

Coroin Limited

Annual Report and financial statements

Year ended 31 December 2022

Registered number: 05091711

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Coroin Limited

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Strategic report	2
Directors' report	8
Statement of directors' responsibilities	13
Independent auditor's report	14
Consolidated income statement	19
Consolidated statement of other comprehensive income	20
Consolidated statement of financial position	21
Consolidated statement of changes in equity	22
Consolidated statement of cash flows	24
Company statement of financial position	25
Company statement of changes in equity	26
Notes forming part of the consolidated financial statements	27
Notes forming part of the company financial statements	78

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 3HQ
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 *(continued)*

The directors present their Strategic report for the year ended 31 December 2022.

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 21 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 property under development adjacent to Claridge's and The Maybourne Beverly Hills, a five star luxury hotel in Beverly Hills, California.

Claridge's Hotel

Claridge's major development project came towards completion with the unveiling of new rooms and suites, culminating in the creation of Claridge's Penthouse. This groundbreaking project was filmed over 7 years by the BBC and aired in a three part series 'The Mayfair Megabuild' in January 23. It received record viewing figures and will remain on BBC i player for the next 5 years. In March, Claridge's launched its first Cocktail book in the US with a 3 day pop up at Dante in NY. April saw Claridge's team collaborate for afternoon tea with sister property Maybourne Beverly Hills to leverage both brands across key US market. Claridge's celebrated the Queen's Jubilee in June unveiling a new portrait of Her Majesty by David Downton, Artist in Residence, as well as Claridge's Archive cabinet showcasing heritage hotel treasures. September saw the opening of Claridge's first world class Spa with swimming pool, now hailed as one of the best spas in London; together with the appointment of Dmitri Magi as Claridge's new Culinary Creative Director. Christmas 2022 saw global designer Jimmy Choo create Claridge's Christmas Tree.

The Maybourne Beverly Hills Hotel

The hotel continued with its on-going restoration and development programme throughout 2022 improving bedrooms, suites, corridors and common areas. The Terrace restaurant continued to be a popular focal spot within the local community, building on its reputation and opened a new indoor area with a distinctive mural by local artist Jessalyn Brooks. The hotel officially launched The Maybourne Bar in early 2022 and built a strong following and reputation for creative cocktails. February 2022 saw the hotel collaborate with Frieze LA for the first time and position the hotel at the heart of the active art community, introduced rotations of art installations from great artists from Alex Isreal to Annie Morris. Claridge's Afternoon tea collaboration in April created huge buzz and excitement leveraging both brands in the LA market. Maybourne Beverly Hills continued to create a series of 'Maybourne Moments' throughout the year that illustrate a playful creative spirit from Torch'd workouts on the terrace to Gruff Dog Portraits to Beverly Hills Songbook performances. In August 2022 Maybourne Café debuted its new branding and initiatives to draw in the local market. In October 2022 the hotel announced the exciting news that Dante Beverly Hills will open on the rooftop in Spring 2023. In Dec 2022 the hotel was awarded Best City Hotel at the prestigious Tatler Travel Awards.

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. 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 continue at great pace and are expected to finish by Q4 2023.

Coroin Limited

Strategic report (continued)

Management Company

The group hotels are managed by Maybourne Hotels Limited ('Maybourne'), a company in which Regis Investments S.A., Coroin Limited's ultimate parent company holds a 50% equity interest. Maybourne 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.

Business review

The outbreak of COVID-19 pandemic and subsequent government restrictions continued to impact the operation until the end of January 2022. Although the US hotel is yet to recover to levels seen before pandemic and closed the year with £14.4million operating loss, the UK hotel has recovered and closed with £18million operating profit, noting record ADRs and RevPARs since February 2022, closing 2022 as the first hotel in the top 17 luxury hotels in London measured by RevPAR. These were however insufficient to offset £49.8million debt service and £26.5million impairment booked in the year.

The pandemic did not slow 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 second phase to further transform the ground and basement areas of the hotel commenced and is schedule to finish at the end of 2023.

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

	2022	2021
Turnover £ million	141.0	61.5
Operating profit/(loss) before impairment £ million	3.6	(20.9)
Loss before tax £ million	(72.6)	(53.8)
Adjusted loss before tax £ million*	(44.5)	(57.9)
Gross profit %	55.1	39.5

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

	2022	2021
	£'000	£'000
Loss before tax as per Consolidated income statement	(72,616)	(53,833)
Plus fixed asset impairment charges/(reversals)	26,538	(7,117)
Loss on disposal of fixed assets	1,541	3,023
Adjusted loss before tax	(44,537)	(57,927)

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 post COVID-19 recovery and supply chain constraints from the war in Ukraine. The war has had a minimal direct impact on business from a customer base perspective to date.

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 as well as rising interest rates and rate of inflation, linked with the refinance of its two external loans and day to day operations. Inevitably the biggest source of financial uncertainty in 2023 and beyond is expected to be the prolonged impact of the war in Ukraine and the financial and economic uncertainty that it brings. 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. The Group works closely with its commercial partners and ownership to secure best arrangements and necessary liquidity.
- 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. Dukhan Bank refinanced the principal amount of £396,790,000 upon its maturity on 27th October 2022, at an interest rate of 5.88%-7.099% for a further 12 months until 27th 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 5.88%-7.099%. The loan was extended on 25 October 2023 for a further 5 years, with a maturity date of 27 October 2028. 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 and continue discussions with the lender to further extend this loan. The covenants have been met for test period ending Q2, Q3 and Q4 2022. JP Morgan refinanced the principal amount of their loan of \$200,000,000 upon its maturity on 9th January 2023 until 9 October 2023 with an interest rate of LIBOR + 3.1%. Subsequent to year end, Regis Investment S.A. has taken out a facility with Deutsche Bank with a maturity date of 26 September 2028 and Beverly Hills Acquisition LLC is listed as one of the borrowers; \$200.5m was used to repay the JP Morgan loan on 27 September 2023 and an extra \$49.5m will be available for the Maybourne Beverly Hills hotel for future capital development. The interest rate that will be charged on the loan is SONIA + 2.6%.

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 in the UK, 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 is rising inflation and energy costs and supply chain constraints linked to the post-pandemic recovery, the UK's exit from the European Union and the ongoing war in Ukraine. Despite fast recovery from COVID-19 in the UK and medium recovery in the US, the industry does face macroeconomic challenges including political and economic instability. 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 meets 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 on page 10.

Section 172(1) statement

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

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

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

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

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

Coroin Limited

Strategic report *(continued)*

Streamlined Energy and Carbon Report

The following Streamlined Energy and Carbon Report (SECR) provides environmental impact information of the Group's UK operations 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 Sustainable Energy First, its procurement agent to arrange a 100% renewable energy contract, from a reliable solar panel provider from as early as Q3 2024 and its supply chains to ensure reduction in plastics and encourage the use of recyclable items.

Brand new energy centre at Claridge's, commissioned in 2020, finalised by end of 2022 including all new plant and equipment further enhanced the Groups focus on reducing the energy consumption and its carbon footprint:

- 18 Hamworthy Gas modulating boilers,
- 3 Carrier screw compressor Chillers,
- 1 Absorption Chiller,
- energy efficient inverter driven Grundfos motors,
- 6 IV Product Air Handling Units,
- 400 Ability Fan Coil Units.

	Measure	For the business year 2022	For the business year 2021	Units
Scope 1: Combustion of fuel and operation of facilities. Scope 2: Electricity purchased.	Energy Consumption used to calculate emissions (kWh)	15,800,762	13,422,178	kWh
Scope 1: Combustion of fuel and operation of facilities.	Emissions from the combustion of Fuels (tCO ₂ e)	1,386	1,143	tCO ₂ e
Scope 2: Electricity purchased and heat and steam generated.	Emissions from Purchased electricity (Location Based) (tCO ₂ e)	1,587	1,525	tCO ₂ e
	Total Gross	2,973	2,668	tCO ₂
	Intensity Ratio (tCo ₂ e/£m turnover)	30.29	63.20	tCo ₂ e/£m

Coroin Limited

Strategic report *(continued)*

Streamlined Energy and Carbon Report *(continued)*

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

09 November 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:

Ziyad Clot
Marc Socker
Nasir Pasha
Jeremy Cape (Secretary)

Details of Directors' interests are set out in note 21.

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 (2021: £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 ongoing works and brand 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 although have seen steady recovery in the UK, it still impacts the performance of the US based hotel. It took steps to minimise liquidity risk by negotiating extensions to its borrowing or utilise certain reserves. During 2022 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 have limited impact on the Group hotels' trading conditions and 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 2024 show gradual improvement year on year with steady growth in operating profits in the UK and break even position in the US impacted by works and slow post COVID-19 recovery.

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 5.88%-7.099%. The loan was extended on 25 October 2023 for a further 5 years, with a maturity date of 27 October 2028. 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 and continue discussions with the lender to further extend this loan.

JP Morgan refinanced the principal amount of their loan of \$200,000,000 upon its maturity on 9th January 2023 until 9 October. Subsequent to year end, Regis Investment S.A. has taken out a facility with Deutsche Bank with a maturity date of 26 September 2028 and Beverly Hills Acquisition LLC is listed as one of the borrowers; \$200.5m was used to repay the JP Morgan loan on 27 September 2023 and an extra \$49.5m will be available for the Maybourne Beverly Hills hotel for future capital development. The interest rate that will be charged on the loan is SONIA + 2.6%.

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.

Coroin Limited

Directors' report (*continued*)

Employees and social responsibility(*continued*)

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 every effort is made to ensure that their employment with Coroin group continues and all appropriate training is arranged.

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 (2021: £nil) and £12,811 charitable contributions or donations (2021: £9,998) during the period.

Coroin Limited

Directors' report (*continued*)

Going Concern

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, impairment on property, plant and equipment and interest payable on its borrowings. As at the balance sheet date, the Group had net current liabilities of £936.5 million (2021: net current liabilities of £401.8 million) and net assets of £179.3 million (2021: £235.6 million).

The directors have assessed the going concern position of the Group by assessing the cash flow and covenant forecasts of the Group. These forecasts are prepared for the period to 31 December 2024 (the review period) using base case/downside assumptions on occupancy levels, including potential revenue recovery profiles, cost estimates and real estate values as relevant to loan-to-value ratio covenants. The directors believe that further downside scenarios such as closure of the hotels due to significant future travel restrictions or lockdowns is sufficiently remote.

Further the directors do not believe the potential recession linked to current inflation/slowdown due to Ukraine conflict will have a significant impact on its performance for the remainder of 2023 and 2024 other than an increase in debt service linked to refinancing at higher interest rates than previously paid.

The Group's projections for 2023 and 2024 show that in order to meet their working capital obligations, the Group may be dependent on the support provided by the ultimate beneficial owner for working capital obligations under a downside scenario.

Capital expenditure

The continued major development project across Beverly Hills Acquisition LLC and the completion of the redevelopment at Claridge's Hotel Limited continue to be funded by the ultimate beneficial owner through the ultimate parent company Regis Investment S.A, as there is confidence in the long-term return on investment and viability of their respective businesses.

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Highness Sheikh Hamad Bin Khalifa Al-Thani, stating his intention to continue to support the Group in meeting this planned capital expenditure as well as working capital if needed, up to 31 December 2024. Based on the current forecasts, this could be up to £49m.

Financing

At the balance sheet date, the Group had two loans with external providers: Dukhan Bank and JP Morgan.

Dukhan Bank refinanced the principal amount of £396,790,000 upon its maturity on 27th October 2022 for a further 12 months until 27th 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 5.88%-7.099%. The loan was extended on 25 October 2023 for a further 5 years, with a maturity date of 27 October 2028. The refinanced loan agreement includes two covenants: loan to value

Coroin Limited

Directors' report (*continued*)

Going Concern (*continued*)

not exceeding 61.5 per cent and the debt service cover ratio at a level not less than 1.25:1.00. Please see note 24 for further details.

Subsequent to year end, Deutsche Bank has provided a facility with a maturity date of 26 September 2028 to Beverly Hills Acquisition LLC and other members of the Regis Investment S.A. group. \$200.5m was used to repay the JP Morgan loan on 27 September 2023 and an extra \$49.5m will be available for the Maybourne Beverly Hills hotel for future capital development. The interest rate that will be charged on the loan is SONIA + 2.6%.

Subsequent to the year-end, the intra-group loans between (1) Regis Investment S.A. and Coroin Limited, (2) Coroin Limited and MHG Senior Borrower Limited, (3) MHG Senior Borrower Limited and Claridge's Hotel Holdings Limited, and (4) Claridge's Hotel Holdings Limited and Claridge's Hotel Limited, were extended and are not due within the next 12 months.

Conclusion

After making enquiries and taking into account the improving performance of the assets (the UK asset in particular), the stage of completion of the development programs, as well as the confirmed intention of the ultimate beneficial owner to continue to support the Group if needed (primarily in relation to the planned capital expenditure), the directors have a reasonable expectation that the Company and Group 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.

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 09 November 2023.

Signed on behalf of the Board of Directors



Nasir Pasha
Director

09 November 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:

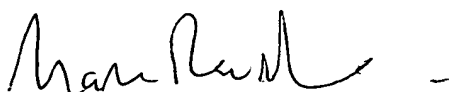
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

09 November 2023

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 2022 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.

Conclusions relating to going concern

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent auditor's report to the members of Coroin Limited

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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

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

regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks 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. These included the group's operating license, health and safety regulation as well as employment law.

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 fraud in the following areas, and our specific procedures performed to address them 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 with management 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 assertions linked to property, plant and equipment. This is in response to the large capital investment made during the year and the uncertainty caused by current economic environment which has impacted the profitability of the group and potential future cash flows. We worked with our valuation specialist to perform a review of the valuation report produced by the third party valuer and assessed the valuation assumptions to check their reasonableness in line with industry expectations for market performance.

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.

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

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

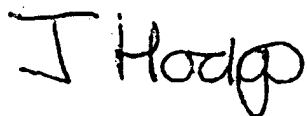
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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



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

Coroin Limited

Consolidated income statement for the year ended 31 December 2022

		2022 £'000	2021 £'000
	<i>Note</i>		
Continuing operations			
Revenue	3	140,967	61,513
Cost of sales		(63,315)	(37,239)
		<hr/>	<hr/>
Gross profit		77,652	24,274
Administrative expenses	4,5	(53,699)	(31,180)
Depreciation and amortisation	8,9,11	(20,350)	(14,019)
		<hr/>	<hr/>
Operating profit / (loss) before (impairment) / impairment reversal	5	3,603	(20,925)
		<hr/>	<hr/>
(Impairment) / impairment reversal	8	(26,538)	7,117
Finance costs	6	(49,826)	(40,095)
Finance income	6	145	70
		<hr/>	<hr/>
Net finance costs		(49,681)	(40,025)
		<hr/>	<hr/>
Loss before tax		(72,616)	(53,833)
Income tax credit for the year	7	5,285	4,695
		<hr/>	<hr/>
Loss for the year		(67,331)	(49,138)
		<hr/>	<hr/>

The accompanying notes on pages 27 to 77 are an integral part of these financial statements.

Coroin Limited

Consolidated statement of other comprehensive income for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Loss for the year		(67,331)	(49,138)
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit liability	20	(4,051)	368
Tax on remeasurements of defined benefit liability	7	1,013	(152)
Revaluation of property, plant and equipment	8	29,137	92,503
Tax on revaluation of property, plant and equipment	7	(15,480)	(49,186)
Exchange differences on translation of foreign operations		443	188
		<u> </u>	<u> </u>
Other comprehensive profit, net of tax		11,062	43,721
		<u> </u>	<u> </u>
Total comprehensive loss for the year		(56,269)	(5,417)
		<u> </u>	<u> </u>

The accompanying notes on pages 27 to 77 are an integral part of these financial statements.

Coroin Limited

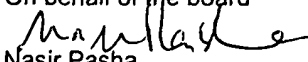
Consolidated statement of financial position

as at 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Property, plant and equipment	8	1,474,299	1,374,032
Intangible assets	9	2,336	2,335
Goodwill	10	2,921	2,921
Right of use assets	11	49,741	50,287
Restricted cash	12	-	27
Employee benefits	20	448	2,926
Total non-current assets		1,529,745	1,432,528
Trade and other receivables	14	15,641	14,208
Stocks	13	4,568	3,464
Cash and cash equivalents		14,582	2,733
Total current assets		34,791	20,405
Total assets		1,564,536	1,452,933
Equity			
Share capital	17	2	2
Additional paid-in capital	17	70,829	70,829
Accumulated losses		(256,259)	(188,928)
Other reserve		(4,806)	(1,768)
Revaluation reserve		369,217	355,560
Foreign exchange reserve		310	(133)
Total equity		179,293	235,562
Liabilities			
Loans and borrowings	16	134,820	556,937
Lease liabilities	11	60,650	58,049
Other non-current liabilities		61,491	32,562
Employee benefits		10	-
Deferred tax	7	156,949	147,612
Total non-current liabilities		413,920	795,160
Loans and borrowings	16	934,470	399,889
Lease liabilities	11	134	125
Trade and other payables	15	36,719	22,197
Total current liabilities		971,323	422,211
Total liabilities		1,385,243	1,217,371
Total equity and liabilities		1,564,536	1,452,933

The accompanying notes on pages 27 to 77 are an integral part of these financial statements.

On behalf of the board


Nasir Pasha
Director

09 November 2023

Coroin Limited

Consolidated statement of changes in equity for the year ended 31 December 2022

	Share Capital £'000	Additional Paid-in Capital £'000	Foreign exchange reserve £'000	Accumulated losses £'000	Other Reserve £'000	Revaluation reserve £'000	Total £'000
At 31 December 2020	2	70,829	(321)	(139,790)	(1,984)	312,243	240,979
Loss for the year	-	-	-	(49,138)	-	-	(49,138)
Remeasurements of defined benefit liability	-	-	-	-	368	-	368
Tax on remeasurements of defined benefit liability	-	-	-	-	(152)	-	(152)
Revaluation of property, plant and equipment	-	-	-	-	-	92,503	92,503
Tax on revaluation of property, plant and equipment and investment property	-	-	-	-	-	(49,186)	(49,186)
Exchange differences on translation of foreign operations	-	-	188	-	-	-	188
Total comprehensive income / (loss)	-	-	188	(49,138)	216	43,317	(5,417)
At 31 December 2021	2	70,829	(133)	(188,928)	(1,768)	355,560	235,562

Coroin Limited

Consolidated statement of changes in equity (continued) for the year ended 31 December 2022

	Share Capital £'000	Additional Paid-in Capital £'000	Foreign exchange reserve £'000	Accumulated losses £'000	Other reserve £'000	Revaluation reserve £'000	Total £'000
At 31 December 2021	2	70,829	(133)	(188,928)	(1,768)	355,560	235,562
Loss for the year	-	-	-	(67,331)	-	-	(67,331)
Remeasurements of defined benefit liability	-	-	-	-	(4,051)	-	(4,051)
Tax on remeasurements of defined benefit liability	-	-	-	-	1,013	-	1,013
Revaluation of property, plant and equipment	-	-	-	-	-	29,137	29,137
Tax on revaluation of property, plant and equipment and investment property	-	-	-	-	-	(15,480)	(15,480)
Exchange differences on translation of foreign operations	-	-	443	-	-	-	443
Total comprehensive income / (loss)	-	-	443	(67,331)	(3,038)	13,657	(56,269)
At 31 December 2022	2	70,829	310	(256,259)	(4,806)	369,217	179,293

The accompanying notes on pages 27 to 77 are an integral part of these financial statements.

Other reserve relates to remeasurements of defined benefit liability and related tax impact (refer to note 20 for defined benefit liability details and note 7 for tax details)

Coroin Limited

Consolidated statement of cash flows for the year ended 31 December 2022

	Note	31 December 2022 £'000	31 December 2021 £'000
Cash flows from operating activities			
Loss for the financial year		(67,331)	(49,138)
Adjustments for:			
Depreciation of property, plant and equipment	8	19,444	13,143
Depreciation of right-of-use-assets	11	579	588
Amortisation of intangible assets	9	327	293
Impairment / (reversal of impairment) of property, plant and equipment	8	26,538	(7,117)
Loss on disposal property, plant and equipment	8	1,541	3,023
Finance income	6	(145)	-
Finance costs	6	49,753	40,025
Retirement benefit obligations	20	(1,488)	(1,565)
Tax credit	7	(5,285)	(4,695)
		<u>23,933</u>	<u>(5,443)</u>
(Increase) in stocks	13	(1,104)	(342)
(Increase) in trade and other receivables	14	(1,433)	(4,027)
Increase in trade and other payables	15	14,710	4,383
Finance income received	6	145	-
Net cash generated by / (used in) operating activities		<u>36,251</u>	<u>(5,429)</u>
Cash flow from investing activities			
Purchase of property plant and equipment	8	(74,528)	(82,764)
Net cash (used in) investing activities		<u>(74,528)</u>	<u>(82,764)</u>
Cash flows from financing activities			
Financing costs paid	6	(22,183)	(37,210)
Repayment of lease liabilities	11	(772)	(664)
Receipt of loans from related party	21	74,451	108,280
Receipt of bank loans	16	-	13,056
Net cash from financing activities		<u>51,496</u>	<u>83,462</u>
Net decrease in cash and cash equivalents		<u>13,219</u>	<u>(4,731)</u>
Restricted cash	12	27	4,369
Exchange differences on translation of foreign operations		(1,397)	2,564
Cash and cash equivalents at 1 January		<u>2,733</u>	<u>531</u>
Cash and cash equivalents at 31 December		<u>14,582</u>	<u>2,733</u>

The accompanying notes on pages 27 to 77 are an integral part of these financial statements.

Coroin Limited

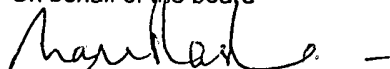
Company statement of financial position as at 31 December 2022

		31 December 2022 £'000	*(Restated) 31 December 2021 £'000
	Note		
Non-current assets			
Investments	25	70,829	181,764
Amounts owed from subsidiary undertaking	25	190,945	208,855
Employee benefits	20	448	2,926
		<u>262,222</u>	<u>393,545</u>
Current assets			
Debtors	25	12	26
		<u>12</u>	<u>96,236</u>
Creditors: amounts falling due within one year	25	(1,687)	(205,992)
Net current liabilities		<u>(1,675)</u>	<u>(205,992)</u>
Total assets less current liabilities		<u>260,547</u>	<u>187,579</u>
Creditors: amounts falling due after one year	25	(134,820)	(113,239)
Deferred tax	7	(116)	(731)
Net assets		<u>125,611</u>	<u>73,609</u>
Capital and reserves			
Called up share capital	17	2	2
Additional Paid-in capital	17	70,829	70,829
Other reserve		(4,806)	(1,768)
Retained earnings		59,586	4,546
Total capital and reserves		<u>125,611</u>	<u>73,609</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 2022 was £52,002k (2021: Total comprehensive income of £1,359k).

*Impact of restatement on balance sheet for the year ended 31 December 2021 is disclosed in note 25(c).

The accompanying notes on pages 44 and 78 to 84 are an integral part of these financial statements.
On behalf of the board



Nasir Pasha
Director

09 November 2023

Coroin Limited

Company statement of changes in equity for the year ended 31 December 2022

	Called-up Share Capital £'000	Additional paid- in Capital £'000	Retained earnings £'000	Other Reserves £'000	Total £'000
At 31 December 2020	2	70,829	3,403	(1,984)	72,250
Comprehensive income					
Profit for the year	-	-	1,143	-	1,143
Remeasurements of defined benefit liability	-	-	-	368	368
Tax on remeasurements of defined benefit liability	-	-	-	(152)	(152)
Total comprehensive income	-	-	1,143	216	1,359
At 31 December 2021	2	70,829	4,546	(1,768)	73,609
Comprehensive income/(loss)					
Profit for the year	-	-	55,040	-	55,040
Remeasurements of defined benefit liability	-	-	-	(4,051)	(4,051)
Tax on remeasurements of defined benefit liability	-	-	-	1,013	1,013
Total comprehensive income	-	-	55,040	(3,038)	52,002
At 31 December 2022	2	70,829	59,586	(4,806)	125,611

*The movement in other reserves relates remeasurements of the defined benefit liability and related tax impact on the remeasurement (refer to note 20 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 21 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 21 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) and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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; 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 11);

Judgement:

- recognition of deferred tax assets – The directors believe that the recoverability of certain deferred tax amount in the foreseeable future is probable and therefore based on this judgement a deferred tax asset has been recognised. For further details refer to note 7.

Going concern

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, impairment on property, plant and equipment and interest payable on its borrowings. As at the balance sheet date, the Group had net current liabilities of £936.5 million (2021: net current liabilities of £401.8 million) and net assets of £179.3 million (2021: £235.6 million).

The directors have assessed the going concern position of the Group by assessing the cash flow and covenant forecasts of the Group. These forecasts are prepared for the period to 31 December 2024 (the review period) using base case/downside assumptions on occupancy levels, including potential revenue recovery profiles, cost estimates and real estate values as relevant to loan-to-value ratio covenants. The directors believe that further downside scenarios such as closure of the hotels due to significant future travel restrictions or lockdowns is sufficiently remote.

Further the directors do not believe the potential recession linked to current inflation/slowdown due to Ukraine conflict will have a significant impact on its performance for the remainder of 2023 and 2024 other than an increase in debt service linked to refinancing at higher interest rates than previously paid.

The Group's projections for 2023 and 2024 show that in order to meet their working capital obligations, the Group may be dependent on the support provided by the ultimate beneficial owner for working capital obligations under a downside scenario.

Coroin Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Going concern *(continued)*

Capital expenditure

The continued major development project across Beverly Hills Acquisition LLC and the completion of the redevelopment at Claridge's Hotel Limited continue to be funded by the ultimate beneficial owner through the ultimate parent company Regis Investment S.A, as there is confidence in the long-term return on investment and viability of their respective businesses.

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Highness Sheikh Hamad Bin Khalifa Al-Thani, stating his intention to continue to support the Group in meeting this planned capital expenditure as well as working capital if needed, up to 31 December 2024. Based on the current forecasts, this could be up to £49m.

Financing

At the balance sheet date, the Group had two loans with external providers: Dukhan Bank and JP Morgan.

Dukhan Bank refinanced the principal amount of £396,790,000 upon its maturity on 27th October 2022 for a further 12 months until 27th 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 5.88%-7.099%. The loan was extended on 25 October 2023 for a further 5 years, with a maturity date of 27 October 2028. 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. Please see note 24 for further details.

Subsequent to year end, Regis Investment S.A. has taken out a facility with Deutsche Bank with a maturity date of 26 September 2028 and Beverly Hills Acquisition LLC is listed as one of the borrowers; \$200.5m was used to repay the JP Morgan loan on 27 September 2023 and an extra \$49.5m will be available for the Maybourne Beverly Hills hotel for future capital development. The interest rate that will be charged on the loan is SONIA + 2.6%.

Subsequent to the year-end, the intra-group loans between (1) Regis Investment S.A. and Coroin Limited, (2) Coroin Limited and MHG Senior Borrower Limited, (3) MHG Senior Borrower Limited and Claridge's Hotel Holdings Limited, and (4) Claridge's Hotel Holdings Limited and Claridge's Hotel Limited, were extended and are not due within the next 12 months.

Conclusion

After making enquiries and taking into account the improving performance of the assets (the UK asset in particular), the stage of completion of the development programs, as well as the confirmed intention of the ultimate beneficial owner to continue to support the Group if needed (primarily in relation to the planned capital expenditure), the directors have a reasonable expectation that the Company and Group 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.

Coroin Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

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 18 on Financial Instruments and Risk Management.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

Coroin Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	<i>Insurance Contracts</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

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.

Leases

The Group assesses whether a contract is or contains a lease at contract inception. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Coroin Limited

Notes (continued)

2 Significant accounting policies (continued)

Leases (continued)

Lessee leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets ("ROU") at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term assumption reflects the expectation of exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date as the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification such as a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The current and non-current portions of the lease liabilities are respectively disclosed within the Statement of financial position.

Lessor leases

Leases which do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income accounted for on a straight-line basis over the lease term and is included in other income/(expense) in the Income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income, when applicable. Contingent rents are recognised as revenue in the period in which they are earned, when applicable.

Coroin Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Property, plant and equipment

Recognition and measurement

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

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.

Stocks

Stocks 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 120 days past due based on historical experience that debtors that are past due beyond 120 days are not recoverable. 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

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
	UK	US	Consolidated	UK	US	Consolidated
Rooms	68,826	22,876	91,702	21,334	10,631	31,965
Food and Beverage	25,394	16,096	41,490	16,478	8,027	24,505
Other	3,935	3,840	7,775	2,511	2,532	5,043
	<u>98,155</u>	<u>42,812</u>	<u>140,967</u>	<u>40,323</u>	<u>21,190</u>	<u>61,513</u>

All revenue arises from continuing operations in the United Kingdom and the United States of America. Other revenue includes £Nil (2021: £1.9m) from the UK Coronavirus Job Retention Scheme claimed in the UK and £1.1m (2021: £0.8m) from Employee Retention Scheme claimed in the US. 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:

	2022 No.	2021 No.
Hotel and administration	995	721

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

	2022 No.	2021 No.
Number of employees	1	1

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

	2022 £'000	2021 £'000
Wages and salaries	43,565	24,685
Social security costs	2,061	1,014
Pension costs	1,338	1,200
	46,964	26,899

The directors of Coroin Limited and its subsidiaries are remunerated by a fellow group management company Dilmom LLC, which was paid a consultancy fee of £6,000,000 (2021: £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. No other benefits were received during the current year.

Coroin Limited

Notes *(continued)*

5 Operating profit / (loss) before impairment

	2022 £'000	2021 £'000
Operating profit / (loss) before impairment is stated after charging:		
Depreciation of property, plant and equipment (note 8)	19,444	13,143
Disposal of property, plant and equipment (note 8)	1,541	3,023
Depreciation of right-of-use-assets (note 11)	579	588
Amortisation of intangible fixed assets (note 9)	327	293
Auditor's remuneration		
- Audit of group and company financial statements	45	42
- Audit of subsidiary financial statement	274	256
	<hr/> 319	<hr/> 298

Coroin Limited

Notes (continued)

6 Net finance costs

	2022 £'000	2021 £'000
Interest expense on bank loans and borrowings	32,362	26,493
Interest on special redeemable preference shares	31	31
Interest arising on pension liabilities	(73)	(27)
Amortisation of loan issue expenses and bank fees (i)	-	310
Interest arising on related party loan (Note 21)	14,942	10,830
Interest on lease liabilities (Note 11)	2,564	2,458
	49,826	40,095
Finance income	(145)	(70)
Net finance costs	49,681	40,025

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

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 5.88-7.099%. 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 loan was extended on 25 October 2023 for a further 5 years, with a maturity date of 27 October 2028.

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 41-43 Brook street LLP 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. The bank refinanced the principal amount of this loan upon its maturity on 9th January 2023 until 9 October 2023 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's obligations under the 2019 Loan Agreement are secured by a lien and security interest in the hotel property. On 4 July 2023 the indicative heads of terms were signed by Deutsche Bank to refinance this loan, expected to happen on or before the maturity of JP Morgan loan. JP Morgan refinanced the principal amount of their loan of \$200,000,000 upon its maturity on 9th January 2023 until 9 October 2023 with an interest rate of LIBOR + 3.1%. Subsequent to year end, Regis Investment S.A. has taken out a facility with Deutsche Bank with a maturity date of 26 September 2028 and Beverly Hills Acquisition LLC is listed as one of the borrowers; \$200.5m was used to repay the JP Morgan loan on 27 September 2023 and an extra \$49.5m will be available for the Maybourne Beverly Hills hotel for future capital development. The interest rate that will be charged on the loan is SONIA + 2.6%.

Coroin Limited

Notes (continued)

7 Income taxes

(a) Amounts recognised in income statement

	2022 £'000	2021 £'000
Current tax		
Overseas tax for the period	-	4
Current tax on income for the period	(155)	-
	<hr/>	<hr/>
Total current tax	(155)	4
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of temporary differences	(5,271)	(8,686)
Adjustment in respect of prior periods	(335)	559
Impact of changes in tax rates	476	3,428
	<hr/>	<hr/>
Total deferred tax credit	(5,130)	(4,699)
	<hr/>	<hr/>
Income tax credit	(5,285)	(4,695)
	<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 2022. 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 (continued)

Group reconciliation of effective tax

	2022 £'000	2021 £'000
Loss before tax	(72,616)	(53,833)
Loss before tax at the standard corporation tax rate in UK of 19.00% (2021:19.00%)	(13,797)	(10,278)
Expenses not deductible for tax purposes	-	128
Non taxable income	(111)	-
Current year amounts (charged)/credited to STRGL and OCI	-	(92)
Adjustment to tax charge in respect of prior periods	(335)	559
Amounts not recognised	8,069	1,183
Impact of change in tax rates	(181)	3,054
Fixed asset differences	449	583
Difference in overseas tax rate	-	(371)
Adjustment to recognise LLP losses	44	(27)
State taxes	(2,279)	(1,245)
Exchange rate movements	(312)	-
Investment property	(210)	-
CIR restriction	-	2,059
Non-deductible impairment	3,735	-
Other amounts	(357)	(248)
Income tax credit	(5,285)	(4,695)

Coroin Limited

Notes (continued)

7 Income taxes (continued)

Group movements in deferred tax balances

	31 December 2021 £'000	Reclass £'000	Recognised in profit and loss £'000	Recognised in OCI £'000	31 December 2022 £'000
Deferred tax assets / (liabilities)					
Property, plant and equipment – capital allowances	(29,483)	23,275	2,324	-	(3,884)
Tax value of losses carried forward	15,042		(4,016)	-	11,026
Property, plant and equipment – capital gains	(149,547)	(23,275)	750	(15,480)	(187,552)
Other temporary differences	211	-	(862)	-	(651)
Corporate interest restriction – allowance	16,896	-	7,326	-	24,222
Defined benefit pension scheme	(731)	-	(392)	1,013	(110)
Total	(147,612)	-	5,130	(14,467)	(156,949)

Group unrecognised deferred tax assets

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

	2022 £'000	2021 £'000
Deferred tax assets		
Tax losses and CIR disallowances Carried forward	19,756	19,076
Total	19,756	19,076

Coroin Limited

Notes (continued)

7 Income taxes (continued)

Company Movements in deferred tax balances

	31 December 2021 £'000	Recognised in profit and loss £'000	Recognised in OCI £'000	31 December 2022 £'000
Deferred tax asset				
Tax value of losses carried forward	1,033	(96)	-	937
Defined benefit pension scheme	(340)	(785)	1,013	(112)
Interest /loan relationships (debits)/credits	-	(941)	-	(941)
Transitional adjustment	(1,424)	1,424	-	-
Total	(731)	(398)	1,013	(116)

Coroin Limited

Notes (continued)

8 Property, plant and equipment

Group	Freehold land and Buildings*	Structural Improvements	Assets under the course of construction	Fixtures fittings plant and machinery	Group Total
Cost	£'000	£'000	£'000	£'000	£'000
At 31 December 2021	1,101,402	75,272	145,114	88,732	1,410,520
Additions	-	-	74,528	-	74,528
Disposal	(1,483)	(10)	-	(51)	(1,544)
Exchange differences on translation of foreign operations	43,335	-	257	2,552	46,144
Revaluation	28,589	-	-	548	29,137
Reclassification	903	78,874	(140,929)	61,152	-
At 31 December 2022	1,172,746	154,136	78,970	152,933	1,558,785
Depreciation					
At 31 December 2021	26,251	4,592	-	5,645	36,488
Exchange differences on translation of foreign operations	1,495	-	-	524	2,019
Disposal	-	(3)	-	-	(3)
Charge for the year	3,395	2,503	-	13,546	19,444
Impairment	19,659	-	-	6,879	26,538
At 31 December 2022	50,800	7,092	-	26,594	84,486
Net book value					
At 31 December 2022	1,121,946	147,044	78,970	126,339	1,474,299
At 31 December 2021	1,075,151	70,680	145,114	83,087	1,374,032

Coroin Limited

Notes (continued)

8 Property, plant and equipment (continued)

*Note that this also includes the leasehold building for 41-43 Brook Street which is held under a 125 year lease is due to expire in 2124.

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 £401.1 million (2021: £396.8 million) to Dukhan Bank, the primary lender. It was due to be repaid on 31st October 2022, however Dukhan Bank refinanced the principal amount of £396.8 million on 27th October 2022 for another year, details of which are set out in Note 24. The loan was extended on 25 October 2023 for a further 5 years, with a maturity date of 27 October 2028.

Following the valuation of UK property, plant and equipment by Jones Lang LaSalle carried out for 31 December 2022, there has been impairment of £19,659,000 (2021:£Nil) to the leasehold property and £6,879,000 (2021: £Nil) to plant and equipment, both immediately recognised in the profit and loss account. In addition there has been a revaluation uplift of £17,670,000 to the Freehold land and buildings.

Following the valuation of US property, plant and equipment by Cushman & Wakefield carried out for 31 December 2022, there has been no impairment (2021 : impairment reversal of £7,604,512) to the freehold property. In addition there has been a revaluation uplift of £10,918,000 to the Freehold land and buildings.

The property, plant and equipment are classified as level 3. If property, plant and equipment were measured using the cost model, the carrying amounts would be as follows:

	31 December 2022 £'000	31 December 2021 £'000
Cost and additions	1,285,771	1,317,192
Accumulated depreciation	(125,581)	(105,949)
Net book value	1,160,190	1,211,243

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	2022	2021
Claridge's Hotel	Discounted cash flow	Discount rate	6.25%	6.50%
		Terminal cap rate	3.25%	3.25%
		Occupancy	73.0%-73.6%	68%-74%
		Average daily rate (ADR) growth	0.8%-3.1%	1.6%-13.3%
		Fixtures, fittings and equipment (FF&E) maintenance	3.5%-5%	2.5%-5%
		Capital deductions	£26.7m	£36.3m
The Maybourne Beverly Hills	Discounted cash flow *	Discount rate	7.00%	6.75%
		Terminal cap rate	5.7%	5.7%
		Occupancy	71-79%	80%
		ADR growth	3.0%-9%	3.0%-18.0%
		FF&E maintenance	4%	4%
		Capital deductions	\$72.4m	\$83.9m

In 2022, 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 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.

Coroin Limited

Notes (continued)

9 Intangible assets

Reconciliation of carrying amount

	2022 £'000 Group	2021 £'000 Group
Intellectual property		
Cost		
At 1 January	2,335	2,650
Amortisation	(327)	(293)
Exchange differences on translation of foreign operations	328	(22)
At 31 December	2,336	2,335

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. The intangibles are not included in the valuation of US property, plant and equipment by Cushman & Wakefield.

10 Goodwill

	31 December 2022 £'000	31 December 2021 £'000
Cost		
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 2022, 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 2022.

Coroin Limited

Notes (continued)

11 Leases

	Property 2022 £'000	Property 2021 £'000
Right-of-use assets		
Balance at 1 January 2022	50,287	50,816
Additions during the year	58	58
Disposal	(33)	-
Depreciation expense	(579)	(588)
Exchange differences on translation of foreign operations	8	1
Balance at 31 December 2022	49,741	50,287
Lease Liabilities	31 December 2022 £'000	31 December 2021 £'000
Balance at 1 January	58,173	56,371
Additions during the year	58	58
Interest	2,564	2,458
Payments	(772)	(664)
Exchange differences on translation of foreign operations	761	(50)
Balance at 31 December	60,784	58,173
	31 December 2022 £'000	31 December 2021 £'000
Non-current	60,650	58,049
Current	134	125
Balance at 31 December	60,784	58,173
Amounts recognised in Profit or Loss	31 December 2022 £'000	31 December 2021 £'000
Interest on lease liabilities	(2,564)	(2,458)
Depreciation of right of use assets	(579)	(588)
Expenses relating to leases of low-value assets	(77)	(60)
Total amount recognised in profit or loss	(3,220)	(3,106)

Coroin Limited

Notes (continued)

11 Leases (continued)

Leases - Estimating the incremental borrowing rate IFRS 16.26

Right of use assets

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 the start of the leases. The weighted-average rate applied is 3.52% - 5.47%.

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.

The table below relate to future lease payables:

	31 December 2022 £'000	31 December 2021 £'000
Less than one year	1,220	910
Between one and five years	5,971	5,872
Beyond five years	638,019	626,362
	<u>645,210</u>	<u>633,144</u>

12 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 £nil (£27k).

13 Stocks

	31 December 2022 £'000	31 December 2021 £'000
Raw materials and consumables	<u>4,568</u>	<u>3,464</u>

The directors are of the opinion that the net realisable value of stocks is greater than the carrying value. There was no material write down of stocks to net realisable value during the year ended 31 December 2022 (2021: £nil).

Coroin Limited

Notes (continued)

14 Trade and other receivables

	31 December 2022 £'000	31 December 2021 £'000
Trade receivables	8,545	4,331
Amounts owed by related parties (note 21)	1,308	1,888
Taxes and social security	-	1,731
Amounts owed by subsidiary undertakings	-	3,525
Other receivables	3,505	1,004
Prepayments	2,283	1,729
	<u>15,641</u>	<u>14,208</u>

Trade and other receivables includes a bad debt provision of £687k (2021: £675k).

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

15 Trade and other payables

	31 December 2022 £'000	31 December 2021 £'000
Trade payables	8,737	4,723
Amounts owed to related parties (note 21)	9,348	2,015
Amounts owed to group undertakings	-	3,476
Taxes and social security	3,023	2,557
Corporation tax	24	721
Other payables	6,020	1,802
Accruals	6,528	3,275
Capital accruals	3,039	3,627
	<u>36,719</u>	<u>22,197</u>

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

Coroin Limited

Notes (continued)

16 Loans and borrowings

	Interest rate	Maturity	31 December 2022 £'000	31 December 2021 £'000
Non current liabilities				
Secured bank loans – JP Morgan(i)	LIBOR + 3.1%	9 January 2023	-	144,716
Special redeemable preference shares (ii)	7.05%		625	594
Amounts owed to ultimate parent company – acquisition of US operations (iii)	LIBOR + 4.5%	20 December 2027	134,195	112,645
Amounts owed to ultimate parent company – ongoing development(iii)	2.9% - 4.5%	17 March 2023	-	298,982
			134,820	556,937
Current liabilities				
Secured bank loans – JP Morgan(i)	LIBOR + 3.1%	9 January 2023	166,292	-
Amounts owed to ultimate parent company – ongoing development(iii)	2.9% - 4.5%	17 March 2023	366,287	-
Secured bank loans – Dukhan Bank (i) –	5.88%-7.099%	31 October 2023	396,832	396,790
Accrued interest			5,059	3,099
			934,470	399,889

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.

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 2022 £'000	31 December 2021 £'000
Opening balance at 1 January	594	563
Accrued interest	31	31
Closing balance at 31 December	625	594

Coroin Limited

Notes *(continued)*

16 Loans and borrowings *(continued)*

Special redeemable preference shares *(continued)*

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.

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 on 20 December 2027, the \$142m relates to the £134m (Principal + Interest) in the table above while the remaining \$92.4m is accounted for as a capital contribution.

4.5% margin is charged on £366.2m (2021: £298.9m) representing the funds advanced by Regis Investment S.A. to fund ongoing development works at Claridge's. In prior year the loan was treated as long term debt as Regis Investment S.A. assured directors it would not demand repayment within the next 12 months. In 2022, the loan was treated as related party creditor repayable on demand. Interest of £14,942,000 (2021: £10,830,000) was accrued on the loan. The loan with Regis Investment S.A. was extended post year-end with the new signed agreement extending the loan to March 2025.

Coroin Limited

Notes (continued)

17 Capital and reserves

Called up share capital and share premium

	31 December 2022 £'000	31 December 2021 £'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 2022 £'000	31 December 2021 £'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 16)	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)

18 Financial instruments and risk management

(a) Accounting classifications and

The following tables show the carrying amount of financial assets and liabilities. 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
31 December 2022			
Trade receivables	8,545	-	8,545
Amounts owed by related company	1,308	-	1,308
Restricted cash	-	-	-
Cash and cash equivalents	14,582	-	14,582
Trade and other payables	-	(27,371)	(27,371)
Amounts owed to related parties	-	(9,348)	(9,348)
Amounts owed to parent undertakings	-	(500,482)	(500,482)
Special redeemable preference shares	-	(625)	(625)
Lease liabilities	-	(60,784)	(60,784)
Secured bank loans	-	(568,183)	(568,183)
	24,435	(1,166,793)	(1,142,358)

Coroin Limited

Notes (continued)

18 Financial instruments and risk management (continued)

(a) Accounting classifications (continued)

	Loans and Receivables £'000	Liabilities at Amortised cost £'000	Total carrying amount £'000
31 December 2021			
Trade receivables	4,331	-	4,331
Amounts owed by related company	5,413	-	5,413
Restricted cash	27	-	27
Cash and cash equivalents	2,733	-	2,733
Trade and other payables	-	(20,182)	(20,182)
Amounts owed to related parties	-	(2,015)	(2,015)
Amounts owed to parent undertakings	-	(411,627)	(411,627)
Special redeemable preference shares	-	(594)	(594)
Secured bank loans	-	(544,605)	(544,605)
	12,504	(979,023)	(966,519)

Coroin Limited

Notes (continued)

18 Financial instruments and risk management (continued)

(a) Accounting classifications (continued)

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, the carrying value is deemed to reflect a reasonable approximation of fair value.

(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)

18 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 2022	Gross £'000	Impairment £'000	Net receivables £'000
Group			
Not past due	2,760	-	2,760
Past due < 90 days	-	-	-
Past due > 90 days	687	(687)	-
	<u>3,447</u>	<u>(687)</u>	<u>2,760</u>

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>

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

Coroin Limited

Notes *(continued)*

18 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 the ultimate beneficial owner has represented His intention and ability to financially support the Company as needed.

Overdraft facilities

The Group has no undrawn overdraft or loan facilities.

Coroin Limited

Notes (continued)

18 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 2022							
Non derivatives							
Preference shares	625	(625)					(625)
Secured bank loans	568,183	(568,183)	(5,059)	(563,124)	-	-	-
Trade and other payables	27,371	(27,371)	(27,371)	-	-	-	-
Amounts owed to related parties	9,348	(9,348)	(9,348)	-	-	-	-
Amounts owed to parent undertakings	500,482	(500,482)	-	(366,287)	-	(134,195)	-
	1,106,009	(1,106,009)	(41,778)	(929,411)	-	(134,195)	(625)

Refer to note 11 for the disclosure of the contractual maturities of the Group's lease liabilities.

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 11.

Coroin Limited

Notes (continued)

18 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 2021							
Non derivatives							
Preference shares	594	(594)	-	-	-	-	(594)
Secured bank loans	544,605	(563,227)	(10,501)	(407,203)	(145,523)	-	-
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)	-	-	(298,982)	-	(112,645)
	<u>979,024</u>	<u>(997,645)</u>	<u>(32,698)</u>	<u>(407,203)</u>	<u>(444,505)</u>	<u>-</u>	<u>(113,239)</u>

Coroin Limited

Notes (continued)

18 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 exposed to interest rate risk as its both loans are linked to LIBOR/Sonia 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
2022	+5%	1,359	4,567
	-5%	(1,229)	(4,131)
2021	+5%	727	3,373
	-5%	(657)	3,728

(g) Interest rate risk

The Group is currently exposed to interest rate risk on its external loans in both the UK and US. The interest rates in the UK and US are linked to Sonia/LIBOR respectively. 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 JP Morgan which limits the increase in LIBOR to a maximum of 3.5%.

19 Capital expenditure commitments

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

	31 December 2022 £'000	31 December 2021 £'000
Authorised and contracted for	337	259
	<u>337</u>	<u>259</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 £465.9m, The further phases of the projects are procured as the work progresses. As at 31 December 2022, the remaining budget to complete the capital development program is £104.9m.

Coroin Limited

Notes (continued)

20 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 of Coroin's allocation of 49.5% in relation to the scheme in accordance with the requirements of IAS 19 are therefore provided below.

Coroin Limited

Notes (continued)

20 Employee benefits (continued)

	31 December 2022 £'000	31 December 2021 £'000	31 December 2020 £'000	31 December 2019 £'000
Total market value of pension scheme assets	29,921	51,614	52,014	45,266
Present value of defined benefit obligation	(29,473)	(48,688)	(51,020)	(45,406)
Excess of scheme assets/(liabilities) over assets/liabilities	448	2,926	994	(140)
Additional funding liability	-	-	-	-
Employee retirement benefit liability	448	2,926	994	(140)
Related deferred tax asset	(116)	(731)	(23)	24
Employee retirement benefit asset/(liability) after tax	332	2,195	971	(116)

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 £376,170 (2021: £349,925) 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 £33,333 (until 31 March 2022 amount of £24,478) and an additional contribution to the amount of £376,170 minus the above two contributions (2021: £349,925: 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 2022 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)

20 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 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Balance at 1 January	(48,688)	(51,020)	51,614	52,014	2,926	994
Included in profit and loss						
Current service costs	(194)	(290)	-	-	(194)	(290)
Interest (cost)/income	(907)	(650)	978	677	71	27
	(1,101)	(940)	978	677	(123)	(263)
Included in OCI						
Remeasurements:						
-Actuarial gain/(loss) arising from:						
- demographic assumptions	7	(154)	-	-	7	(154)
- financial assumptions	16,863	1,560	-	-	16,863	1,560
- experience adjustment	1,503	-	-	-	1,503	-
excluding interest income	-	-	(22,424)	(1,038)	(22,424)	(1,038)
	18,373	1,406	(22,424)	(1,038)	(4,051)	368

Coroin Limited

Notes (continued)

20 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 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000	31 December 2022 £'000	31 December 2021 £'000
Other						
Contributions paid by the employer	-	-	1,916	1,940	1,916	1,940
Benefits paid	1,939	1,861	(1,939)	(1,550)	-	-
Service cost	4	5	(224)	(286)	(220)	(144)
	<u>1,943</u>	<u>1,866</u>	<u>(247)</u>	<u>104</u>	<u>1,696</u>	<u>1,828</u>
Balance at 31 December	<u>(29,473)</u>	<u>(48,688)</u>	<u>29,921</u>	<u>51,614</u>	<u>448</u>	<u>2,926</u>

Coroin Limited

Notes (continued)

20 Employee benefits (continued)

Both Coroin Group and Selene Holdings Group expect to pay a total of £4.68 million in contributions to the defined benefit plans in 2023. Coroin Group is expected to pay £568,000 in respect of the contribution for future accrual of benefit and £1,907,000 in respect of additional contribution.

(a) Plan assets

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

	31 December 2022 £'000	31 December 2021 £'000
Cash and cash equivalents	698	1,426
Derivatives	10,913	19,240
Overseas equities	138	2,570
Corporate bonds	17,339	24,758
Property	15	984
Others	817	2,636
	29,920	51,614

(5) b) Defined benefit obligation(i) Actuarial assumptions

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

	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Discount rate	4.75%	1.90%	1.30%	2.10%
Inflation rate (RPI)	3.30%	3.50%	3.05%	3.10%
Inflation rate (CPI)	2.40%	2.60%	2.15%	2.20%
Future pension growth	3.20%	3.35%	3.00%	3.05%
Life expectancy at age 65 for pensioners currently aged 65 (years)				
Female	24.4	24.2	24.0	24.3
Male	21.6	21.4	21.4	21.7
Life expectancy at age 65 for active members currently aged 45 (years)				
Female	25.5	25.4	25.1	25.5
Male	22.5	22.3	22.3	22.8

Coroin Limited

Notes (continued)

20 Employee benefits (continued)

(5) At 31 December 2022, the weighted average duration of the defined benefit obligation was 17.5 years (2021: 17.5 years)/ *Sensitivity analysis*

Increasing the discount rate applied by 0.25% would result in a £1,112,000 decrease in the net pension liability.

Decreasing the discount rate applied by 0.25% would result in a £1,112,000 increase in the net pension liability.

Increasing the inflation rate applied by 0.25% would result in a £698,000 increase in the net pension liability.

Decreasing the inflation rate applied by 0.25% would result in a £698,000 decrease in the net pension liability.

Increasing life expectancy by 1 year would result in a £1,181,000 increase in the net pension liability.

Decreasing life expectancy by 1 year would result in a £1,181,000 decrease in the net pension liability.

Within Coroin Limited Group – UK operations - pensions for 18 employees (2021: 20 employees) are funded through the defined contribution scheme. The defined contribution pension cost for the year amounted to £64,232 (2021: £53,965). 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 £476,173 (2021: £308,185). The Group actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package. Pensions for 499 employees (2021: 366) are funded through the defined contribution scheme.

Within Beverly Hills Acquisition LLC, the Group's US entity, provides for the 401K contribution scheme for its associates. The benefit cost amounted to £376,614 (2021: £246,239) for the year ended 31 December 2022.

21 Related party disclosures

(a) Transactions with related parties

Coroin Limited

Notes (continued)

21 Related party disclosures (continued)

(a) Transactions with related parties (continued)

Related party Asset/ (liability)	Nature of relationship	Opening balance 01/01/2022 £'000	Transfer to other creditors £'000	Purchases £'000	Receipts £'000	Loan received £'000	Loan moved to non-current loan £'000	Closing balance 31/12/2022 £'000
Hume Street Management Consultants Limited	Common director	382	(382)	-	-	-	-	-
The Berkeley Hotel Limited	Common director	6	-	-	(6)	-	-	-
The Connaught Hotel Limited	Common director	5	-	-	(5)	-	-	-
Maybourne Hotels Limited	Common director	187	-	-	(187)	-	-	-
The Maybourne Riviera	Common director	1,308	-	-	-	-	-	1,308
Goldrange Properties Limited	Common director	-	-	-	-	-	-	-
		<u>1,888</u>	<u>(382)</u>	<u>-</u>	<u>(198)</u>	<u>-</u>	<u>-</u>	<u>1,308</u>

Coroin Limited

Notes (continued)

Related party Asset/ (liability)	Nature of relationship	Opening balance 01/01/2022	Transfer to other debtors	Purchases	Payments	Loan received	Loan moved to non-current loan	Closing balance 31/12/2022
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Hume Street Management Consultants Limited	Common director	(425)	425	-	-	-	-	-
The Berkeley Hotel Limited	Common director	(51)	-	(46)	1,901	(2,025)	-	(221)
The Connaught Hotel Limited	Common director	(3)	-	(246)	244	-	-	(5)
Maybourne Hotels Limited	Common director	(1,536)	-	(8,293)	707	-	-	(9,122)
		<u>(2,015)</u>	<u>425</u>	<u>(8,585)</u>	<u>2,852</u>	<u>(2,025)</u>	<u>-</u>	<u>(9,348)</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 2022. 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 £986,000 (2021: £776,000). 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 £107,750 (2021: £82,570). No other benefits were received during the current year.

Coroin Limited

Notes

21 Related party disclosures *(continued)*

(d) Other related party transactions

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 2022 were:

Subsidiary undertaking	Company Number (UK entities)	Country of Incorporation and operation	Activity	Shareholding (ordinary shares)
MHG Senior Borrower Limited	08313665	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)

Coroin Limited

Notes (continued)

21 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)
MHG Senior Borrower Limited	08313665	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)
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)

Coroin Limited

Notes (continued)

21 Related party disclosures (continued)

(a) Consolidated subsidiaries (continued)

The group held 100% of the share capital in the below companies which were dissolved via voluntary strike-off on 11/04/2022 and 13/12/2022.

Subsidiary undertaking	Company Number	Country of Incorporation and operation	Activity	Dissolved on	Shareholding (Ordinary)
Westark Properties Limited	05112202	Great Britain	Holding Company	13 December 2022	100% (direct)
Maybourne Mezzanine Holdco Limited	08313658	Great Britain	Holding Company	04 April 2023	100% (direct)
MHG Senior Holdco Limited	08313647	Great Britain	Holding Company	04 April 2023	100% (indirect)
Raglan Real Estate	03558968	Great Britain	Holding Company	01 November 2022	100% (indirect)
Westone Hotel Acquisition Company	03543429	Great Britain	Holding Company	13 December 2022	100% (indirect)
A Goody Rewarded Limited	01271647	Great Britain	Dormant company	11 October 2022	100% (indirect)
Claridge's Hotel (42000) Limited	00042000	Great Britain	Dormant company	13 December 2022	100% (indirect)
Shapeloose Limited	03521130	Great Britain	Dormant company	11 October 2022	100% (indirect)

The registered address for each subsidiary is the same as that of the Company.

22 Contingencies

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 for the accounting period 23 January 2022 – 31 December 2022. The directors do not believe the outcome will have a material impact on the accounts.

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 Dukhan loan was extended on 25 October 2023 for a further 5 years, with a maturity date of 27 October 2028. The principal amount of £396,790,000 was renewed in a single facility with an interest rate of 5.88%-7.099%. 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.

Subsequent to year end, Regis Investment S.A. has taken out a facility with Deutsche Bank with a maturity date of 26 September 2028 and Beverly Hills Acquisition LLC is listed as one of the borrowers; \$200.5m was used to repay the JP Morgan loan on 27 September 2023 and an extra \$49.5m will be available for the Maybourne Beverly Hills hotel for future capital development. The interest rate that will be charged on the loan is SONIA + 2.6%.

Subsequent to the year-end, the intra-group loans between (1) Regis Investment S.A. and Coroin Limited, (2) Coroin Limited and MHG Senior Borrower Limited, (3) MHG Senior Borrower Limited and Claridge's Hotel Holdings Limited, and (4) Claridge's Hotel Holdings Limited and Claridge's Hotel Limited, were extended and are not due within the next 12 months.

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 £55,040k (2021: £1,143k) 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.

Coroin Limited

Notes (continued)

25 Company notes (continued)

(c) Restatement

For the year ended 31 December 2021, some of the amounts owed from subsidiary undertakings and amounts owed to subsidiary undertakings were incorrectly presented net in previous years when the criteria for offset were not met.

The above error has been corrected by restating each of the affected financial statement and disclosure note line items for the prior periods as set out below.

	Note	31 December 2021 £'000	Restatement £'000	Restated 31 December 2021 £'000
Non-current assets				
Investments	25	181,764	-	181,764
Amounts owed from subsidiary undertaking	25	112,645	96,210	208,855
Employee benefits	20	2,926	-	2,926
		<u>297,335</u>	<u>96,210</u>	<u>393,545</u>
Current assets				
Debtors	25	26	-	26
		<u>26</u>	<u>-</u>	<u>26</u>
Creditors: amounts falling due within one year	25	(109,782)	(96,210)	(205,992)
Net current liabilities		<u>(109,756)</u>	<u>(96,210)</u>	<u>(205,966)</u>
Total assets less current liabilities		<u>187,579</u>	<u>-</u>	<u>187,579</u>
Creditors: amounts falling due after one year	25	(113,239)	-	(113,239)
Deferred tax	7	(731)	-	(731)
Net assets		<u>73,609</u>	<u>-</u>	<u>73,609</u>
Capital and reserves				
Called up share capital	17	2	-	2
Additional Paid-in capital	17	70,829	-	70,829
Other reserve		(1,768)	-	(1,768)
Retained earnings		4,546	-	4,546
Total capital and reserves		<u>73,609</u>	<u>-</u>	<u>73,609</u>

Coroin Limited

Notes (continued)

25 Company notes (continued)

Disclosure note 25(f) - Debtors

	2021 £'000	Restatement	*(Restated) 2021 £'000
Non Current assets			
Investments	181,764	-	181,764
Amounts owed from subsidiary undertaking	112,645	96,210	208,855
Employee benefits	2,926	-	2,926
Total	<u>297,335</u>	<u>96,210</u>	<u>393,545</u>

Disclosure note 25(g) - Trade payables: amounts falling due within one year

	2021 £'000	Restatement	*(Restated) 2021 £'000
Trade and other payables			
Other payables	2	-	2
Accruals and deferred income	84	-	84
Other taxes and social security	2	-	2
Amounts due to subsidiary undertakings	109,671	96,210	205,881
Amounts owed to related party	23	-	23
Total	<u>109,782</u>	<u>96,210</u>	<u>205,992</u>

Coroin Limited

Notes (continued)

25 Company notes (continued)

(d) Investments

	31 December 2022 £'000	31 December 2021 £'000
At beginning of year	181,764	181,764
Investments related to subsidiaries dissolved via voluntary strike-off	(110,935)	-
At end of year	70,829	181,764

At 31 December 2022 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.

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)
MHG Senior Borrower Limited	08313665	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)
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)

Coroin Limited

Notes *(continued)*

25 Company notes *(continued)*

(d) Investments *(continued)*

The company held 100% of the share capital in the below companies which were dissolved via voluntary strike-off.

Subsidiary undertaking	Company Number	Country of Incorporation and operation	Activity	Dissolved on	Shareholding (Ordinary)
Westark Properties Limited	05112202	Great Britain	Holding Company	13 December 2022	100% (direct)
Maybourne Mezzanine Holdco Limited	08313658	Great Britain	Holding Company	04 April 2023	100% (direct)
MHG Senior Holdco Limited	08313647	Great Britain	Holding Company	04 April 2023	100% (indirect)
Raglan Real Estate	03558968	Great Britain	Holding Company	01 November 2022	100% (indirect)
Westone Hotel Acquisition Company	03543429	Great Britain	Holding Company	13 December 2022	100% (indirect)
A Goody Rewarded Limited	01271647	Great Britain	Dormant company	11 October 2022	100% (indirect)
Claridge's Hotel (42000) Limited	00042000	Great Britain	Dormant company	13 December 2022	100% (indirect)
Shapeloose Limited	03521130	Great Britain	Dormant company	11 October 2022	100% (indirect)

The registered address for each subsidiary is the same as that of the Company.

Coroin Limited

Notes (continued)

25 Company notes (continued)

(d) 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.

(e) Non-current debtors

	31 December 2022 £'000	*(Restated) 31 December 2021 £'000
Amounts due from subsidiary undertaking	190,945	208,855

Amounts due from subsidiary undertaking includes £134m on the US acquisition which attract interest are unsecured and repayable on demand. The details on the interest rates have been included in the table in note 16. and £57m i.e., amounts due from other subsidiary which are interest free, unsecured and repayable on demand.

There is a £96m impact of restatement on disclosure note for the year ended 31 December 2021 which has been disclosed in note 25(c).

(f) Current debtors

	31 December 2022 £'000	31 December 2021 £'000
Current assets		
Prepayments and other assets	12	8
Amounts due from subsidiary undertakings	-	8
Amounts due from related party	-	10
Total	12	26

Trade payables: amounts falling due within one year

	31 December 2022 £'000	*(Restated) 31 December 2021 £'000
Trade and other payables		
Other payables	5	2
Accruals and deferred income	67	84
Other taxes and social security	-	2
Amounts due to subsidiary undertakings	1,549	205,881
Amounts owed to related party	66	23
Total	1,687	205,992

Amounts due to subsidiary are interest free, unsecured and repayable on demand.

*Impact of restatement on disclosure note for the year ended 31 December 2021 is disclosed in note 25(c).

Coroin Limited

Notes (continued)

25 Company notes (continued)

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

	31 December 2022 £'000	31 December 2021 £'000
Loans and borrowings		
Special redeemable preference shares	625	594
Amounts owed to ultimate parent company	134,195	112,645
Total	134,820	113,239

Amounts owed to ultimate parent company and special redeemable preference shares attract interest are unsecured. The details on the interest rates have been included in the table in note 16

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

	2022 £'000	2021 £'000
Wages and salaries	77	57
Social security costs	10	7
Pension costs	225	313
	312	377

(i) Related party transactions

Amounts are due to Maybourne Hotels Limited of £66,127 (2021: £23,000) 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 21 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

Subsequent to the year-end, the intra-group loans between (1) Regis Investment S.A. and Coroin Limited, (2) Coroin Limited and MHG Senior Borrower Limited were extended and are not due within the next 12 months.