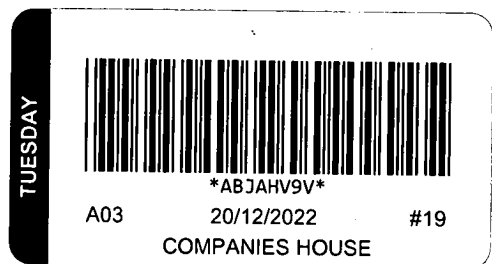


**THE CAVENDISH HOTEL (LONDON) LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2021**

**Registered number 05926753**



# **THE CAVENDISH HOTEL (LONDON) LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

Ngok Wai Lee  
Benjamin Haworth  
Eric Julien Adrien Fombonne (resigned 31 March 2021)  
Frederic Carre (appointed 31 March 2021)

### **Company Number**

05926753

### **Registered office**

7-21 Goswell Road  
London  
EC1M 7AH

### **Auditors**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

# THE CAVENDISH HOTEL (LONDON) LIMITED

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# THE CAVENDISH HOTEL (LONDON) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Principal activities

The principal activity of the company is operating The Cavendish Hotel in central London.

#### Business review

For the year ended 31 December 2021 the gross profit was £3,266,000 (2020: £1,536,000). The loss before tax amounted to £730,000 (2020: Loss: £2,137,000). The improvement in the company's performance is the result of the reduced impact of Covid-19 related restrictions in 2021 when compared with the previous year. This resulted in an increase in occupancy to 26.83% (2020: 19.43%) and average daily rate to £198 (2020: £172).

#### Financial risk management policies and objectives

The company is financed by a bank loan from OCBC Bank and it is required to meet all terms and conditions set out in the loan agreement.

The loan contains a loan to value covenant limit of 70% and an EBITDA interest cover covenant of 1.25 times. No covenants were breached during the year ended 31<sup>st</sup> December 2021, however the operations of the Cavendish Hotel London continued to be impacted by the Covid-19 pandemic throughout 2021. As a result, the directors had earlier commenced negotiations with OCBC Bank for a further extension of covenant waivers. On 31 December 2021, an agreement was signed to extend an earlier waiver of the interest cover covenant until 31 March 2022. The next testing period for the interest cover covenant will be the quarter ended 30 June 2022, to be tested by 30 September 2022. In return for this waiver, The Ascott Holdings Limited, an intermediate parent of the company, entered into a deed of undertaking whereby it has pledged to provide additional security by way of cash on deposit or bank guarantees to cover any shortfall in either loan to value or interest cover covenants.

As the impact of the Covid-19 pandemic and in particular the extent of restrictions on travel and the hospitality industry have gradually eased throughout 2021 and into 2022, the performance of the Cavendish Hotel London has improved. At the time of signing these financial statements, the directors anticipate no further covenant breaches and thus no further waiver will be required beyond 31 March 2022.

The loans from OCBC bank are due for repayment in May 2023. The directors plan to carry out a refinancing exercise in the coming months and are confident that they will obtain new financing on competitive terms.

The directors are confident that the company has sufficient resources, including access to support from its parent company if required, to enable it to continue to meet its liabilities as they fall due, including payment of interest to OCBC Bank.

#### Going concern

As with the majority of businesses, particularly those in the hospitality sector, the company has been severely impacted by the Coronavirus pandemic and the various government imposed lockdowns since March 2020. The hotel owned and operated by the company was closed for part of 2020 and again in early 2021, and at other times has operated with significantly reduced occupancy and revenue. This is the key driver behind the change in financial performance of the company when compared to previous periods. Despite the adverse trading performance, the company maintained sufficient cash reserves throughout the period impacted by the pandemic and has further strengthened its cash position as trading has recovered in the period since Covid restrictions were lifted in early 2021. The directors' forecasts for the business indicate that the cash position will remain strong, even taking account of severe but plausible downside risks to operating performance related to the current economic and political environment including the war in Ukraine, high inflation, particularly in relation to energy, rising interest rates and the widely anticipated recession in the UK.

At the time of issuing these financial statements, the Cavendish Hotel London is enjoying a strong revival in performance, with occupancy in excess of 80% and average daily rates exceeding 2019 pre Covid-19 levels, significantly ahead of budgeted levels for 2022.

# THE CAVENDISH HOTEL (LONDON) LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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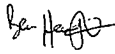
### Credit risk

The company is exposed to credit risk from corporate clients who are granted credit terms when using the hotel for accommodation and conference facilities. The company mitigates this risk by undertaking credit checks on potential trading partners and by avoiding any significant concentration of exposure to individual parties.

### Future developments

At the date of approval of these financial statements, the Cavendish Hotel London has been continuously open for 19 months after being temporarily closed for two separate periods in 2020 and 2021, in accordance with government guidance. The directors have implemented a significant cost reduction plan during the closures and the company has benefited from various government measures to assist businesses during the pandemic. As restrictions on travel and the hospitality industry have eased throughout the second half of 2021 and into 2022, the performance of the Cavendish Hotel London has significantly improved to the extent that it is currently operating close to pre-pandemic levels. Although the risk of further disruption related to the Covid-19 pandemic appear to be receding, the directors are mindful of other risks to the performance of the business in particular in relation to the global challenges presented by the conflict in Ukraine, rising inflation, energy prices and interest rates, the full effects of which cannot yet be estimated.

By order of the board



.....  
**Benjamin Haworth**  
Director

Approved by board of directors on: 15 December 2022

# THE CAVENDISH HOTEL (LONDON) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the Group is disclosed in the Strategic Report on page 1.

#### Directors

The directors who held office during the year to 31 December 2021 and up to the date of signature of the financial statements were as follows:

Ngok Wai Lee  
Benjamin Haworth  
Eric Julien Adrien Fombonne (resigned 31 March 2021)  
Frederic Carre (appointed 31 March 2021)

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

#### Results and dividends

The loss for the year was £730,000 (2020: Loss £1,999,000). No dividends were declared in the year (2020: £Nil).

#### Company secretary's details

Reed Smith Corporate Services Limited  
The Broadgate Tower  
Third Floor  
20 Primrose Street  
London EC2A 2RS

#### Registered Office

7-21 Goswell Road  
London  
EC1M 7AH

#### Directors' remuneration

Directors' remuneration and retirement benefits are borne by other group companies.

#### Political contributions

There were no political contributions made by the company in the year (2020: £Nil).

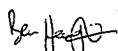
#### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



.....  
**Benjamin Haworth**  
Director

# **THE CAVENDISH HOTEL (LONDON) LIMITED**

## **DIRECTORS' RESPONSIBILITY STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAVENDISH HOTEL (LONDON) LIMITED**

### **Opinion**

We have audited the financial statements of The Cavendish Hotel (London) Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAVENDISH HOTEL (LONDON) LIMITED (continued)**

- Reading Board minutes;
- Using analytical procedures to identify any unusual or unexpected relationships.
- Considering remuneration incentive schemes and performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue transactions are simple in nature and the average value per transaction is low and therefore management would have to process a large volume of false revenue transactions to materially misstate or record revenue in the wrong period.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual transactions to revenue and cash and any material post-closing entries.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection, anti-bribery and employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAVENDISH HOTEL (LONDON) LIMITED (continued)**

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CAVENDISH HOTEL (LONDON) LIMITED (continued)**

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Chrissy Douka'.

**Chrissy Douka**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

15<sup>th</sup> December 2022

# THE CAVENDISH HOTEL (LONDON) LIMITED

## PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2021

|  |       | 2021                | 2020                  |
|--|-------|---------------------|-----------------------|
|  | Notes | £'000               | £'000                 |
| Turnover                                     | 2     | 4,477               | 3,136                 |
| Cost of sales                                |       | <u>(1,211)</u>      | <u>(1,600)</u>        |
| Gross profit                                 |       | 3,266               | 1,536                 |
| Administrative expenses                      | 3     | (3,418)             | (3,724)               |
| Other operating income                       | 4     | <u>1,014</u>        | <u>1,969</u>          |
| Operating profit / (loss)                    |       | 862                 | (219)                 |
| Net interest and similar charges             | 7     | <u>(1,592)</u>      | <u>(1,918)</u>        |
| Loss on ordinary activities before taxation  |       | (730)               | (2,137)               |
| Tax on loss on ordinary activities           | 8     | <u>-</u>            | <u>138</u>            |
| Loss for the year                            |       | (730)               | (1,999)               |
| Other comprehensive income net of taxation   |       | <u>-</u>            | <u>-</u>              |
| Total comprehensive expenditure for the year |       | <u><u>(730)</u></u> | <u><u>(1,999)</u></u> |

The profit and loss and other comprehensive income statement has been prepared on the basis that all operations are continuing operations.

The notes of page 12 – 23 form part of the financial statements.

# THE CAVENDISH HOTEL (LONDON) LIMITED

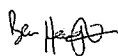
## BALANCE SHEET

AS AT 31 DECEMBER 2021

|  | Notes | 2021<br>£'000 | 2021<br>£'000  | 2020<br>£'000 | 2020<br>£'000  |
|--|-------|---------------|----------------|---------------|----------------|
| <b>Fixed assets</b>                          |       |               |                |               |                |
| Tangible assets                              | 9     |               | 108,477        |               | 109,421        |
| <b>Current assets</b>                        |       |               |                |               |                |
| Stock  | 10    | -             |                | 8             |                |
| Debtors                                      | 11    | 1,151         |                | 897           |                |
| Cash at bank and in hand                     |       | <u>1,971</u>  |                | <u>1,413</u>  |                |
|  |       | 3,122         |                | 2,318         |                |
| <b>Creditors</b>                             |       |               |                |               |                |
| Amounts falling due within one year          | 12    | (2,094)       |                | (1,613)       |                |
| <b>Net current assets</b>                    |       |               | 1,028          |               | 705            |
| <b>Total assets less current liabilities</b> |       |               | <u>109,505</u> |               | <u>110,126</u> |
| <b>Creditors</b>                             |       |               |                |               |                |
| Amounts falling due after more than one year | 12    |               | (109,700)      |               | (109,591)      |
| <b>Net (liabilities) / assets</b>            |       |               | <u>(195)</u>   |               | <u>535</u>     |
| <b>Capital and reserves</b>                  |       |               |                |               |                |
| Called up share capital                      | 13    |               | -              |               | -              |
| Profit and loss account                      |       |               | (195)          |               | 535            |
| <b>Shareholders' (deficit) / surplus</b>     |       |               | <u>(195)</u>   |               | <u>535</u>     |

The notes on pages 12 – 23 form part of the financial statements.

The financial statements were approved by the board of directors on: 15 December 2022



Benjamin Haworth  
Director

Company number 05926753

# THE CAVENDISH HOTEL (LONDON) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

|                                       | Called up share<br>capital | Profit and loss<br>account | Total<br>Shareholders'<br>funds |
|---------------------------------------|----------------------------|----------------------------|---------------------------------|
|                                       | £'000                      | £'000                      | £'000                           |
| At 1 January 2020                     | -                          | 2,534                      | 2,534                           |
| Profit for the year                   | -                          | (1,999)                    | (1,999)                         |
| <b>Balance as at 31 December 2020</b> | <b>-</b>                   | <b>535</b>                 | <b>535</b>                      |
| At 1 January 2021                     | -                          | 535                        | 535                             |
| Loss for the year                     | -                          | (730)                      | (730)                           |
| <b>Balance as at 31 December 2021</b> | <b>-</b>                   | <b>(195)</b>               | <b>(195)</b>                    |

The notes on pages 12 - 23 form part of the financial statements.

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Summary of significant accounting policies

##### Basis of preparation

The Cavendish Hotel (London) Limited (the "Company") is a private company incorporated, domiciled and registered in England. The registered number is 05926753 and the registered address is 7-21 Goswell Road, London, EC1M 7AH.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements are presented in Sterling, which is the functional and presentational currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000 unless specified otherwise.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements of the company are consolidated into the IFRS financial statements of CapitaLand Investment Limited. Copies of the IFRS group accounts of CapitaLand Investment Limited can be obtained from 168 Robinson Road #30-01 Capital Tower Singapore 068912.

##### Reduced disclosures

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the Group accounts of the ultimate controlling party, in accordance with FRS 101:

- Presentation of a Statement of Cash Flows and related notes;
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- Revenue disclosures, including:
  - Disaggregated and total revenue from contracts with customers;
  - Explanation of significant changes in contract assets and liabilities;
- Financial instrument disclosures, including:
  - Carrying amounts and fair values of financial instruments by category and information about the nature and extent of risks arising on financial instruments;
  - Income, expenses, gains and losses on financial instruments;
  - Information about financial instruments that have been reclassified, derecognised, transferred or offset;
  - Details of credit losses, collateral, loan defaults or breaches;
- Comparative narrative information that continues to be relevant to the current period;
- Comparative period reconciliations for the carrying amounts of property, plant and equipment;
- Disclosure of key management personnel compensation, and amounts incurred for the provision of key management personnel services by a separate management entity;
- Related party disclosures for transactions with the parent or wholly owned members of the group; and
- Disclosure of the objectives, policies and processes for managing capital;

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Summary of significant accounting policies (continued)

##### Going concern

The company recorded a Loss after tax of £730,000 for the year ended 31 December 2021 (2020: £1,999,000) and had net current assets of £1,028,000 as at 31 December 2021 (2020: £705,000). Net liabilities were £195,000 (2020: Assets £535,000). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

During the year, the company continued to be adversely affected by the Covid-19 pandemic which led to the temporary closure of the Cavendish Hotel on two occasions in the previous year. As at the date of approval of these financial statements, the hotel is experiencing strong performance in the second half of 2022 and expects a return to profitability for the full year 2022. However, the directors are mindful of a variety of economic challenges facing the company in the short to medium term including higher rates of inflation and interest rates as well as other uncertainties related to the conflict in Ukraine. Further restrictions and other impacts of Covid-19, although less likely, cannot be ruled out.

In light of the exceptional trading circumstances experienced in 2021, the directors implemented a significant cost reduction plan and took advantage of various government support measures made available to businesses.

A temporary suspension of loan covenant testing was also agreed with the company's lender, OCBC bank, until March 2022. The first testing period after the suspension of the interest cover covenant was the quarter ended 30 June 2022. The covenant was met in this period and is anticipated to be met for the full year 2022. In return for this waiver The Ascott Holdings Limited, an intermediate parent of the company, entered into a deed of undertaking whereby it has pledged to provide additional security by way of cash on deposit or bank guarantees to cover any shortfall in either loan to value or interest cover covenants.

Although the current trading performance is strong and no further major disruption to the business is anticipated as a result of Covid-19, the directors have prepared cashflow forecasts for at least 12 months from the date of approval of the financial statements, including the severe but plausible downside side scenarios outlined below:

- up to 15% reduction in revenue (whether through further lockdown or general recessionary impacts),
- SONIA interest rates of up to 5%
- Inflation of 3% above the expected level of expenses provided for in our 2023 budget
- Energy costs with a multiple of up to 6 times 2019 levels

These forecasts show that interest cover covenants on its bank loan may be breached if all the above adverse variables are realised, however breached covenants can be rectified by placing additional cash. The underlying cashflow forecast indicates that the cash position will remain strong and that any covenant breach could be remedied by placing additional cash on deposit with OCBC bank. This may require calling for a modest injection of funds from The Ascott Limited, as provided for in the letter of support provided to the company.

Those forecasts are dependent on the company's intermediate parent company, The Ascott Limited not seeking repayment of the amounts currently due to the group, which at 31 December 2021 amounted to £5.1m. The Ascott Limited has indicated that it does not intend to seek repayment of these amounts during the going concern assessment period.

The Directors intend and expect to be able to refinance the maturing bank loans, which at the balance sheet date amounted to £103.1m, before they mature in May 2023. The financial support provided by The Ascott Limited extends to providing assistance that may be required to support the refinancing or, in the event that refinancing cannot be secured, to make available sufficient funds as shareholder loans or equity injections to enable repayment of the bank loans on or before their maturity date. Directors have also assessed that The Ascott Limited has the financial ability with the support from its listed parent entity, to support the company and, the intention to provide financial assistance considering the fact that the hotel is located in a prime location in central London and the business is generally profitable.



# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Summary of significant accounting policies (continued)

##### Going concern (continued)

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

With these measures in place and with the benefit of the cash reserves held by the business along with the availability of support from the parent company, the directors consider the company has sufficient resources to meet its obligations as they fall due for a period of at least 12 months from the date of these financial statements. The directors have reviewed cashflow forecasts under various scenarios and expect that even in the event of severe but plausible downsides to the central forecast, this assumption remains valid.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### Turnover

Turnover, which excludes value added tax, comprises the company's income from the operation of its hotel. This arises primarily from the letting of room and suite accommodation and the service of food and drink. Revenue is recognised on the daily occupation of accommodation and once a service has been rendered.

##### Tangible fixed assets

Tangible fixed assets are held at historical cost including the costs attributable to bringing the asset to its working condition and less accumulated depreciation on a straight line basis as follows:

Long leasehold buildings - shorter of the lease term and 150 years

Fixtures, fittings and equipment - 4 to 7 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Where any permanent diminution of the property value is incurred, a provision is made in the profit and loss account. The directors estimate of residual values is based on prices prevailing at the year-end or subsequent independent valuation.

##### Stocks

Stocks are valued at the lower of cost and net realisable value on a FIFO basis. Provision is made for obsolete, slow moving and defective stock.

##### Leased assets

The company has adopted IFRS 16 Leases in these financial statements using the modified retrospective approach. Further information about the impact of IFRS 16 is set out below.

The company as a lessee

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Summary of significant accounting policies (continued)

##### Leased assets (continued)

- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use.
- The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

##### Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the balance sheet, right-of-use assets have been included in tangible assets and lease liabilities have been included in creditors.

##### The Company as a lessor

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

All of the company's leases are considered operating leases.

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Summary of significant accounting policies (continued)

##### **Other operating income**

Other operating income represents income from shop rentals, mobile phone mast rentals, garage rentals and the provision of other services to customers. The income is recognised on an accruals basis, in accordance with the relevant agreements.

##### **Financial instruments**

##### **Recognition of financial instruments**

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

##### **Initial and subsequent measurement of financial assets**

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the company with maturities of less than three months.

##### *Trade, intercompany and other debtors*

Trade debtors are initially measured at their transaction price. Intercompany and other debtors are initially measured at fair value plus transaction costs.

Debtors that are held to collect the contractual cash flows which are solely payments of principal and interest are subsequently measured at amortised cost using the effective interest rate method.

##### **Impairment of financial assets**

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

##### *Trade debtors*

For trade debtors, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the debtor. The risk of a default occurring always takes into consideration all possible default events over the expected life of those debtors ("the lifetime expected credit losses").

##### **Financial liabilities and equity**

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

##### **Initial and subsequent measurement of financial liabilities**

##### *Trade, intercompany and other creditors*

Trade, intercompany and other creditors are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Summary of significant accounting policies (continued)

##### Financial liabilities and equity (continued)

##### Initial and subsequent measurement of financial liabilities (continued)

###### *Bank borrowings*

Interest-bearing bank loans are initially measured at fair value, net of direct transaction costs and are subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption, are recognised in profit or loss over the term of the loan using an effective rate of interest.

###### **Equity instruments**

Equity instruments issued by the company are recorded at fair value on initial recognition net of transaction costs.

###### **Derecognition of financial assets (including write-offs) and financial liabilities**

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party. When there is no reasonable expectation of recovering a financial asset, it is derecognised ('written off'). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

###### **Taxation**

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required.

###### **Pension costs**

Contributions are made to the personal plans of certain employees. The expenditure is charged to the profit and loss account in the period to which it relates.

###### **Financing costs**

Arrangement fees and other issue costs incurred as a result of entering into loan and other facilities and are subsequently amortised over the length of the related loan or facility.

###### **Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of such instruments are recognised immediately in profit or loss and are included in other gains/(losses).

###### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the Financial Statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

Key judgements affecting these financial statement relate to the carrying value of land and buildings. The directors obtain professional valuations of the assets at each balance sheet date to ensure that there is no impairment of the carrying amount of these assets.

Recoverability of trade debtors has also been reviewed and appropriate provisions made where recoverability is in doubt.

**THE CAVENDISH HOTEL (LONDON) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2 Turnover**

An analysis of the Company's turnover is as follows:

|                           | <b>2021</b>  | <b>2020</b>  |
|---------------------------|--------------|--------------|
|                           | <b>£'000</b> | <b>£'000</b> |
| <b>Revenue by segment</b> |              |              |
| Room revenue              | 4,462        | 2,819        |
| Food and beverage revenue | -            | 310          |
| Other revenue             | 15           | 7            |
|                           | <u>4,477</u> | <u>3,136</u> |

All revenue generated by the company is attributable to the United Kingdom.

**3 Analysis of expenses by nature**

|  | <b>2021</b>  | <b>2020</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Employee remuneration (note 5)</b>                | <u>677</u>   | <u>1,101</u> |
| <b>Depreciation of property, plant and equipment</b> | <u>1,166</u> | <u>1,198</u> |
| <b>Other expenses</b>                                |              |              |
| Operating lease expenses                             | 3            | 3            |
| Fees payable to auditor                              | <u>55</u>    | <u>40</u>    |

There were no non-audit fees payable to the company auditor (2020: £Nil).

**4 Other Operating Income**

|  | <b>2021</b>  | <b>2020</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Disposal of internally generated intangible assets | -            | 1,206        |
| Car park revenue                                   | 320          | 263          |
| Retail rental income                               | 546          | 419          |
| Miscellaneous income                               | 148          | 81           |
|  | <u>1,014</u> | <u>1,969</u> |

During the prior year, the company sold various intellectual property rights to another member of the group, Ascott International Management (2001) PTE Ltd, for a fair market consideration of £1,206,000.

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 5 Employees

The average number of persons employed by the company (excluding executive directors) during the year is analysed below:

|                   | 2021<br>Number | 2020<br>Number |
|-------------------|----------------|----------------|
| Operations        | 18             | 47             |
| Sales & Marketing | 2              | 2              |
| Maintenance       | 4              | 5              |
| Administration    | 2              | 4              |
|                   | <u>26</u>      | <u>58</u>      |

The aggregate payroll costs of these persons were as follows:

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Wages and salaries                         | 568           | 937           |
| Social security contributions              | 75            | 118           |
| Pension costs – defined contribution plans | 34            | 46            |
|  | <u>677</u>    | <u>1,101</u>  |

The above costs are stated net of £182,000 received from the government Corona Virus Job Retention Scheme (2020 £498,000).

#### 6 Directors' remuneration

All current directors' remuneration is paid by other group companies for their services as a whole and no specific allocation of their remuneration has been made in respect of this company.

#### 7 Interest payable and similar charges

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>Finance costs</b>                           |               |               |
| Interest payable on bank loans                 | 1,349         | 1,633         |
| Interest payable on loans from related parties | 116           | 158           |
| Amortisation of bank loan arrangement fee      | 75            | 75            |
| Interest payable on lease liabilities          | 52            | 52            |
|  | <u>1,592</u>  | <u>1,918</u>  |
| Interest and similar charges                   |               |               |

Net interest cost represent interest expense on financial liabilities that are measured at amortised cost.

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Taxation on profit on ordinary activities

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>Current tax</b>   |               |               |
| UK corporation tax on profits for the current period                         | -             | -             |
| Total current tax  | -             | -             |
| Adjustments in relation to previous periods                                  | -             | (138)         |
| <b>Total tax charge for the period</b>                                       | -             | (138)         |
|  | 2021<br>£'000 | 2020<br>£'000 |
| Profit on ordinary activities before taxation                                | (730)         | (2,137)       |
| Expected tax charge based on the standard rate of corporation tax in the UK: | 19%           | 19%           |
| Profit multiplied by the standard rate of corporation tax                    | (139)         | (406)         |
| Tax effects of:  |               |               |
| Expenses not deductible for tax purposes                                     | 345           | 545           |
| Adjustments in respect of earlier periods                                    | -             | (138)         |
| Capital allowances   | (47)          | (54)          |
| Provisions allowable when realised   | (38)          | 46            |
| Group relief claimed   | (121)         | (131)         |
| Income tax for the period  | -             | (138)         |

#### Factors that affect future tax charges

The current rate of UK corporation tax is 19%. On 24 May 2021, an increase in the Corporation Tax main rate to 25% from 1 April 2023 was substantively enacted. This will affect the company's future tax charges accordingly.

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9 Tangible fixed assets

|                                 | Long<br>leasehold<br>buildings<br>£'000 | Fixtures,<br>fittings and<br>equipment<br>£'000 | Total<br>£'000 |
|---------------------------------|---|---|----------------|
| <b>Cost</b>                     |   |   |                |
| At 1 January 2021               | 125,901                                 | 6,544   | 132,445        |
| Additions                       | 161                                     | 61  | 222            |
| At 31 December 2021             | 126,062                                 | 6,605   | 132,667        |
| <b>Accumulated depreciation</b> |   |   |                |
| At 1 January 2021               | (17,593)                                | (5,431)   | (23,024)       |
| Depreciation charge             | (841)                                   | (325)   | (1,166)        |
| At 31 December 2021             | (18,434)                                | (5,755)   | (24,190)       |
| <b>Net book value</b>           |   |   |                |
| At 31 December 2021             | 107,628                                 | 850   | 108,477        |
| At 1 January 2021               | 108,308                                 | 1,113   | 109,421        |

OCBC Bank holds a mortgage over the long leasehold buildings and a floating charge over fixtures, fittings and equipment, in connection with term loan facilities granted to the company.

Included in the net book value of long leasehold buildings is £1,580,000 in relation to the right of use asset arising from the annual payments due under the lease for the Cavendish Hotel London which has a term of 150 years commencing in 2008.

#### 10 Stocks

|                                     | 2021<br>£'000 | 2020<br>£'000 |
|-------------------------------------|---------------|---------------|
| Raw materials and consumables       | -             | 6             |
| Finished goods and goods for resale | -             | 2             |
|                                     | -             | 8             |

#### 11 Trade and other receivables

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>Amounts falling due within one year</b> |               |               |
| Trade debtors                              | 480           | 431           |
| Prepayments                                | 238           | 82            |
| Amounts due from related parties           | 180           | 158           |
| Corporation Tax Recoverable                | 253           | 226           |
| Total                                      | 1,151         | 897           |

Trade debtors are stated net of a provision of £92,000 (2020: £92,000) against amounts due from Superbreak Mini-Holidays Limited, which was placed into administration during the prior year.



# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12 Creditors

|   | 2021<br>£'000  | 2020<br>£'000  |
|---|----------------|----------------|
| <b>Amounts falling due within one year</b>          |                |                |
| Trade creditors                                     | 520            | 85             |
| Taxes and social security charges                   | 133            | 45             |
| Accruals and deferred income                        | 871            | 1,203          |
| Contract liabilities                                | 82             | 52             |
| Amounts due to related parties                      | 463            | 203            |
| Lease liability                                     | 25             | 25             |
|   | <u>2,094</u>   | <u>1,613</u>   |
| <b>Amounts falling due after more than one year</b> |                |                |
| External bank loan                                  | 103,121        | 103,046        |
| Amount owing to group undertaking                   | 4,908          | 4,908          |
| Lease liability                                     | 1,671          | 1,637          |
|   | <u>109,700</u> | <u>109,591</u> |

At the balance sheet date, the Company had bank loans and loans due to group undertakings totalling £108,029,000 (2020: £107,954,000). The details of these loans are set out in the tables above. External bank loans comprise a revolving credit facility of £20,000,000 and a 5 year term loan facility of £83,220,000 both with a margin of 1.25% over LIBOR. The facility expires in May 2023. The balance of the external bank loan above is shown net of loan arrangement fees of £99,000 (2020: £174,000) which are being amortised over the term of the loan. The company was granted a covenant waiver until 31 March 2022 and expects to meet all covenants since this date.

The Company has not, at the date of this report, entered into any hedging arrangement for loan facilities. This position is the subject of ongoing review by the Directors.

On 4 January 2022, LIBOR ceased to be used as the benchmark for the loan and SONIA was adopted as the new benchmark, following the dissolution of the LIBOR setting panel. SONIA is the Working Group on Sterling Risk Free Reference Rates' preferred benchmark for the transition to sterling risk-free rates from LIBOR. SONIA is combined with the appropriate credit adjustment spread to provide a suitable replacement for LIBOR. The final LIBOR based interest period ending on 4 January 2022 had a rate of 0.0655%, while the first SONIA based interest period commencing on that date had a rate of 0.2275%. The Bank of England base rate increased in this period by 0.25%, contributing to the overall increase in interest rate and like LIBOR, SONIA and thus the companies interest expense will continue to be impacted by changes in the Bank of England base rate and other economic factors.

OCBC Bank has been granted a mortgage over long leasehold buildings as well as an all assets debenture and charge over the company's bank accounts in relation to the loans outstanding. The Ascott Holdings Limited, an intermediate parent of the company, has entered into a deed of undertaking whereby it has pledged to provide additional security by way of cash on deposit or bank guarantees to cover any shortfall in either loan to value or interest cover covenants.

Lease liabilities due after more than one year, prior to any discounting, amount to £125,000 (2020: £125,000) payable within 5 years and £12,070,000 (2020: £12,095,000) payable between 6 and 132 years.

# THE CAVENDISH HOTEL (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 13 Share capital

##### Called up share capital

|                                  | 2021  | 2020  |
|----------------------------------|-------|-------|
|                                  | £'000 | £'000 |
| Allotted, issued and fully paid: |       |       |
| 1 ordinary share of £1 each      | -     | -     |

#### 14 Lease commitments

##### Lessor

At the balance sheet date the company had contracted with tenants for the following future minimum lease payments:

|                       | 2021         | 2020       |
|-----------------------|--------------|------------|
|                       | £'000        | £'000      |
| Within 1 year         | 444          | 458        |
| Between 2 and 5 years | 520          | 426        |
| After 5 years         | 1,020        | 28         |
|                       | <u>1,984</u> | <u>912</u> |

The leases relate to retail units and mobile telephone installations at the Cavendish Hotel.

#### 15 Pensions

The company has established personal pension schemes approved under the stakeholder pension rules. The contributions made by the company for the year amounted to £32,000 (2020: £46,000). The value of pension costs outstanding at the year-end was £3,000 (2020: £12,000).

#### 16 Controlling parties

The company is a wholly owned subsidiary of Ascott St James (Jersey) Limited, a company incorporated in Jersey.

The smallest group in which the results of the company are consolidated is that headed by The Ascott Limited, a company incorporated in Singapore. Accounts can be obtained from The Ascott Limited, 168 Robinson Road #30-01 Capital Tower Singapore 068912.

The largest group in which the results of the company are consolidated is that headed by CapitaLand Investment Limited. Copies of the group accounts of CapitaLand Investment Limited can be obtained from 168 Robinson Road #30-01 Capital Tower Singapore 068912.

The ultimate controlling party is Temasek Holdings (Private) Limited, a company incorporated in Singapore.

#### 17 Subsequent events

On 4 January 2022, LIBOR ceased to be used as the benchmark for the loan and SONIA was adopted as the new benchmark, following the dissolution of the LIBOR setting panel. SONIA is the Working Group on Sterling Risk Free Reference Rates' preferred benchmark for the transition to sterling risk-free rates from LIBOR. SONIA is combined with the appropriate credit adjustment spread to provide a suitable replacement for LIBOR. The final LIBOR based interest period ending on 4 January 2022 had a rate of 0.0655%, while the first SONIA based interest period commencing on that date had a rate of 0.2275%. The Bank of England base rate increased in this period by 0.25%, contributing to the overall increase in interest rate and like LIBOR, SONIA and thus the companies interest expense will continue to be impacted by changes in the Bank of England base rate and other economic factors.