroin Limited

Notes (continued)

16 Trade and other payables

	31 December 2021 £'000	31 December 2020 £'000
Trade payables	4,723	1,750
Amounts owed to group undertakings	-	2,614
Amounts owed to related parties (note 22)	5,491	5,904
Taxes and social security	2,557	1,565
Corporation tax	721	721
Other payables	1,802	706
Accruals	3,275	1,327
Capital accruals	3,627	3,224
	22,197	17,811

All amounts owed to group companies and related parties arise mainly from trading transactions and are unsecured, interest free and repayable on demand.

17 Loans and borrowings

	Interest rate	Maturity	31 December 2021 £'000	31 December 2020 £'000
Non current liabilities				
Secured bank loans – Dukhan bank(i)	3.5%	31 October 2022	-	377,537
Secured bank loans – JP Morgan(i)	LIBOR + 3.1%	9 January 2023	144,716	145,250
Special redeemable preference shares (ii)	7.05%		594	563
Amounts owed to ultimate parent company – acquisition of US operations (iii)	LIBOR + 6.5%	20 December 2027	112,645	109,132
Amounts owed to ultimate parent company – ongoing development(iii)	2.94% - 3.54%		298,982	211,652
			556,937	844,134
Current liabilities				
Secured bank loans (i)	3.5%	31 October 2022	396,790	5,663
Accrued interest			3,099	2,773
			399,889	8,436

(i) Secured bank loans

Master Murabaha Agreement with Dukhan Bank (previous name Barwa Bank)
Details of the agreement are contained in note 6 to the financial statements.

Coroin Limited

Notes (continued)

17 Loans and borrowings (continued)

(i) Secured bank loans (continued)

Loan Agreement with JP Morgan

Details of the agreement are contained in note 6 to the financial statements.

(ii) Special redeemable preference shares

	31 December 2021 £'000	31 December 2020 £'000
Opening balance at 1 January 2021	563	533
Accrued interest	31	30
	<hr/>	<hr/>
Closing balance at 31 December 2021	594	563
	<hr/>	<hr/>

Special redeemable preference shares are redeemable at the company's option and on redemption an amount equal to £1 in respect of each redeemable preference share shall be paid. Special redeemable preference shareholders have the right to receive notice of, attend and speak at the general meetings of the company but not to vote at these meetings.

Special redeemable preference shares are redeemable at the Company's option and on redemption an amount equal to the nominal value of the shares and interest of 0.019178% per day from 14 May 2004 date until redemption date shall be paid. Special redeemable preference shareholders have the right to receive notice of, attend and speak at the general meetings of the Company but not to vote at these meetings.

(iii) Amounts owed to ultimate parent company

On 20 December 2019 Regis Investments S.A injected \$234.4m (£179.6m) into the Coroin Limited Group to fund the acquisition of Montage Beverly Hills hotel by Beverly Hills Acquisition LLC. 4.5% margin is charged on \$142m with a maturity date 20 December 2027. 4.5% margin is charged on £298.9m (2020: £211.6m) representing the funds advanced by Regis Investment S.A. to fund ongoing development works at Claridge's. The loan was treated as related party creditor repayable on demand until year ended 31 December 2019. In 2020 it was reclassified as long term debt, and remains this in 2021, as Regis Investment S.A. assured directors it would not demand repayment within the next 12 months. In 2020 Regis Investments S.A. advanced £76,500,000 (2020: £90,304,000) to Claridge's Hotel Limited to support the ongoing development works in the hotel. In 2020 this loan was reclassified as long term debt as Regis Investment S.A. assured directors via executed letter of support that it would not demand repayment within the next 12 months. Interest of £10,830,000 (2020: £5,501,000) was accrued on the loan.

Coroin Limited

Notes (continued)

18 Capital and reserves

Called up share capital and share premium

	31 December 2021 £'000	31 December 2020 £'000
Share capital - company		
<i>Authorised:</i>		
3,173 'A' ordinary shares £0.1 each	0.3	0.3
3,058 'B' ordinary shares £0.1 each	0.3	0.3
3,133 'C' ordinary shares £0.1 each	0.3	0.3
3,045 'D' ordinary shares £0.1 each	0.3	0.3
3,045 'E' ordinary shares £0.1 each	0.3	0.3
134,500,000 non voting ordinary shares of £1 each	134,500	134,500
1,000 redeemable preference shares of £0.1 each	-	-
440,000 special redeemable preference shares of £1 each	440	440
	134,942	134,942

Issued equity:

	31 December 2021 £'000	31 December 2020 £'000
Called up, allotted and fully paid		
3,173 'A' ordinary shares £0.1 each	0.3	0.3
3,058 'B' ordinary shares £0.1 each	0.3	0.3
3,133 'C' ordinary shares £0.1 each	0.3	0.3
3,045 'D' ordinary shares £0.1 each	0.3	0.3
3,045 'E' ordinary shares £0.1 each	0.3	0.3
	2	2
1,000 redeemable preference shares of £0.1 each	-	-
440,000 special redeemable preference shares of £1 each	440	440
Total	442	442
Shares classified as liabilities (note 17)	440	440
Shares classified in equity	2	2
Total	442	442

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued. On 20 December 2019, the company received a cash injection from its ultimate parent company of \$92,425,201 (£70,829,000) that Regis Investment S.A. has confirmed should be treated as a capital contribution.

Coroin Limited

Notes (continued)

19 Financial instruments and risk management

(a) Accounting classifications and fair value

The following tables show the carrying amount of financial assets and liabilities including their values in the fair value hierarchy. The tables do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Loans and Receivables £'000	Liabilities at Amortised cost £'000	Total carrying amount £'000	Fair value £'000
31 December 2021				
Right of use assets	50,287	-	50,287	50,287
Trade receivables	4,331	-	4,331	4,331
Amounts owed by related company	5,413	-	5,413	5,413
Restricted cash	27	-	27	27
Cash and cash equivalents	2,733	-	2,733	2,733
Trade and other payables	-	(16,706)	(16,706)	(16,706)
Amounts owed to related parties	-	5,491	5,491	5,491
Amounts owed to parent undertakings	-	(411,627)	(411,627)	(411,627)
Special redeemable preference shares	-	(594)	(594)	(594)
Secured bank loans	-	(544,605)	(544,605)	(544,605)
	62,791	(968,041)	(905,250)	(905,250)

Coroin Limited

Notes (continued)

19 Financial instruments and risk management (continued)

(a) Accounting classifications and fair value (continued)

	Loans and Receivables £'000	Liabilities at Amortised cost £'000	Total carrying amount £'000	Fair value £'000
31 December 2020				
Right of use assets	50,816	-	50,816	50,816
Trade receivables	2,945	-	2,945	2,945
Amounts owed by related company	559	-	559	559
Restricted cash	4,396	-	4,396	4,396
Cash and cash equivalents	531	-	531	531
Trade and other payables	-	(9,293)	(9,293)	(9,293)
Amounts owed to related parties	-	(8,518)	(8,518)	(8,518)
Amounts owed to parent undertakings	-	(320,784)	(320,784)	(320,784)
Special redeemable preference shares	-	(563)	(563)	(563)
Secured bank loans	-	(531,223)	(531,223)	(531,223)
	59,247	(870,381)	(811,134)	(811,134)

Coroin Limited

Notes (continued)

19 Financial instruments and risk management (continued)

(a) Accounting classifications and fair value (continued)

Estimation of fair values

The principal methods and assumptions used in estimating the fair values of financial assets and liabilities are explained below.

Cash and cash equivalents including the short-term bank deposits

For short term bank deposits and cash and cash equivalents, all of which have a maturity of less than three months, the carrying value is deemed to reflect a reasonable approximation of fair value.

Trade and other receivables/payables

For the receivables and payables with a remaining term of less than one year or on demand balances, are evaluated by the Group based on individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables

Loans

For bank loans and borrowings the fair value is calculated based on discounted cash flow techniques.

(b) Financial risk management

The Group is exposed to various financial risks that include credit risk, liquidity risk, interest rate risk and market risk. The Group has a risk management framework in place which seeks to limit the impact of these risks on the financial performance of the group. It is the policy of the Group to manage these risks in a non-speculative manner.

This note presents information about the group's exposure to each of the above risks and the objectives, policies and processes for measuring and managing the risks. Further quantitative and qualitative disclosures are included throughout this note.

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(c) Credit risk

Exposure to credit risk

Credit risk arises from granting credit to customers and from investing cash and cash equivalents with banks and financial institutions.

Coroin Limited

Notes (continued)

19 Financial instruments and risk management (continued)

(c) Credit risk (continued)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk or dependence on individual customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Cash and short term bank deposits

The Group is exposed to credit risk from the counterparties with whom it places its bank deposits. The group is satisfied that the credit risk associated with its deposits is not significant.

The carrying amount of financial assets, net of impairment provisions, represents the Group's maximum credit exposure.

Trade receivables

The Group has detailed procedures for monitoring and managing the credit risk related to trade receivables. Trade receivables are monitored by review of aged debtor reports by management.

At 31 December 2021	Gross £'000	Impairment £'000	Net receivables £'000
Group			
Not past due	3,657	-	3,657
Past due < 90 days	-	-	-
Past due > 90 days	674	(674)	-
	<u>4,331</u>	<u>(674)</u>	<u>3,657</u>
At 31 December 2020	Gross £'000	Impairment £'000	Net receivables £'000
Group			
Not past due	2,777	-	2,777
Past due < 90 days	2	-	-2
Past due > 90 days	674	(674)	-
	<u>3,453</u>	<u>(674)</u>	<u>2,779</u>

Debts are classified as past due if they are over 30 days aged.

Coroin Limited

Notes *(continued)*

19 Financial instruments and risk management *(continued)*

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. The financial support from its ultimate parent company, Regis Investment S.A, will be provided as needed. To support management's plan, Regis Investment S.A. has represented its intention and ability to financially support the Company as needed.

Overdraft facilities

The Group has no undrawn overdraft or loan facilities.

Special redeemable preference shares

Redeemable preference shares are redeemable at the Company's option and on redemption an amount equal to £1 in respect of each redeemable preference share shall be paid. Redeemable preference shareholders have the right to receive notice of, attend and speak at the general meetings of the Company but not to vote at these meetings.

Special redeemable preference shares are redeemable at the Company's option and on redemption an amount equal to the nominal value of the shares and interest of 0.019178% per day from 14 May 2004 until redemption date shall be paid. An amount of £389,000 of interest was paid as part of the restructure on 12 December 2017. Special redeemable preference shareholders have the right to receive notice of, attend and speak at the general meetings of the Company but not to vote at these meetings.

Coroin Limited

Notes (continued)

19 Financial instruments and risk management (continued)

(d) Liquidity risk (continued)

Contractual maturities

The following are the contractual maturities of the group financial liabilities, including estimated interest payments.

Group	Carrying amount £'000	Contractual cash flows £'000	6 months or less £'000	6 - 12 months £'000	1 - 2 Years £'000	2 - 5 years £'000	More than 5 years £'000
At 31 December 2021							
Non derivatives							
Secured bank loans	544,605	(563,227)	(10,501)	(407,203)	(145,523)	-	-
Trade and other payables	433,825	(433,825)	(321,180)	-	-	-	(112,645)
	978,430	(997,052)	(331,681)	(407,203)	(145,523)	-	(112,645)

Contractual cash flows may become payable in advance of 2022 in the event that certain contingent events occur, such as event of default on the loan facility or failure to pay interest by the Group. These are not expected to occur.

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 group is required to make under existing lease arrangements and are disclosed in Note 12.

Coroin Limited

Notes (continued)

19 Financial instruments and risk management (continued)

d) Liquidity risk (continued)

Group	Carrying amount £'000	Contractual cash flows £'000	6 months or less £'000	6 - 12 months £'000	1 - 2 Years £'000	2 - 5 years £'000	More than 5 years £'000
At 31 December 2020							
Non derivatives							
Secured bank loans	531,223	(576,840)	(10,171)	(15,778)	(397,619)	(153,271)	-
Trade and other payables	338,595	(338,595)	(229,463)	-	-	-	(109,132)
	<u>869,817</u>	<u>(806,303)</u>	<u>(239,634)</u>	<u>(15,778)</u>	<u>(397,619)</u>	<u>(153,271)</u>	<u>(109,132)</u>

Coroin Limited

Notes (continued)

19 Financial instruments and risk management (continued)

(e) Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates, and interest rates will affect the group and company's income or the value of its holdings of financial instruments. The Group is not currently exposed to interest rate risk as all borrowings are subject to fixed interest rates. Management believe exposure to foreign exchange rates is minimal as the vast majority of good and services are not sourced overseas.

(f) Foreign exchange rate risk

Following the acquisition of the hotel in Los Angeles, the Group is exposed to translation foreign exchange rate risk on its hotel operations. The following table demonstrates the sensitivity to a reasonably possible change in USD/GBP exchange rate, with all other variables held constant.

	Change in USD/GBP exchange rate	Effect on profit £'000	Effect on equity £'000
2021	+5%	727	3,373
	-5%	(657)	3,728
2020	+5%	(3,204)	127
	-5%	3,542	(141)

(g) Interest rate risk

The Group is not currently exposed to interest rate risk on its UK loan as Dukhan borrowing is subject to fixed interest rates. However it is on its US loan with JP Morgan, as interest is linked to LIBOR. Currently such LIBOR has a floor of 1.5% during the term of the loan. In addition, the Group entered into an interest rate cap agreement with the lender which limits the increase in LIBOR to a maximum of 3.5%. The LIBOR sensitivity between floor and cap is £2.9m.

20 Capital expenditure commitments

The Group has the following commitments for future capital expenditure under its contractual arrangements.

	31 December 2021 £'000	31 December 2020 £'000
Authorised and contracted for	259	171
	<u>259</u>	<u>171</u>

In addition to the figure above, the Group is undertaking capital development programs at Claridge's, Brook Street and Maybourne Beverly Hills. The total budget that was agreed for these programs was £367.6m, of which £285.4m had been spent to 31 December 2021. The further phases of the projects are procured as the work progresses, however, as at 31 December 2021, the remaining budget to complete the capital development program is £82.2m.

Coroin Limited

Notes (continued)

21 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 certain details surrounding the investment strategy and 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.

Coroin Limited

Notes (continued)

21 Employee benefits (continued)

	31 December 2021 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2018 £'000
Total market value of pension scheme assets	51,614	52,014	45,266	40,069
Present value of defined benefit obligation	(48,688)	(51,020)	(45,406)	(40,937)
Excess of scheme assets/(liabilities) over assets/liabilities	2,926	994	(140)	(868)
Additional funding liability	-	-	-	-
Employee retirement benefit liability	2,926	994	(140)	(868)
Related deferred tax asset	(731)	(23)	24	148
Employee retirement benefit asset/(liability) after tax	2,195	971	(116)	(720)

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 2021 and revealed a funding deficit of £12,017,000 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 £349,925 (2020: £345,776) from 1 April 2021 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 62.9% (46.7% to June 2022) of pensionable salaries, contribution in respect of administration and other costs of £26,314 (until 31 March 2022 amount of £24,478) and an additional contribution to the amount of £349,925 minus the above two contributions (2020: £345,776: 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 2021 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.

Coroin Limited

Notes (continued)

21 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 liability and its components.

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Balance at 1 January	(51,020)	(45,406)	52,014	45,266	994	(140)
Included in profit and loss						
Current service costs	(290)	(276)	-	-	(290)	(276)
Interest cost/(income)	(650)	(937)	677	951	27	14
	(940)	(1,213)	677	951	(263)	(262)
Included in OCI						
Remeasurements:						
- Actuarial gain/(loss) arising from:						
- demographic assumptions	(154)	929	-	-	(154)	929
- financial assumptions	1,560	(6,894)	-	-	1,560	(6,894)
- experience adjustment	-	-	-	-	-	-
excluding interest income	-	-	(1,038)	5,693	(1,038)	5,693
	1,406	(5,965)	(1,038)	5,693	368	(272)

Coroin Limited

Notes (continued)

21 Employee benefits (continued)

Movement in net defined benefit liability (continued)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Other						
Contributions paid by the employer	-	-	1,940	1,940	1,940	1,940
Benefits paid	1,861	1,550	(1,550)	(1,550)	-	-
Service cost	5	14	(286)	(286)	(144)	(272)
	<u>1,866</u>	<u>1,564</u>	<u>104</u>	<u>104</u>	<u>1,828</u>	<u>1,668</u>
Balance at 31 December	<u>(48,688)</u>	<u>(51,020)</u>	<u>51,614</u>	<u>52,014</u>	<u>2,926</u>	<u>994</u>

Coroin Limited

Notes (continued)

21 Employee benefits (continued)

Both Coroin Group and Selene Holdings Group expect to pay a total of £4.13 million in contributions to the defined benefit plans in 2022. Coroin Group is expected to pay £332,000 in respect of the contribution for future accrual of benefit and £1,668,000 in respect of additional contribution

(a) Plan assets

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

	31 December 2021 £'000	31 December 2020 £'000
Investment funds	-	29,585
Debt instruments	19,240	20,251
Equity	2,570	-
Corporate Bonds	24,758	-
Property & Infrastructure	984	-
Other	4,062	2,178
	51,614	52,014

(b) Defined benefit obligation

(i) Actuarial assumptions

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

	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Discount rate	1.90%	1.30%	2.10%	3.00%
Inflation rate (RPI)	3.50%	3.05%	3.10%	3.35%
Inflation rate (CPI)	2.60%	2.15%	2.20%	2.35%
Future pension growth	3.35%	3.00%	3.05%	3.25%
Life expectancy at age 65 for pensioners currently aged 65 (years)				
Female	24.2	24.0	24.3	24.2
Male	21.4	21.4	21.7	21.5
Life expectancy at age 65 for active members currently aged 45 (years)				
Female	25.4	25.1	25.5	25.4
Male	22.3	22.3	22.8	22.6

Coroin Limited

Notes (continued)

21 Employee benefits (continued)

At 31 December 2021, the weighted average duration of the defined benefit obligation was 17.5 years (2020: 17.5 years).

(ii) Sensitivity analysis

Increasing the discount rate applied by 0.25% would result in a £2,050,000 decrease in the net pension liability.

Decreasing the discount rate applied by 0.25% would result in a £2,050,000 increase in the net pension liability.

Increasing the inflation rate applied by 0.25% would result in a £1,856,000 increase in the net pension liability.

Decreasing the inflation rate applied by 0.25% would result in a £1,856,000 decrease in the net pension liability.

Increasing life expectancy by 1 year would result in a £2,486,000 increase in the net pension liability.

Decreasing life expectancy by 1 year would result in a £2,486,000 decrease in the net pension liability.

Within Coroin Limited Group – UK operations – pensions for 20 employees (2020: 22 employees) are funded through the defined contribution scheme. The defined contribution pension cost for the year amounted to £53,965 (2020: £52,354). From 1 April 2014 the 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 £308,185 (2020: £336,504). The Group actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package. Pensions for 366 employees (2020: 334) are funded through the defined contribution scheme.

Within Beverly Hills Acquisition LLC, the Group's newly acquired US entity, provides for the 401K contribution scheme for its associates. The benefit cost amounted to £246,239 (2020: £211,925) for the year ended 31 December 2021.

22 Related party disclosures

(a) Transactions with related parties

Until 1 December 2018, a number of the directors of Coroin Limited were also directors of Hume Street Management Consultants Limited. One of the directors of Hume Street is also a director of some of the group's subsidiaries. Fees (excluding VAT) payable to Hume Street Management Consultants Limited, which acted as consultants to the Group during the year amounted to £3,750,000 and were borne by Maybourne Hotels Limited, a management company and £1,451,000 was subsequently recharged to Coroin Limited. The fee is paid by Maybourne Hotels Limited, and recharged to each hotel via management fees, therefore the Coroin portion is included in the related party liability with Maybourne Hotels Limited as disclosed on page 69.

£382,000 remains due from Hume Street for services provided to it by the Group (2020: £250,000).

On 12 December 2017 the Group disposed of the all of the share capital of Maybourne Hotels Limited, The Connaught Hotel Limited and The Berkeley Hotel Limited. Any transactions and outstanding balances as at 31 December 2021 form part of related party debtor/creditor due to entities having common directors (and can no longer take the 100% owned disclosure exemption).

Coroin Limited

Notes (continued)

22 Related party disclosures (continued)

(a) Transactions with related parties (continued)

Related party Asset/ (liability)	Nature of relationship	Opening balance 01/01/2021	Sales	Purchases	Payments	Loan received	Loan moved to non-current loan	Closing balance 31/12/2021
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hume Street Management Consultants Limited	Common director	250	174	-	(41)	-	-	382
The Berkeley Hotel Limited	Common director	2	10	-	(6)	-	-	6
The Connaught Hotel Limited	Common director	4	-	-	-	-	-	4
Maybourne Hotels Limited	Common director	303	187	-	(303)	-	-	187
The Maybourne Beverly Hills	Common director	-	3,525	-	-	-	-	3,525
The Maybourne Riviera	Common director	-	1,308	-	-	-	-	1,308
Goldrange Properties Limited	Common director	-	-	-	-	-	-	-
		<u>559</u>	<u>5,204</u>	<u>-</u>	<u>(350)</u>	<u>-</u>	<u>-</u>	<u>5,413</u>

Coroin Limited

Notes (continued)

Related party Asset/ (liability)	Nature of relationship	Opening balance 01/01/2020	Sales	Purchases	Payments	Loan received	Loan moved to non-current loan	Closing balance 31/12/2020
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hume Street Management Consultants Limited	Common director	(1,530)	-	(1,451)	2,556	-	-	(425)
Claridges Hotel Limited	Common director	-	(3,476)	-	-	-	-	-
The Berkeley Hotel Limited	Common director	(6)	-	(54)	9	-	-	(51)
The Connaught Hotel Limited	Common director	(3)	-	-	-	-	-	(3)
Maybourne Hotels Limited	Common director	(4,365)	-	(1,316)	4,145	-	-	(1,536)
		<u>(5,904)</u>	<u>(3,476)</u>	<u>(2,821)</u>	<u>6,710</u>	<u>-</u>	<u>-</u>	<u>(5,491)</u>

(b) Director Interests

The directors who held office at the end of the financial year had no interests in the ordinary shares, redeemable preference shares, special redeemable preference shares and convertible loan stock in the company at the start of the year and at the end of the year to 31 December 2021. Please refer to Director's report for the details on change of directors.

(c) Key management personnel transactions

Total compensation of key management personnel in the year amounted to £776,000 (2020: £753,000). Please refer to note 4 for remuneration of the directors by third party management companies. The Directors received no pension contributions for their service as Directors of the company. Key Management Personnel received employer pension contributions of £82,570 (2020: £77,046). No other benefits were received during the current year.

Coroin Limited

Notes

22 Related party disclosures (continued)

(d) Other related party transactions

In 2020 Regis Investments S.A. advanced £76,500,000 (2020: £90,304,000) to Claridge's Hotel Limited to support the ongoing development works in the hotel. In 2020 this loan was reclassified as long term debt as Regis Investment S.A. assured directors via executed letter of support that it would not demand repayment within the next 12 months. Interest of £10,830,000 (2020: £5,501,000) was accrued on the loan. The details on the interest rates have been included in the table in note 17.

On 20 December 2019 Regis Investments S.A injected \$234.4m (£179.6m) into the Coroin Limited Group to fund the acquisition of Montage Beverly Hills hotel by Beverly Hills Acquisition LLC. Interest at 4.5% is charged on the \$142m long term loan. The balance of \$92,425,201 (£70,829,000) is treated as a capital contribution as agreed between Regis Investment S.A and the company.

(e) Consolidated subsidiaries

The consolidated financial statements include the financial statements of Coroin Limited and its subsidiaries. The subsidiary undertakings as at 31 December 2021 were:

Subsidiary undertaking	Company Number (UK entities)	Country of Incorporation and operation	Activity	Shareholding (ordinary shares)
Westark Properties Limited	05112202	Great Britain	Holding Company	100% (direct)
Maybourne Mezzanine Holdco Limited	08313658	Great Britain	Holding Company	100% (direct)
MHG Mezz Borrower Limited	08313544	Great Britain	Holding Company	100% (indirect)
MHG Senior Holdco Limited	08313647	Great Britain	Holding Company	100% (indirect)
MHG Senior Borrower Limited	08313665	Great Britain	Holding Company	100% (indirect)
Raglan Real Estate Acquisition company	03558968	Great Britain	Holding Company	100% (indirect)
Westone Hotel Acquisition Company	03543429	Great Britain	Holding Company	100% (indirect)
Claridge's Hotel Limited	00029022	Great Britain	Hotel Operations	100% (indirect)
Claridge's Hotel Holdings Limited	03669265	Great Britain	Holding Company	100% (indirect)
Brook Street 1 Limited	06516561	Great Britain	Holding Company	100% (indirect)
Brook Street 2 Limited	06516559	Great Britain	Holding Company	100% (indirect)
41-43 Brook Street LLP	OC335486	Great Britain	Ownership of Property	100% (indirect)
Bluedraft Limited	05518968	Great Britain	Ownership of Property	100% (indirect)
Brook Street Trustee Co No. 1 Limited	06526381	Great Britain	Hotel Operations	100% (indirect)
Brook Street Trustee Co No. 2 Limited	06526384	Great Britain	Dormant company	100% (indirect)
A Goody Rewarded Limited	01271647			
Claridge's Hotel (42000) Limited	00042000	Great Britain	Dormant company	100% (indirect)
Shapeloose Limited	03521130	Great Britain	Dormant company	100% (indirect)

Coroin Limited

Notes (continued)

22 Related party disclosures (continued)

(a) Consolidated subsidiaries (continued)

Subsidiary undertaking	Company Number (UK entities)	Country of Incorporation and operation	Activity	Shareholding (ordinary shares)
Coroin Beverly Hills Holdings Ltd	12325200	Great Britain	Holding Company	100% (direct)
Coroin Beverly Hills Properties, Inc.		United States of America	Holding Company	100% (indirect)
Beverly Hills Mezzanine LLC		United States of America	Holding Company	100% (indirect)
Beverly Hills Acquisition LLC		United States of America	Hotel Operations	100% (indirect)

Use of exemption provision

The following subsidiaries included in the above table, made use of exemption provided by section 480(1) of the Companies Act 2006 and US Federal law relating to dormant companies and the members have not required the Company to obtain an audit. The following subsidiary Holding companies are dormant and have no other income.

Subsidiary undertaking	Company Number (UK entities)	Country of Incorporation and operation	Activity	Shareholding (ordinary shares)
Westark Properties Limited	05112202	Great Britain	Holding Company	100% (direct)
Maybourne Mezzanine Holdco Limited	08313658	Great Britain	Holding Company	100% (direct)
MHG Mezz Borrower Limited	08313544	Great Britain	Holding Company	100% (indirect)
MHG Senior Holdco Limited	08313647	Great Britain	Holding Company	100% (indirect)
MHG Senior Borrower Limited	08313665	Great Britain	Holding Company	100% (indirect)
Raglan Real Estate Acquisition company	03558968	Great Britain	Holding Company	100% (indirect)
Westone Hotel Acquisition Company	03543429	Great Britain	Holding Company	100% (indirect)
Brook Street 1 Limited	06516561	Great Britain	Holding Company	100% (indirect)
Bluedraft Limited	05518968	Great Britain	Ownership of Property	100% (indirect)
Brook Street Trustee Co No. 1 Limited	06526381	Great Britain	Hotel Operations	100% (indirect)
Brook Street Trustee Co No. 2 Limited	06526384	Great Britain	Dormant company	100% (indirect)
A Goody Rewarded Limited	01271647	Great Britain	Dormant company	100% (indirect)
Claridge's Hotel (42000) Limited	00042000	Great Britain	Dormant company	100% (indirect)
Shapeloose Limited	03521130	Great Britain	Dormant company	100% (indirect)

Coroin Limited

Notes *(continued)*

22 Related party disclosures *(continued)*

Subsidiary undertaking	Company Number (UK entities)	Country of Incorporation and operation	Activity	Shareholding (ordinary shares)
Coroin Beverly Hills Holdings Ltd	12325200	Great Britain	Holding Company	100% (direct)
Coroin Beverly Hills Properties, Inc.		United States of America	Holding Company	100% (indirect)
Beverly Hills Mezzanine LLC		United States of America	Holding Company	100% (indirect)
Maybourne Beverly Hills Operator LLC		United States of America	Dormant company	100% (indirect)

23 Ultimate parent company

The company's ultimate parent company and the parent of the largest and smallest group in which the results of the company are consolidated is Regis Holdings S.A 15, Boulevard Roosevelt L-2450 Luxembourg, a company incorporated in Luxembourg. Copies of the Regis Holdings S.A financial statements are obtained from 15, Boulevard Roosevelt L-2450 Luxembourg.

The ultimate controlling party is His Highness Sheikh Hamad Bin Khalifa Al Thani.

Coroin Limited

Notes *(continued)*

24 Subsequent events

The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. The war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as supply constraints and impact on customer demand. The potentially adverse impact of the war and the continued pressure of the increase in the supply of luxury accommodation in London are two other factors that we continually monitor and strategise. Management believes it has the team, strategies and initiatives in place to defend and build on its position effectively. The Group continues to benefit from a diverse geographic client base, targeting premium leisure and corporate guests from international markets, but also from its domestic market. We do not expect this pattern to change and it is a critical component of the Group's long-term growth plan to balance risk and supply chain constraints from the war in Ukraine. The war has had a minimal impact on business from a customer base perspective and supply constraints.

Dukhan Bank refinanced the principal amount of £396,790,000 upon its maturity on 27th October 2022, for a further 12 months until October 2023. All the current outstanding principal amounts were consolidated into a single loan with Murabaha of £396,790,000 and refinanced as a single facility at an interest rate of 5.8317%. The refinanced loan agreement includes two covenants: loan to value not exceeding 61.5 per cent and the debt service cover ratio at a level not less than 1.25:1.00. The directors confirm there are no matters indicating these covenants will not be met.

JP Morgan refinanced the principal amount of their loan of \$200,000,000 upon its maturity on 6th January 2023, for a further 90 days with an interest rate of LIBOR + 3.1%. The refinanced loan is secured by a lien and security interest in the Maybourne Beverly Hills hotel property.

The Company is a claimant in ongoing confidential arbitral proceedings against a service provider, which involve a disputed counterclaim by the service provider against the Company. That counterclaim concerns sums that allegedly became payable by the Company to the service provider after the end of the relevant accounting period, in respect of services allegedly provided to the Company after the end of the relevant accounting period. The directors don't believe the outcome will have a material impact on the accounts.

Coroin Limited

Notes (continued)

25 Company notes

(a) Significant accounting policies

The individual financial statements of the company have been prepared in accordance with Companies Act 2006 and Financial Reporting Standard 101 "Reduced disclosure framework" ("FRS 101").

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

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information; and
- the effects of new but not yet effective IFRSs.

As permitted by section 408(3) of the Companies Act 2006, the Company has elected not to present its own income statement for the year.

Significant accounting policies specifically applicable to the individual company financial statements and which are not reflected in the accounting policies for the Group financial statements are detailed below.

i) Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment.

(b) Profit and loss account

Profit for the year in the amount of £1,143k (2020: £971k) is dealt with in the financial statements of the Company. No profit and loss account is presented for the Company as permitted by Section 408 of the Companies Act 2006.

(c) Investments

	31 December 2021 £'000	31 December 2020 £'000
At beginning of year	181,764	181,764
Additions	-	-
	<hr/>	<hr/>
At end of year	181,764	181,764
	<hr/>	<hr/>

At 31 December 2021 the carrying amount of the investment in subsidiary undertakings was reviewed for impairment in accordance with our accounting policies. No impairment loss was recognised. A list of the entity's subsidiary undertakings is set out below.

Coroin Limited

Notes (continued)

25 Company notes (continued)

(c) Investments (continued)

The Company has a shareholding in the following principal companies:

Subsidiary undertaking	Company Number (UK entities)	Country of Incorporation and operation	Activity	Shareholding (ordinary shares)
Westark Properties Limited	05112202	Great Britain	Holding Company	100% (direct)
Maybourne Mezzanine Holdco Limited	08313658	Great Britain	Holding Company	100% (direct)
MHG Mezz Borrower Limited	08313544	Great Britain	Holding Company	100% (indirect)
MHG Senior Holdco Limited	08313647	Great Britain	Holding Company	100% (indirect)
MHG Senior Borrower Limited	08313665	Great Britain	Holding Company	100% (indirect)
Raglan Real Estate	03558968	Great Britain	Holding Company	100% (indirect)
Westone Hotel	03543429	Great Britain	Holding Company	100% (indirect)
Acquisition Company				
Claridge's Hotel Limited	00029022	Great Britain	Hotel Operations	100% (indirect)
Claridge's Hotel Holdings Limited	03669265	Great Britain	Holding Company	100% (indirect)
Brook Street 1 Limited	06516561	Great Britain	Holding Company	100% (indirect)
Brook Street 2 Limited	06516559	Great Britain	Holding Company	100% (indirect)
41-43 Brook Street LLP	OC335486	Great Britain	Ownership of Property	100% (indirect)
Bluedraft Limited	05518968	Great Britain	Ownership of Property	100% (indirect)
Brook Street Trustee Co No. 1 Limited	06526381	Great Britain	Hotel Operations	100% (indirect)
Brook Street Trustee Co No. 2 Limited	06526384	Great Britain	Dormant company	100% (indirect)
A Goody Rewarded Limited	01271647	Great Britain	Dormant company	100% (indirect)
Claridge's Hotel (42000) Limited	00042000	Great Britain	Dormant company	100% (indirect)
Shapeloose Limited	03521130	Great Britain	Dormant company	100% (indirect)
Coroin Beverly Hills Holdings Ltd		Great Britain	Holding Company	100% (direct)
Coroin Beverly Hills Properties, Inc.		United States of America	Holding Company	100% (indirect)
Beverly Hills Mezzanine LLC		United States of America	Holding Company	100% (indirect)
Beverly Hills Acquisition LLC		United States of America	Hotel Operations	100% (indirect)

Coroin Limited

Notes (continued)

25 Company notes (continued)

(c) Investments (continued)

The registered office of all British subsidiary undertakings is 27 Knightsbridge, London, SW1X 7LY. The registered office for American subsidiaries is 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware.

(d) Non-current debtors

	31 December 2021 £'000	31 December 2020 £'000
Amounts due from subsidiary undertaking	112,645	109,132
Total	112,645	109,132

Amounts due from subsidiary undertaking attract interest are unsecured and repayable on demand. The details on the interest rates have been included in the table in note 17.

(e) Current debtors

	31 December 2021 £'000	31 December 2020 £'000
Current assets		
Prepayments and other assets	8	20
Amounts due from group undertakings	8	6
Amounts due from related party	10	6
Total	26	32

(f) Trade payables: amounts falling due within one year

	31 December 2021 £'000	31 December 2020 £'000
Trade and other payables		
Other payables	2	2
Accruals and deferred income	84	210
Other taxes and social security	2	2
Amounts due to subsidiary undertakings	109,671	109,698
Amounts owed to related party	23	-
Total	109,782	109,912

Coroin Limited

Notes (continued)

25 Company notes (continued)

(g) Trade payables: amounts falling due after one year

	31 December 2021 £'000	31 December 2020 £'000
Loans and borrowings		
Special redeemable preference shares	594	440
Amounts owed to ultimate parent company	112,645	109,132
	<hr/>	<hr/>
Total	113,239	109,572
	<hr/>	<hr/>

(h) The Company aggregate payroll costs of these persons were as follows:

	2021 £'000	2020 £'000
Wages and salaries	57	52
Social security costs	7	7
Pension costs	313	300
	<hr/>	<hr/>
	377	359
	<hr/>	<hr/>

(i) Related party transactions

Amounts are due to Maybourne Hotels Limited of £23,000 (2020: £14,000) which became a disclosable related party when the group disposed of the entity on 12 December 2017. Maybourne Hotels Limited is a related party by way of common directors.

On 20 December 2019 Regis Investments S.A injected \$234.4m (£179.6m) into the Coroin Limited Group to fund the acquisition of Montage Beverly Hills hotel by Beverly Hills Acquisition LLC. Interest at 4.5% is charged on the \$142m long term loan. The balance of \$92,425,201 (£70,829,000) is treated as a capital contribution as agreed between Regis Investment S.A and the company.

The Company has a related party relationship with its fellow group undertakings, shareholders and directors of the company (note 22 above). In accordance with FRS 101, the Company has availed of the exemption from disclosing transactions with members of the Group.

There are no other related party transactions.

(j) Subsequent events

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