

Brook Street 2 Ltd

Annual Report and
financial statements

Year ended 31 December 2021

Registered number: 06516559

MACFARLANES LLP
20 CURSITOR STREET
LONDON
EC4A 1LT

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Brook Street 2 Limited

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Brook Street 2 Limited

Directors and other information

Board of Directors

Jeremy Cape
Marc Socker
Nasir Pasha

Registered office

27 Knightsbridge
London
SW1X 7LY

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 1HQ

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Solicitors

MacFarlanes LLP
10 Norwich Street
London
EC4A 1BD

Registered Number

06516559

Brook Street 2 Limited

Directors' report

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

The Brook Street 2 Limited ('the Company') has taken the exemption for small companies in relation to the Strategic report provided by Section 414B of the Companies Act 2006. The Company has taken advantage of the exemption in Regulations 2018 not to prepare Streamlined Energy and Carbon Report (SECR).

Principal activities

The principal activity of Brook Street 2 Limited is that of an investment holding company. The company holds an investment in 41-43 Brook Street LLP for which the registered address is the same as that of the Company. The principal activity of 41-43 Brook Street LLP ('the Partnership') is the ownership of the leasehold property known as 41- 43 Brook Street.

Business review and future developments

The profit before tax for the year ended 31 December 2021 amounted to £3,955k (2020: loss of £14,550k). The statement of comprehensive income is set out on page 9.

The company is the sole member of 41- 43 Brook Street LLP. The directors expect that the present activity level will at least be sustained for the foreseeable future.

Events after balance sheet date

Details of significant events since the balance sheet date are contained in note 12 to the financial statements.

Dividends

The dividends paid during the year and up to the date of the audit report amounted to £Nil (2020: £Nil).

Directors and their interests

The directors who held office during the year and to the date of this report were as follows:

Marc Socker	
Liam Cunningham	Resigned on 25 February 2021
Mark Vose	Resigned on 25 February 2021
Nasir Pasha	Appointed on 25 February 2021
Jeremy Cape	Appointed on 25 February 2021

Directors' liabilities

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

Political and charitable contributions

The Company made no political or charitable donations during the year (2020: nil).

Brook Street 2 Limited

Directors' report *(continued)*

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.

COVID-19

The directors consider that the rapid outbreak of COVID-19 in February 2020, which was subsequently categorised as an international pandemic by the World Health Organisation on 11 March 2020 and continued government restrictions are not expected to have a material impact on the business, including the redevelopment works. The members and management of the Partnership continue to work very closely with third parties and ownership to secure sufficient liquidity to meet its obligations and renegotiating contractual arrangements. The members are confident such liquidity is secured, predominantly as a result of the continued financial support from the Partnership's ultimate beneficial owner, His Highness Sheikh Hamad Bin Khalifa Al-Thani, pledging to support the Partnership should this be required for a period of at least 12 months from the date of the signing of the financial statements

Going Concern – reliance on the ultimate beneficial owner

Operating results

The Company's business activities, together with the factors likely to affect its future development, are set out in the 'Future developments' section in the Directors' Report. The Company has been impacted by the UK government restrictions resulting from COVID-19 pandemic, with social and travel restrictions in place until the early part of 2022.

The Company is loss making, predominantly due to the impact of COVID-19. As at the balance sheet date, the Company had net current liabilities of £10.6 million (2020: £10.6 million) and net assets of £19.3 million (2020: £14.6 million). The directors have assessed the going concern position of the Company by assessing the cash flow and covenant forecasts of the ultimate parent company and its subsidiaries.

Capital expenditure

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Highness Sheikh Hamad Bin Khalifa Al-Thani, pledging to continue to support the Company in meeting its committed capital expenditure of at least £25.0m up to 31 December 2023. Scenario assuming a drop in Occupancy of 10 percentage points, would not need no further working capital support hence not been requested. He further confirmed that he intends to procure that Regis Investments S.A. does not demand within the next 12 months repayment of any loans extended to the members of the Group.

Conclusion

After making enquiries and taking into account the support of the ultimate beneficial owner, and the future availability of third party financing, the directors have a reasonable expectation that the Company can meet its liabilities as they fall due for a period of at least 12 months from the date on which these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Brook Street 2 Limited

Directors' report *(continued)*

Auditor

The Company appointed Deloitte LLP as its auditor on 12 December 2020. 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.

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



Nasir Pasha
Director

23 March 2023

Brook Street 2 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.

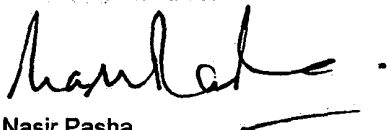
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

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

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

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

On behalf of the Board



Nasir Pasha
Director

23 March 2023

Independent auditor's report to the members of Brook Street 2 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Brook Street 2 Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation 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 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.

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

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

Independent auditor's report to the members of Brook Street 2 Limited

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws

Independent auditor's report to the members of Brook Street 2 Limited

and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company 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 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty

We discussed among the audit engagement team including 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.

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.

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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of Brook Street 2 Limited

Matters on which we are required to report by exception

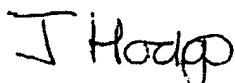
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, 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 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 have formed.



Jessica Hodges (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

23 March 2023

Brook Street 2 Limited

Registered number 06516559

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 £'000	*(Restated) 2020 £'000
Administrative expenses		-	-
Operating loss		-	-
Impairment reversal/(impairment)	6	3,955	(14,550)
Profit/(loss) before tax		3,955	(14,550)
Tax credit on profit/(loss) on ordinary activities	5	787	36
Profit/(loss) for the financial year		4,742	(14,514)

The Company had no other comprehensive income in the financial year or previous financial year other than those dealt with in the profit and loss account. All activities in the current year and previous years were derived from continuing operations.

The notes on pages 13 to 23 form an integral part of the financial statements.

*Impact of restatement on the statement of comprehensive income for the year ended 31 December 2020 is disclosed in Note 3

Brook Street 2 Limited

Registered number 06516559

Balance sheet

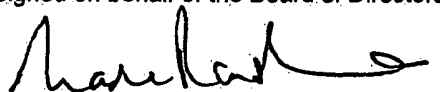
as at 31 December 2021

	Note	2021 £'000	*(Restated) 2020 £'000
Fixed assets			
Investments	6	29,053	25,098
Deferred tax asset	7	922	135
Creditors: amounts falling due within one year	8	(10,640)	(10,640)
Net assets		19,335	14,593
Capital and reserves			
Share capital	9	35,000	35,000
Retained earnings		(15,665)	(20,407)
Shareholders' funds		19,335	14,593

These financial statements were approved by the Board of Directors on 23 March 2023.

*Impact of restatement on the balance sheet for the year ended 31 December 2020 is disclosed in Note 3

Signed on behalf of the Board of Directors



Nasir Pasha
Director

Brook Street 2 Limited

Statement of changes in equity for the year ended 31 December 2021

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2020	35,000	(4,717)	30,283
Impairment *(restated)	-	(1,176)	(1,176)
At 1 January 2020 *(restated)	35,000	(5,893)	29,107
Loss *(restated) for the financial year	-	(14,514)	(14,514)
At 31 December 2020	35,000	(20,407)	14,593
Profit for the financial year	-	4,742	4,742
Balance at 31 December 2021	35,000	(15,665)	19,335

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

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

*Impact of restatement on the statement of changes in equity for the year ended 31 December 2020 is disclosed in Note 3

Brook Street 2 Limited

Notes

to the financial statements

1 Statement of compliance

Brook Street 2 Limited is a company limited by shares incorporated and domiciled in the England and Wales. The Company's registered office is 27 Knightsbridge, London, SW1X 7LY .

The principal activity of Brook Street 2 Limited is that of an investment holding company. The company holds an investment in 41-43 Brook Street LLP for which the registered address is the same as that of the Company.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). These financial statements are presented in sterling, being the functional currency of the Company. All financial information presented in sterling has been rounded to the nearest thousands, except where otherwise state

2 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and with International Financial Reporting Standards as issued by the IASB, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 16 and 11 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- the requirements of paragraphs 130(f), 134(d to f) and 135(c to e) of IAS 36 Impairments of Assets.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 and Regulations 2018 not to prepare group accounts and Streamlined Energy and Carbon Report (SECR) as it is a wholly owned subsidiary of Coroin Limited. The results of the Company are included in the publicly available consolidated financial statements of Coroin Limited.

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

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

Brook Street 2 Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Use of estimates and judgements

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 in these financial statements include:

Judgement:

- Recognition of deferred tax assets – The directors believe that the recoverability of deferred tax amount in the foreseeable future is certain and therefore based on this judgement a deferred tax asset has been recognised.

Going concern – reliance on the ultimate beneficial owner

Operating results

The Company's business activities, together with the factors likely to affect its future development, are set out in the 'Future developments' section in the Directors' Report. The Company has been impacted by the UK government restrictions resulting from COVID-19 pandemic, with social and travel restrictions in place in early part of 2022.

The Company is loss making, predominantly due to the impact of COVID-19. As at the balance sheet date, the Company had net current liabilities of £10.6 million (2020: £10.6 million) and net assets of £19.3 million (2020: £14.6 million). The directors have assessed the going concern position of the Company by assessing the cash flow and covenant forecasts of the ultimate parent company and its subsidiaries.

Capital expenditure

A letter of financial support has been provided by the Company's ultimate beneficial owner, His Highness Sheikh Hamad Bin Khalifa Al-Thani, pledging to continue to support the Company in meeting its committed capital expenditure of at least £25.0m up to 31 December 2023. Scenario assuming a drop in Occupancy of 10 percentage points, would not need no further working capital support hence not been requested. He further confirmed that he intends to procure that Regis Investments S.A. does not demand within the next 12 months repayment of any loans extended to the members of the Group.

Conclusion

After making enquiries and taking into account the support of the ultimate beneficial owner, and the future availability of third party financing, the directors have a reasonable expectation that the Company can meet its liabilities as they fall due for a period of at least 12 months from the date on which these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Brook Street 2 Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

Tax

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

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

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

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.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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.

Brook Street 2 Limited

Notes (continued)

2 Significant accounting policies (continued)

Impairment of non-financial assets (continued)

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 statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

Financial instruments

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

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, are measured at amortised cost, fair value through other comprehensive income (OCI), or 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

Brook Street 2 Limited

Notes (continued)

2 Significant accounting policies (continued)

Financial instruments (continued)

(i) Financial assets (continued)

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

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

Impairment of financial assets

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

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

(ii) Financial liabilities

Initial recognition and measurement

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

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.

Brook Street 2 Limited

Notes (continued)

2 Significant accounting policies (continued)

Financial instruments (continued)

(i) Financial liabilities (continued)

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.

New and amended standards adopted by the Company:

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

3 Restatement

As at 1 Jan 2020 there was a previously unrecorded impairment which resulted in a reduction in investments and opening reserves of £1.2m. In the year ended 31 December 2020 the impairment of investment in subsidiary recorded was overstated by £0.9m. As a result of a capital contribution provided to the subsidiary, which was not appropriately recorded, Debtors have decreased by £3.9m, Creditors increased by £10.6m. The corresponding entry for each of these adjustments is to the investment in subsidiary.

	As previously Reported 2020 £'000	Restatement 2020 £'000	As restated 2020 £'000
Administrative expenses	(16)	16	-
Operating loss	(16)	16	-
Impairment	(15,462)	912	(14,550)
Loss before tax	(15,478)	912	(14,550)
Tax credit on loss on ordinary activities	36	-	36
Loss for the financial year	(15,442)	928	(14,514)

Brook Street 2 Limited

Notes (continued)

3 Restatement (continued)

	As previously Reported 2020 £'000	Restatement 2020 £'000	As restated 2020 £'000
Fixed assets			
Investments	10,811	14,287	25,098
Deferred tax asset	135	-	135
Current assets			
Debtors	3,895	(3,895)	-
Creditors: amounts falling due within one year	-	(10,640)	(10,640)
Net assets	14,841	(248)	14,593
Capital and reserves			
Share capital	35,000	-	35,000
Retained earnings	(20,159)	(248)	(20,407)
Shareholders' funds	14,841	(248)	14,593
	As previously Reported As at 01 January 2020 £'000	Restatement As at 01 January 2020 £'000	As restated As at 01 January 2020 £'000
Capital and reserves			
Share capital	35,000	-	35,000
Retained earnings	(4,717)	(1,176)	(5,893)
Shareholders' funds	30,283	(1,176)	29,107
	As previously Reported 2020 £'000	Restatement 2020 £'000	As restated 2020 £'000
Capital and reserves			
Share capital	35,000	-	35,000
Retained earnings	(20,159)	(248)	(20,407)
Shareholders' funds	14,841	(248)	14,593

Brook Street 2 Limited

Notes (continued)

4 Information regarding directors, employees and audit fees

The Company has no employees. The directors receive no remuneration for their services to this Company. The audit fee for the current year is £15,700 (2020: £15,000) and is borne by Coroin Limited, the Company's intermediate parent company.

5 Income taxes

Amounts recognised in profit or loss

	2021 £'000	2020 £'000
Current tax		
UK corporation tax	-	-
Adjustment in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	(683)	(17)
Adjustment in respect of prior years	(47)	(7)
Impact of change in tax rates	(57)	(12)
Total deferred tax	(787)	(36)

Reconciliation of tax credit

	31 December 2021 £'000	31 December 2020 £'000
Profit/(loss) on ordinary activities before tax	4,742	(14,450)
Profit/(loss) on ordinary activities before tax at the standard corporation tax rate in the UK of 19% (2020: 19%)	901	(2,746)
Expenses not deductible for tax purposes	-	2,746
Income not deductible for tax purposes	(901)	-
Adjustments to tax charge in respect of previous periods	(47)	(7)
Impact of change in tax rates	(57)	(12)
Origination and reversal of temporary differences	(683)	(17)
Total tax credit	(787)	(36)

Factors which may affect future tax charges

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

Brook Street 2 Limited

Notes (continued)

6 Investments	2021 £'000	2020 *(restated) £'000
At beginning of the year	25,098	25,098
Additions	-	14,550
Impairment reversal / (Impairment)	3,955	(14,550)
	<hr/>	<hr/>
At the end of the year	29,053	25,098
	<hr/>	<hr/>

The company holds an investment in 41-43 Brook Street LLP for which the registered address is the same as that of the Company. The principal activity of the company is that of an investment holding company. The amount represents the Company's investment in 41-43 Brook Street LLP for which the registered address is the same as that of the Company.

A reversal of impairment charge of £3,995k (2020: impairment of £14,550k) was recognised in the current year to reflect the distribution of profits from 41-43 Brook Street LLP.

*Impact of restatement for the year ended 31 December 2020 is disclosed in Note 3.

The Company has the following investments in subsidiaries:

Subsidiary undertaking	Country of Incorporation and operation	Activity	Shareholding (Ordinary shares)
41-43 Brook Street LLP	England and Wales	Ownership of Property	100% (indirect)

7 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

	2021 £'000	2020 £'000
At 1 January	135	98
Other temporary differences	47	1
Credited to profit and loss account (note 4)	740	36
	<hr/>	<hr/>
Net deferred tax asset as at 31 December	922	135
	<hr/>	<hr/>

Brook Street 2 Limited

Notes (continued)

7 Deferred tax assets and liabilities (continued)

Deferred tax assets and liabilities are attributable to the following:

	Assets 2021 £'000	Assets 2020 £'000	Liabilities 2021 £'000	Liabilities 2020 £'000	Net 2021 £'000	Net 2020 £'000
Other temporary differences	922	135	-	-	922	135
Net deferred tax assets	922	135	-	-	922	135

The directors believe that the company will have future taxable profits and is certain on the recoverability of recognised deferred tax asset.

8 Creditors	2021 £'000	2020 (restated) £'000
Amounts owed to group companies	(10,640)	(10,640)

Amounts owed to group companies are repayable on demand and bear no interest.

9 Share capital	2021 £'000	2020 £'000
Authorised		
35,000,000 ordinary shares of £1 each	35,000	35,000
Authorised called up, allotted and fully paid		
35,000,000 ordinary shares of £1 each	35,000	35,000

10 Related party transactions

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

Brook Street 2 Limited

Notes *(continued)*

11 Ultimate parent company

The company's ultimate parent company and the largest group in which the results of the company are consolidated is Regis Investments S.A, 15 boulevard Roosevelt, L - 2450 Luxembourg, a company incorporated in Luxembourg.

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

Coroin Limited a company incorporated in Great Britain and registered in England and Wales, is the smallest group in which the results of the Company are consolidated. Copies of these statutory accounts are available from its registered office, 27 Knightsbridge, London, SW1X 7LY.

12 Subsequent events

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