

# Claridge's Hotel Limited

Reports and financial statements

For the year ended 31 December 2018

*Registered number: 29022*



# Claridge's Hotel Limited

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# Claridge's Hotel Limited

## Directors and other information

### Board of Directors

Michele Faissola  
Marc Socker  
Liam Cunningham

### Registered office

27 Knightsbridge  
London  
SW1X 7LY

### Auditor

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

### Bankers

Barclays Bank  
1 Churchill Place  
London  
E14 5HP

Allied Irish Bank (GB)  
City Office  
9-10 Angel Court  
London  
EC2R 7AB

### Solicitors

MacFarlanes LLP  
10 Norwich Street  
London  
EC4A 1BD

### Registered number

29022

# Claridge's Hotel Limited

## Strategic report

The directors present their report and the audited financial statements for the year ended 31 December 2018.

### Principal activity

The main activity of Claridge's Hotel Limited ('the Company') continues to be the ownership and operation of Claridge's Hotel, London, a five star hotel in the United Kingdom.

### Business review

The Company recorded turnover of £65.7 million (2017: £69.3million) in the year ended 31 December 2018 which represents a decrease of 5% (2017: an increase of 0.4%) compared to the previous year.

The Company produced an operating profit of £11.5 million in the year to 31 December 2018 (2017: £18.7 million).

The key performance indicators for the company are highlighted in the below table:

	2018	2017
REVPAR growth %	17.5	5.0
Gross profit %	66.0	68.1
Operating profit %	17.5	27.0

The hotel is currently undergoing extensive development works, as part of a four year transformation program. The works resulted in 17.1% less room nights available to sell this year vs last year and 20.0% less than the last normalised year being 2015. Strong margins were maintained thanks to a comprehensive purchasing plan, adherence to service and product standards and efficiency initiatives at head office and Claridge's. The Company spent £31.7 million (2017: £22.6 million) on these works during the year.

### Principal risks and uncertainties

The hotel industry's performance is closely aligned to the general economic environment. Therefore, a key risk facing the company is adverse economic conditions. The Company recognises the potentially adverse impact of The United Kingdom leaving the European Union and the continued pressure of the increase in the supply of luxury accommodation in London, however management believes it has the team, strategies and initiatives in place to defend and build on its position effectively. Claridge's Hotel Limited has an effective revenue strategy charging its customers rates that vary depending on levels of demand. This reduces, though does not eliminate, the financial impact arising from such adverse conditions.

By order of the board and signed on its behalf by



Liam Cunningham  
Director

26 September 2019

# Claridge's Hotel Limited

## Directors' report

The directors present their report for the year ended 31 December 2018.

### Dividends

The dividends paid during the year amounted to £Nil (2017: £197.6m).

### Directors and their interests

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

Liam Cunningham	
Michele Faissola	Appointed on 1 December 2018
Marc Socker	Appointed on 1 December 2018
Fady Bakhos	Resigned on 1 December 2018

### Directors' liabilities

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

### Future developments

The Company commenced the fee and enabling works stage of the planned extension of the basement of the hotel in 2016. The shell and core part has now been finalised. The fit out stage has commenced and is expected to continue through 2019. These works will see an array of new facilities to enhance the overall customer experience along with other elements such as retail outlets, a bakery, laundry and a state of the art spa, pool and health club. In addition to that the Company commenced its vertical extension works and major refurbishment to its existing stock, both of which shall continue through 2019 as well.

Claridge's continues to evolve and develop new initiatives with The Empress Eugenie suite launched in August 2018 and Claridge's Bar unveiling The Terrace in July 2018, offering for the first time alfresco dining and drinking at Claridge's. To further reinforce its historical importance, Claridge's has embarked on a creative investment project to restore, augment and leverage the prestigious Claridge's archives during 2018. Fera at Claridge's closed its doors on 31 December 2018 and announced the arrival of world famous chef Daniel Humm and his partner Will Guidara to open Davies and Brook by the end of 2019.

### Equal opportunities and diversity

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

### Employee involvement

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

# Claridge's Hotel Limited

## Directors' report (*continued*)

### Employee involvement (*continued*)

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

### Political donations

The company made no political contributions during the year (2017: £Nil).

### Going Concern

The Company's business activities, together with the factors likely to affect its future development, is described in the Strategic Report on page 2.

The group headed by Regis Investments S.A. has access to considerable financial resources and has provided a letter of financial support to Coroin Limited and its subsidiaries. As a consequence, the directors believe that the Group and its subsidiaries are well placed to manage their business risks successfully and meet their liabilities as they fall due.

After making enquiries, and taking into account the support of Regis Investments S.A., the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### 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.

### Auditor

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

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



Liam Cunningham  
Director

26 September 2019

# Claridge's Hotel Limited

## Statement of directors' responsibilities

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

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

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

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

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

On behalf of the Board



Liam Cunningham  
Director

26 September 2019

# Independent auditor's report to the members of Claridge's Hotel Limited

## Opinion

We have audited the financial statements of Claridge's Hotel Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Balance sheet, the Statement of Changes in Equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## 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.

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



## **Independent auditor's report to the members of Claridge's Hotel Limited** *(continued)*

### **Other information *(continued)***

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

## Independent auditor's report to the members of Claridge's Hotel Limited (continued)

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **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.



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

27 September 2019

# Claridge's Hotel Limited

Registered number: 29022

## Statement of comprehensive income

for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
<b>Turnover</b>	3	<b>65,757</b>	69,277
Cost of sales		(22,365)	(22,117)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>43,392</b>	47,160
Administrative expenses		(31,880)	(28,476)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	5	<b>11,512</b>	18,684
Tax charge on profit on ordinary activities	6	(1,900)	(140)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>9,612</b>	18,544
		<hr/>	<hr/>

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

# Claridge's Hotel Limited

Registered number: 29022

## Balance sheet

as at 31 December 2018

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Property, plant and equipment	7	288,111	256,535
Investments	8	150	150
		<hr/>	<hr/>
		288,261	256,685
<b>Current assets</b>			
Stocks	9	2,253	2,071
Debtors	10	23,801	7,184
Cash at bank and in hand		10,179	5,353
		<hr/>	<hr/>
<b>Creditors:</b> amounts falling due within one year	11	36,233 (65,040)	14,608 (21,755)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(28,807)	(7,147)
		<hr/>	<hr/>
<b>Total assets</b>		259,454	249,538
<b>Provisions for liabilities</b>			
Deferred taxation	12	(20,461)	(20,157)
		<hr/>	<hr/>
<b>Net assets</b>		238,993	229,381
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	2,862	2,862
Share premium account		3,128	3,128
Revaluation reserve		137,423	137,423
Other reserves		24,611	24,611
Profit and loss account		70,969	61,357
		<hr/>	<hr/>
<b>Total shareholders' funds</b>		238,993	229,381
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 26 September 2019.

Signed on behalf of the Board of Directors



Liam Cunningham  
Director

## Claridge's Hotel Limited

Registered number: 29022

### Statement of changes in equity for the year ended 31 December 2018

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2017</b>	2,862	3,128	137,423	24,611	240,412	408,436
Profit for the financial year	-	-	-	-	18,544	18,544
Other comprehensive income	-	-	-	-	-	-
Dividend	-	-	-	-	(197,599)	(197,599)
<b>At 31 December 2017</b>	<b>2,862</b>	<b>3,128</b>	<b>137,423</b>	<b>24,611</b>	<b>61,357</b>	<b>229,381</b>
Profit for the financial year	-	-	-	-	9,612	9,612
Other comprehensive income	-	-	-	-	-	-
<b>At 31 December 2018</b>	<b>2,862</b>	<b>3,128</b>	<b>137,423</b>	<b>24,611</b>	<b>70,969</b>	<b>238,993</b>

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

The Share premium reserve relates to the excess paid by the shareholders to the Company above the nominal value of share capital.

The Revaluation Reserve relates to revaluation surplus on freehold property as a result of company acquisition and restructuring by the previous owners, Blackstone Hotel Acquisitions Company Unltd in 1998.

The Other reserve relates to the shareholder capital contribution made in 1998.

## Claridge's Hotel Limited

Registered number: 29022

### Statement of changes in equity (continued) for the year ended 31 December 2018

The reserve for Retained earnings relates to accumulated profits/(losses) of the Company less any distributions to shareholders. In 2017 the Company made a distribution to its intermediate parent company Claridge's Hotel Holdings Limited with consideration transferred by way of assignment of intercompany debt due from another sister company to its parent.

#### Dividends paid

	2018 £'000	2017 £'000
Declared and paid during the year		
Final dividend for 2018: £nil (2017: 690p)	-	197,599
	<hr/>	<hr/>

# Claridge's Hotel Limited

## Notes

*to the financial statements*

### 1 Statement of compliance

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

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

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

### 2 Significant accounting policies

#### Basis of preparation

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the European Union ("EU IFRS"), 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 paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 16 and 11 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 130(f), 134(d to f) and 135(c to e) of IAS 36 Impairments of Assets.

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

# Claridge's Hotel Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### Basis of preparation (continued)

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*.

#### Basis of measurement

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

#### Foreign currency

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

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

#### Use of estimates and judgements

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

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

- Carrying value of tangible fixed assets and specifically the estimation of the useful economic lives of property, plant and equipment
- Taxation - Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in the note "Taxation".

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



# Claridge's Hotel Limited

## Notes *(continued)*

### 2 Significant accounting policies *(continued)*

#### Going Concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, is described in the Strategic Report on page 2.

The group headed by Regis Investments S.A. has considerable financial resources and has provided a letter of financial support to Coroin Limited and its subsidiaries. As a consequence, the directors believe that the Group and the company are well placed to manage their business risks successfully and meet their liabilities as they fall due.

After making enquiries, and taking into account the support of Regis Investments S.A., the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### Revenue recognition

Revenue represents sales (excluding VAT and similar taxes) of goods and services net of trade discounts provided in the normal course of business.

Revenue is derived from hotel operations and includes the rental of rooms, food and beverage sales, and other revenue. Room and Food and Beverage revenue is recognised when the control over good/or services is transferred to the customer, rooms are occupied and food and beverages are sold.

#### Taxation

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

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

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

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.

# Claridge's Hotel Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### 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.

#### Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense.

#### Pension

##### *Defined contribution plans*

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

##### *Defined benefit plans*

The Company is a participating employer in group defined benefit schemes operated by providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by (IAS19 'Employee benefits'), accounts for the schemes as if they were defined contribution schemes. As a result the amount charged to profit or loss account represents the contributions payable to the schemes in respect of the accounting year.

#### Stocks

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

#### Financial instruments

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

##### *(i) Financial assets*

##### *Initial recognition and measurement*

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

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

# Claridge's Hotel Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### Financial instruments (continued)

##### (i) Financial assets (continued)

###### *Subsequent measurement*

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

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

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

###### *Derecognition*

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

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

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

###### *Derecognition (continued)*

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

###### *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.

# Claridge's Hotel Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### Financial instruments (continued)

##### (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.

###### *Derecognition*

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

##### (iii) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary dividends are recognised in the period in which they are paid to shareholders.

#### **Tangible fixed assets**

###### *Recognition and measurement*

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

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

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

# Claridge's Hotel Limited

## Notes *(continued)*

### 2 Significant accounting policies *(continued)*

#### ***Depreciation***

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

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

Other fixed assets are stated at cost less accumulated depreciation.

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

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

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

#### ***Investments***

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

#### ***Impairment***

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

# Claridge's Hotel Limited

## Notes (continued)

### 2 Significant accounting policies (continued)

#### New and amended standards adopted by the Company:

For the period beginning on 1 January 2018 the Company has adopted IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers for the first time. The adoption of these new standards and other amendments to existing standards and interpretations effective from 1 January 2018, did not materially impact the financial statements for the 12 months ended 31 December 2018 and no retrospective adjustments were made.

#### **IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 replaced the existing regulations for the recognition of revenue in accordance with IAS 18 "Revenue". Consequently, revenues are recognised, when the customer obtains control over the agreed goods and services and can derive benefits from these. There were no material changes identified from adoption of the standard.

#### **IFRS 9 "Financial Instruments"**

IFRS 9 provides a standardised approach for classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. There were no material changes identified from adoption of the standard.

As part of the review of the impact of adopting the amendments to IFRS the company has taken the opportunity to revisit its disclosure in the financial statements, and has enhanced disclosure in relation to the revenue streams in note 3.

#### Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the financial statements and that may impact the financial statements are disclosed below. There are no other standards in issue but not yet effective that are expected to have an impact on the financial statements.

		Effective for periods commencing on or after 1 January 2019
IFRS 16	Leases	

The Company plans to adopt IFRS 16 using a modified retrospective approach. Under a modified retrospective approach, a company applies the new standard from the beginning of the period this IFRS applies to. Using the modified retrospective approach the Company will not restate comparative information. Instead, the lessee recognises the cumulative effect of initially applying the new standard as an adjustment to equity (if applicable) at the date of initial application.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Company has completed its assessment of the potential impact of the first-time adoption of IFRS 16 as of 1 January 2019 and it does not expect it to have any impact on its financial statements in the period of initial application.

# Claridge's Hotel Limited

## Notes (continued)

### 3 Revenue

	2018 £'000	2017 £'000
Rooms	39,382	40,663
Food and Beverage	23,330	25,565
Other	3,045	3,049
	<hr/>	<hr/>
	<b>65,757</b>	<b>69,277</b>
	<hr/>	<hr/>

All turnover arises in the United Kingdom.

### 4 Staff numbers and costs

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

	2018 No.	2017 No.
Hotel and administration	535	535
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follow:

	2018 £'000	2017 £'000
Wages and salaries	14,438	14,003
Social security costs	1,007	954
Other pension costs	515	491
	<hr/>	<hr/>
	<b>15,960</b>	<b>15,448</b>
	<hr/>	<hr/>

# Claridge's Hotel Limited

## Notes (continued)

### 4 Staff numbers and costs (continued)

One of directors is remunerated by third party management company Hume Street Management Consultants Limited which charged fees of £5,000,000 (2017: £5,000,000) to Maybourne Hotels Limited, a subsidiary of Selene Midco Limited. Of the amount charged by Hume Street an amount of £1,824,000 related to services provided to Claridge's Hotel, and an amount of £3,176,000 related to Selene Midco Group for services provided to the Berkerley and Connaught hotels (sister hotels of Claridge's up until the group reorganisation which took place on 12 December 2017).

One of the directors was remunerated by third party management company Al Mirqab Holding Co. which was paid €2,000,000 (2017: €2,000,000) by Constellation Hotel Holdings S.C.A. an intermediate parent holding company of Coroin Limited until 12 December 2017. The directors do not believe that it is practicable to apportion these amounts between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

### 5 Statutory information

2018	2017
£'000	£'000

Operating profit is stated after charging:

Operating leases – minimum lease payments	52	52
Depreciation – owned assets	4,071	3,170
Cost of stocks recognised as an expense	6,158	6,424
Loss on disposal of property, plant and equipment	2,485	-

#### Auditor's remuneration

2018	2017
£'000	£'000

Audit of these financial statements	37	35
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Amounts receivable by the auditors and their associates in respect of:

Other services relating to taxation	42	25
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# Claridge's Hotel Limited

## Notes (continued)

### 6 Income taxes

#### (a) Amounts recognised in profit or loss

	2018 £'000	2017 £'000
<b>Current tax</b>		
UK corporation tax	1,595	-
Adjustment in respect of prior years	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Impact of change in tax rates	(41)	(11)
Origination and reversal of temporary differences	390	96
Adjustments in respect of prior periods	(44)	55
<b>Total deferred tax charge</b>	305	140
<b>Total tax charge in the income statement</b>	1,900	140

	31 December 2018 £'000	31 December 2017 £'000
<b>Reconciliation of tax charge</b>		
Profit on ordinary activities before tax	11,512	18,684
Profit on ordinary activities before tax at the standard corporation tax rate in the UK of 19.00% (2017: 19.25%)	2,187	3,596
Group relief received not paid for	(667)	(4,437)
Expenses not deductible for tax purposes	271	151
Transfer pricing adjustments	-	1,190
Impact of change in tax rates	(41)	(11)
Unrealised property gains	194	(399)
Adjustments to tax charge in respect of previous periods	(44)	55
Other	-	(5)
<b>Total tax charge</b>	1,900	140

#### Factors which may affect future tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. This will reduce the company's future tax charge accordingly.

# Claridge's Hotel Limited

## Notes (continued)

### 7 Tangible fixed assets

	Freehold land and buildings £'000	Structural improvements £'000	Assets under the course of construction £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 31 December 2017	187,264	8,175	44,991	57,823	298,253
Additions	-	-	38,132	-	38,132
Reclassification		6,237	(17,497)	11,260	-
Disposals	(714)	-	-	(3,745)	(4,459)
<b>At 31 December 2018</b>	<b>186,550</b>	<b>14,412</b>	<b>65,626</b>	<b>65,338</b>	<b>331,926</b>
<b>Accumulated depreciation</b>					
At 31 December 2017	-	1,375	-	40,343	41,718
Charge for the year	-	516	-	3,555	4,071
Disposals	-	-	-	(1,974)	(1,974)
<b>At 31 December 2018</b>	<b>-</b>	<b>1,891</b>	<b>-</b>	<b>41,924</b>	<b>43,815</b>
<b>Net book value</b>					
<b>At 31 December 2018</b>	<b>186,550</b>	<b>12,521</b>	<b>65,626</b>	<b>23,414</b>	<b>288,111</b>
At 31 December 2017	187,264	6,800	44,991	17,480	256,535

Qatar Islamic Bank Q.S.C holds a first fixed charge over all property, buildings, fixtures, fittings and fixed plant and machinery at the Claridge's Hotel and a floating charge over all of the Company's assets in respect of the amounts owed by Claridge's Hotel Holdings Limited at the period end of £379.0 million (2017: £384.7 million).

In accordance with the Company's accounting policies, the directors undertake an annual review of the carrying value of all other property, plant and equipment to determine whether there is any indication of impairment. An impairment test was performed at 31 December 2018 by comparing the carrying amount of these assets to their recoverable amounts.

The recoverable amount is determined as the higher of value in use and fair value less costs of disposal. In determining an asset's recoverable amount the directors are required to make judgements, estimates and assumptions that impact on the carrying value of the properties. The estimates and assumptions used are based on historical experience and other factors that are believed to be reasonable based on information available. At 31 December 2018, the fair value, and hence the recoverable amount were deemed to be significantly higher than the carrying amount. The directors conclude that the carrying value of property, plant and equipment is not impaired at 31 December 2018.

The estimated fair values of the long lease and freehold land and buildings would increase (decrease) if:

- the discount rate was higher (lower);
- the trading performance of the hotels improved (declined); or
- market yields increased (decreased)

# Claridge's Hotel Limited

## Notes (continued)

<b>8 Investments</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
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### **At cost and net book value**

At beginning and end of the financial year	<b>150</b>	<b>150</b>
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The subsidiary undertakings are as follows:

<b>Subsidiary undertaking</b>	<b>Country of incorporation</b>	<b>Activity</b>	<b>Shareholding</b>
A Goody Rewarded Limited	Great Britain	Dormant company	100%
Claridge's Hotel (42000) Limited	Great Britain	Dormant company	100%
Bluedraft Limited	Great Britain	Dormant company	100%

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

<b>9 Stocks</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Raw materials and consumables	<b>2,253</b>	<b>2,071</b>

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

<b>10 Debtors</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Trade debtors	<b>4,919</b>	<b>5,718</b>
Other debtors	<b>190</b>	<b>263</b>
Amounts owed by group companies	<b>16,673</b>	<b>-</b>
Amounts owed by related parties	<b>1,041</b>	<b>245</b>
Prepayments and accrued income	<b>978</b>	<b>958</b>
	<b>23,801</b>	<b>7,184</b>

All amounts are due within one year.

# Claridge's Hotel Limited

## Notes (continued)

	2018	2017
	£'000	£'000
<b>11 Creditors:</b> amounts falling due within one year		
Trade creditors	4,948	5,042
Amounts owed to group companies	2,086	-
Amounts owed to subsidiary undertakings	150	150
Amounts owed to intermediate parent undertaking	-	4,000
Amounts owed to related parties	3,895	4,009
Amounts owed to ultimate parent	43,415	-
Other taxes and social security	3,340	2,996
Other creditors	296	348
Accruals and deferred income	6,910	5,210
	<b>65,040</b>	<b>21,755</b>

## 12 Deferred tax assets and liabilities

### Recognised deferred tax assets and liabilities

	2018	2017
	£'000	£'000
At 1 January	20,157	20,017
Charged to profit and loss account	304	140
<b>Net deferred tax liability as at 31 December</b>	<b>20,461</b>	<b>20,157</b>

Deferred tax assets and liabilities are attributable to the following:

	Assets 2018 £'000	Assets 2017 £'000	Liabilities 2018 £'000	Liabilities 2017 £'000	Net 2018 £'000	Net 2017 £'000
Depreciation in advance of capital allowances	(197)	(369)	-	-	(197)	(369)
Capital gains on properties	-	-	20,800	20,626	20,800	20,626
Other temporary differences	(142)	(100)	-	-	(142)	(100)
<b>Net deferred tax (assets)/liabilities</b>	<b>(339)</b>	<b>(469)</b>	<b>20,800</b>	<b>20,626</b>	<b>20,461</b>	<b>20,157</b>

# Claridge's Hotel Limited

## Notes (continued)

	2018	2017
	£'000	£'000
<b>13 Called up share capital</b>		
<i>Authorised</i>		
50,000,000 ordinary shares of 10p each	5,000	5,000
<i>Called up, allotted and fully paid</i>		
28,615,873 ordinary shares of 10p each	2,862	2,862
<b>14 Capital commitments</b>		
	2018	2017
	£'000	£'000
Capital commitments (land and buildings):		
Contracted but not provided for in the accounts	331	181
<b>15 Operating leases</b>		
Non-cancellable operating lease rentals are payable as follows:		
	2018	2017
	£'000	£'000
Less than one year	44	52
Between one and five years	26	44
More than five years	-	-
	70	96

During the year £52,000 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £52,000).

# Claridge's Hotel Limited

## Notes (continued)

### 16 Pensions and similar obligations

Claridge's Hotel Limited is a participating employer in two pension schemes:

- The Maybourne Hotels Group Pension and Life Insurance Scheme, a defined benefit scheme, which has two sections – the Staff and Senior Staff sections, was closed to new entrants with effect from 1 August 2006.
- The Maybourne Stakeholder Scheme, a defined contribution scheme, was introduced on 1 August 2006 and is open to all staff if they meet the eligibility criteria. Pensions for 27 employees (2017: 31 employees) are funded through this scheme. The defined contribution pension cost for the year amounted to £59,176 (2017: £105,712). To comply with the law, the Company auto-enrolled all employees who are not members of any pension scheme from 1 April 2014 – autoenrolment stakeholder pension scheme. 361 employees were auto-enrolled in 2018 (2017: 351 employees) with a cost for the year of £213,541 (2017: £148,655). The Company actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package.

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

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

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

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

# Claridge's Hotel Limited

## Notes *(continued)*

### **18 Pensions and similar obligations *(continued)***

Management intend for the Scheme to be operated in this fashion with additional payment obligations above future service contributions being met initially by Coroin Limited on behalf of the Coroin Employers and by The Berkeley Hotel Limited on behalf of the Selene Employers. Accordingly, Coroin Limited recognises 49.5% of the Scheme net pension obligation in its balance sheet and 50.5% of the Scheme net pension obligation (along with the associated deferred tax) was transferred through equity to the balance sheet of The Berkeley Hotel Limited, the Company's sister company and the principal employer for the Selene employers.

The defined benefit liability for the Coroin employers is disclosed fully in the consolidated accounts of Coroin Limited.

The directors are unable to identify the Company's share of the scheme assets and liabilities as;

- Most scheme members have worked for more than one company within the Group. The Group structure has also changed materially over time due to restructurings, acquisitions and disposals. It is therefore not appropriate to allocate assets and liabilities between the participating companies.
- For funding purposes, the employers within the group share actuarial risks. The determination of cash contributions does not separately identify assets and liabilities for individual participating companies and all employers pay the same contribution rate in respect of accruing benefits. Contributions in respect of the past service deficit are paid separately by another group company.

As a result it is accounted for as a defined contribution scheme. The scheme is currently in deficit and the overall Group contributions have been capped at £345,906 a month (2017: £332,282 a month). At 31 December 2018 this deficit, calculated in accordance with IAS 19, amounted to £1.46 million (31 December 2017: deficit of £4.2 million), split between Coroin Limited £0.72 million and The Berkeley Hotel Limited £0.74 million. Full details of the scheme are disclosed in the accounts of Coroin Limited and The Berkeley Hotel Limited.

### **17 Related party disclosures**

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

At 31 December 2018, an amount of £321,000 (2017: £167,000) remains due from Hume Street Management Consultants Limited, the Company's management company in relation to services rendered to them during the year. This is a related party by way of common directors.

Claridge's Hotel Limited until 12 December 2017 formed part of the same group with The Berkeley Hotel Limited, The Connaught Hotel Limited and Maybourne Hotels Limited. These entities are now related parties by way of common directors.

# Claridge's Hotel Limited

## Notes (continued)

### 17 Related party disclosures (continued)

Related party	Nature of relationship	Opening balance 31/12/2017 £'000	Sales £'000	Payments £'000	Loans received £'000	Closing balance 31/12/2018 £'000
Asset/(liability)						
Hume Street Management Consultants	Common director	167	183	(29)	-	321
The Berkeley Hotel Limited	Common director	47	40	(47)	-	40
The Connaught Hotel Limited	Common director	35	74	(35)	-	74
Maybourne Hotels Limited	Common director	-	606	-	-	606
Maybourne Hotels Limited	Common director	(3,912)	(3,721)	3,912	-	(3,721)
The Berkeley Hotel Limited	Common director	(89)	(140)	89	-	(140)
The Connaught Hotel Limited	Common director	-	(33)	-	-	(33)
Regis Investments S.A.		-	-	-	(43,415)	(43,415)

### 18 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., 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 those statutory accounts will be available from its registered office, 27 Knightsbridge, London, SW1X 7LY.

### 19 Subsequent events

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