

Diamant Limited

Annual reports and unaudited financial statements

For the year ended 31 December 2022



Annual reports and financial statements for the year ended 31 December 2022

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Directors and Professional Advisers

Directors

Intertrust Directors 1 Limited
Intertrust Directors 2 Limited
Helena Whitaker

Company secretary and registered office

Intertrust Corporate Services Limited
1 Bartholomew Lane
London
EC2N 2AX

Company number

01931327
(England and Wales)

Directors' report for the year ended 31 December 2022 (continued)

The directors present their report together with the unaudited financial statements of Diament Limited (the "Company") for the year ended 31 December 2022 (the "Year").

The Company qualifies as a small company in accordance with sections 381 – 382 of the Companies Act 2006 (the "Act"). The directors' report has therefore been prepared taking into consideration the entitlement to small company's exemptions provided in sections 414B (as incorporated to the Act by the Strategic Report and Directors' Report Regulations 2013).

Principal activity future developments and business review

The Company is a private limited company, incorporated in United Kingdom and domiciled in England and Wales.

The Company's principal activity during the financial year was that of property investment and the operation of Derwentwater Hotel and Derwent Manor self-catering apartments. The Company rents these to Emerald Hotels I LP, its only tenant.

The Directors do not anticipate any changes to the nature of the Company's business in the near future.

The UK currently faces significant economic uncertainty. This uncertainty is greater than historical levels of uncertainty, due to geopolitical tensions (heightened following the Russian military invasion of Ukraine). This has resulted in a significant and ongoing increase in cost inflation and therefore increased pressure on the Bank of England to continue to increase base rate from an unprecedented low level. The Bank of England has announced a series of rate increases from 0.25% at the start of the financial year to 5.25% in August 2023. All of these factors result in increased pressure on the company's performance.

While the extent and duration of the effect of this economic uncertainty remains unclear, there is a risk of financial instability for the Company; for example, a detrimental effect on the UK economy may ultimately have impact on the financial position and results of the Company. However, as at the report date there has been no material impact from these macroeconomic factors on the Company's financial performance. The Company will continue to monitor the effect of these macroeconomic factors have on the Company's performance, results.

Results

The results for the year are set out on page 4. No profit or loss (2021: Profit £1,094,111) was incurred during the year.

No dividends were declared or paid during the year. (2021: £nil).

Going concern

The directors, having a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future, have prepared the financial statements on a going concern basis.

Called up share capital

The Company's issued share capital consists of 335,639 fully paid "A" ordinary share of £1 each, 67,000 fully paid "B" ordinary share of £1 each and 166,000 fully paid "C" ordinary shares of £1 each. This remains unchanged in the year ended 2022. However further share capital was issued in January 2023 consisting of 2 fully paid "A" ordinary share of £1 each.

Directors

The directors of the Company during the year, and up to the date of signing the financial statements, were:

Intertrust Directors 1 Limited
Intertrust Directors 2 Limited
Helena Whitaker

Directors' report for the year ended 31 December 2022 (continued)

Company secretary

Intertrust Corporate Services Limited served as the company secretary during the year and subsequently.

Third party indemnities

Qualifying third party indemnity provisions for the benefit of the directors were in force during the period under review and remains in force as at the date of approval of the directors' report and financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with Companies Act 2006, applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the board



Raheel Khan
per pro Intertrust Directors 1 Limited
as Director
28 September 2023

Statement of comprehensive income for the year ended 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
Turnover	3	142,903	212,531
Cost of sales		-	-
Gross profit		142,903	212,531
Administrative expenses	4	(202,887)	(230,320)
Fair value movement on tangible fixed asset - property	7	(1,549,126)	1,138,040
Operating (loss)/profit		(1,609,110)	1,120,251
Share of losses – Profit participating note	5	1,608,683	-
Interest receivable and similar income		516	18
Interest payable and expenses		(89)	-
Profit before taxation		-	1,120,269
Taxation	6	-	(26,158)
Profit for the financial year	11	-	1,094,111

All amounts relate to continuing activities.

The accompanying notes on pages 8 to 15 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2022

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
At 31 December 2020	568,639	6,389,164	6,957,803
Issue of shares	-	-	-
Total comprehensive loss for the financial year	-	<u>1,094,111</u>	<u>1,094,111</u>
Balance as at 31 December 2021	568,639	7,483,275	8,015,914
Current year adjustment	-	20,522	20,522
Total comprehensive loss for the financial year	-	-	-
Balance as at 31 December 2022	<u>568,639</u>	<u>7,503,797</u>	<u>8,072,436</u>

The accompanying notes on pages 8 to 15 are an integral part of these financial statements.

Statement of financial position as at 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
Fixed assets			
Tangible assets	7	4,981,633	4,938,092
Accumulated depreciation	7	(315,807)	(185,510)
Tangible fixed assets – Revaluation	7	<u>(351,708)</u>	<u>1,197,418</u>
		<u>4,314,118</u>	<u>5,950,000</u>
Current assets			
Debtors	9	4,043,296	2,319,999
Cash at bank and in hand		<u>91,268</u>	<u>66,577</u>
Total current assets		4,134,564	2,386,576
Creditors: amounts falling due within one year	10	<u>(328,820)</u>	<u>(237,236)</u>
Net current assets		3,805,744	2,149,340
Total assets less current liabilities		8,119,862	8,099,340
Creditors: amounts falling due after more than one year	10	<u>(47,426)</u>	<u>(47,426)</u>
Net assets		8,072,436	8,051,914
Capital and reserves			
Called up share capital	11	568,639	568,639
Profit and loss account	12	7,075,427	7,054,905
Profit and loss acquisition reserve	12	368,991	368,991
Profit and loss revaluation reserve	8,12	<u>59,379</u>	<u>59,379</u>
Total shareholders' funds		8,072,436	8,051,914

The accompanying notes on pages 8 to 15 are an integral part of these financial statements.

For the year ended 31 December 2022 the Company was entitled to audit exemption under Section 477 of the Companies Act 2006 (the "Act").

The member has not required the Company to obtain an audit of its accounts for the current year in accordance with Section 476 of the Act.

The directors acknowledge responsibility for:

- i) ensuring the Company keeps accounting records which comply with Section 386 of the Act, and
- ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, in accordance with the requirements of Section 393 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

Statement of financial position as at 31 December 2022 (*Continued*)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and were approved and authorised for issue by the Board on 28 September 2023 and signed on its behalf by:



Raheel Khan
per pro **Intertrust Directors 1 Limited**
as Director

Notes to the Financial Statements for the year ended 31 December 2022

1 Accounting policies***General information***

Diament Limited is a private limited liability Company, incorporated in the United Kingdom. The Company's registered office is 1 Bartholomew Lane, London, EC2N 2AX

Statement of compliance

The Company has adopted and is in compliance with United Kingdom Accounting Standards, Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (the "FRS 102") and the Companies Act 2006. The accounting policies which have been applied consistently throughout the period to the Company's financial statements are set out below. The financial statements are prepared in sterling, which is the functional currency of the Company. All amounts in the financial statements have been rounded to the nearest £1.

Basis of preparation – Going concern

The directors, having a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future, have prepared the financial statements on a going concern basis.

The financial statements of the Company have been prepared on the historical cost basis, except for Investment properties measured at fair value through profit or loss ("FVTPL").

The Company adopted to prepare a statement of income and retained earnings instead of income statements and statement of changes in equity.

Cash flow statement

The Company is exempt from preparing a statement of cash flows as Emerald Laser Hotels Mezzanine Holdings DAC (a group company) (previously known as LSREFIII Laser Shearings Senior Holdings DAC), prepares publicly available consolidated group financial statements which include a consolidated group cash flow statement in which Laser Derwentwater Holdings Limited's results are included.

Lasalle Funds General Partners Limited has effective control over the Company's operations. Lasalle Funds General Partners Limited, a company registered in England & Wales, prepares consolidated financial statements incorporating this Company which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under section 1.12 and 7 of FRS 102.

Segmental analysis

The whole of the Company's operations are carried out in the United Kingdom and the results, no segmental analysis of the Company's revenue and assets is required

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life from the date of receipt.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)***Tangible fixed assets (continued)***

Land and buildings are recognised at fair value based on periodic, but at least annually, valuations by external independent valuers, less subsequent depreciation on buildings. A revaluation surplus is credited to other reserves in shareholders' equity.

Depreciation is calculated using the straight-line method to allocate cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Furniture and fixtures	7 years
Improvement works	10 years
Buildings	40 years

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the items can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in net assets attributable to unitholders. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in net assets attributable to unitholders to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Trust policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Investment properties

Investment properties are initially measured at cost, including transaction costs. Investment properties for which fair value can be measured reliably on an ongoing basis are revalued annually to open market value measured at fair value with any change recognised in the Statement of income and retained earnings.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes.

Debtors and creditors

Debtors and creditors due within one year are recorded at transaction price and subsequently measured at amortised cost. Any losses arising from impairment are recognised in the statement of income and retained earnings.

Turnover

Turnover represents amounts receivable for goods and services during the period excluding value added tax and is net of sales returns, trade discounts and rebates. Revenue in respect of lease income is recognised on a straight-line basis over the period for which the property is leased.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)***Operating expenses***

Expenses are accounted for on an accrual basis.

Finance Fees

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

Cash at bank and in hand

Cash at bank and in hand comprise cash balances.

Profit participating note and share on profits

The profit participating note is unsecured, repayable on the fifth anniversary of the drawdown date and accrues a variable interest rate equal to the greater of (i) the accumulated net profits of the company, and (ii) the accumulated taxable profits or gains of the Company having property accrued for all other income and expense items as computed under Irish taxation principles

Share on profits – Profit participating note pertains to profits incurred for the year that were swept up to the group company in accordance with the profit participating note agreement. The amount is unsecured, interest free and repayable on demand.

Taxation

Tax on the loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Interest income and expense

Interest income and expense relates to interest accrued on the cash and loan balances, and, in respect of financial liabilities held at amortised cost, using the effective interest rate method.

Foreign Currencies

The financial statements are presented in Great Briton Pounds ("GBP") which is the Company's functional currency being the currency of the primary economic environment in which the entity operates. The issued stated capital of the Company is denominated in GBP. The Directors of the Company believe that GBP most faithfully represents the economic effects of the underlying transactions, events and conditions.

Notes to the Financial Statements for the year ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

Foreign Currencies (continued)

Transactions in currencies other than GBP are recorded at the rate of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the financial reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Gains and losses arising on translation are included in the statement of income and retained earnings for the year.

Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected.

2 Directors and employees

The Company has no employees (2021: none) and services required are contracted from third parties. The directors received no remuneration from the Company in respect of qualifying services rendered during the year (2021: none)

3 Turnover

Turnover relates to the Company's main activities which is carried out in the United Kingdom:

	31 December 2022	31 December 2021
	£	£
Lease Income	<u>142,903</u>	<u>212,531</u>

4 Administrative expenses

	31 December 2022	31 December 2021
	£	£
Professional Fees	12,036	3,854
Management Fees	58,179	67,198
Depreciation charge	130,297	126,131
Other costs	<u>2,375</u>	<u>33,137</u>
	<u>202,887</u>	<u>230,320</u>

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

5 Profit Participating Note

	31 December 2022 £	31 December 2021 £
Share on Losses – Profit participating note	1,608,683	-
	<u>1,608,683</u>	<u>-</u>

Share on losses – Profit participating note pertains to losses incurred for the year that were swept up to the group company in accordance with the profit participating note agreement. The amount is unsecured, interest free and repayable on demand.

6 Taxation

	31 December 2022 £	31 December 2021 £
Corporation Tax:		
Current tax on loss for the year	-	(26,158)
Total current tax	-	(26,158)
Total current tax charge	<u>-</u>	<u>(26,158)</u>

The current standard UK corporation tax rate for the financial year is 19% (2021: 19%). The UK corporation tax rate will remain at 19% until 31 March 2023.

7 Tangible fixed assets

	Improvement works £	Buildings £	Total £
<i>Cost</i>			
At 1 January 2022	38,092	4,900,000	4,938,092
Capital Expenditure	43,541	-	43,541
Transfer from investment properties	-	-	-
At 31 December 2022	<u>81,633</u>	<u>4,900,000</u>	<u>4,981,633</u>
<i>Depreciation</i>			
At 1 January 2022	-	(185,510)	(185,510)
Depreciation charged for the Year	-	(130,297)	(130,297)
At 31 December 2022	<u>-</u>	<u>(315,807)</u>	<u>(315,807)</u>
<i>Revaluation</i>			
At 1 January 2022	-	1,197,418	1,197,418
Revaluation charged for the Year	-	(1,549,126)	(1,549,126)
At 31 December 2022	<u>-</u>	<u>(351,708)</u>	<u>(351,708)</u>
<i>Carrying amount</i>			
At 31 December 2022	<u>81,633</u>	<u>4,232,485</u>	<u>4,314,118</u>
At 31 December 2021	<u>38,092</u>	<u>5,911,908</u>	<u>5,950,000</u>

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

8 Tangible Fixed Asset Property- Revaluation

	31 December 2022 £	31 December 2021 £
At January	5,950,000	4,930,473
Revaluation of tangible fixed asset - properties	(1,549,126)	1,138,040
Revaluation Reserve	-	59,378
Capital expenditure	43,541	7,619
Depreciation	(130,297)	(185,510)
Transfer to tangible assets (note 7)	-	-
At 31 December	<u>4,314,118</u>	<u>5,950,000</u>

Fully operational properties were valued at £4,290,000 as at 31 January 2023 (2021: £5,950,000).

The property was valued by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of investment property being valued. It was valued by Christie & Co as at 31 January 2023 on the basis of fair value in accordance with RICS (Royal Institute of Chartered Surveyors) valuation – Global Standards.

LREDS III Laser Holdings Limited acquired 100% of the share capital of Emerald Laser Hotels Topco DAC on 23 June 2020. Subsequent to acquisition, LREDS III Laser Holdings Limited engaged a third-party hotel management company to operate the properties. The hotels were reclassified to tangible assets due to change in use.

9 Debtors

	31 December 2022 £	31 December 2021 £
Share on losses - Profit participating Note	1,608,683	-
Amounts due from parent	1,279,746	1,279,746
Amounts due from group undertakings	1,037,628	1,030,628
Debtors & Prepayments	117,239	-
Other prepayments	-	9,625
	<u>4,043,296</u>	<u>2,319,999</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Share on losses – Profit participating note pertains to losses incurred for the year that were swept up to the group company in accordance with the profit participating note agreement. The amount is unsecured, interest free and repayable on demand.

No receivables from amount due by group undertakings were written off during the year (2021: £ nil).

Notes to the Financial Statements for the year ended 31 December 2022 (*continued*)**10 Creditors**

	31 December 2022 £	31 December 2021 £
Amounts falling due within one year:		
Amounts owed to group undertakings	(250,173)	(154,497)
Creditors and accruals	(42,479)	(15,190)
VAT payable	(30,252)	(41,360)
Corporation tax	(5,666)	(26,189)
	<u>(328,820)</u>	<u>(237,236)</u>
Amounts falling due after more than one year:		
Loan	<u>47,426</u>	<u>47,426</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11 Called up share capital

	31 December 2022 £	31 December 2021 £
<i>Called up, allotted and issued</i>		
"A" ordinary shares of £1 each	335,639	335,639
"B" ordinary shares of £1 each	67,000	67,000
"C" ordinary shares of £1 each	166,000	166,000
	<u>568,639</u>	<u>568,639</u>

12 Profit and loss account

	31 December 2022 £	31 December 2021 £
Opening balance	7,483,275	6,389,164
Current year adjustment	20,522	-
Profit for the financial year	<u>-</u>	<u>1,094,111</u>
At 31 December	<u>7,503,797</u>	<u>7,483,275</u>

13 Parent company and controlling party

As at 31 December 2021, the Company's immediate holding company is Laser Derwentwater Holdings Limited.

For accounting purposes, the ultimate controlling party under Financial Reporting Standard 102 (Section 9) is LaSalle REDS III GP S.à.r.l.

Emerald Laser Hotels Mezzanine Holdings DAC (a group company) (previously known as LSREFIII Laser Shearings Senior Holdings DAC), prepares publicly available consolidated group financial statements.

Lasalle Funds General Partners Limited has effective control over the Company's operations. Lasalle Funds General Partners Limited, a company registered in England & Wales, prepares consolidated financial statements incorporating this Company which are publicly available.

14 Related party transactions

See note 2 for disclosure of the Directors' remuneration.

The Company is exempt from the requirements of FRS 102.33 "Related Party Disclosures" paragraph 33.7 to disclose the total key management personnel compensation on the basis that these and the Directors are the same.

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group in accordance with section 33 of FRS 102.

15 Post balance sheet events

Additional share capital was allotted from 16 January 2023 consisting of 2 fully paid "A" ordinary share of £1 each.

There are no further post balance sheet events that needs reporting.