

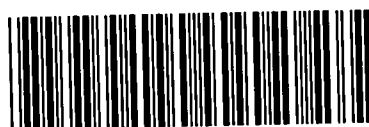
Financial Statements

Chamberlain Hotels Limited

For the year ended 31 December 2020

Registered number: 02307261

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Chamberlain Hotels Limited

Company Information

Director	Daniel Roger
Registered number	02307261
Registered office	245 Broad Street Birmingham England B1 2HQ
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD
Bankers	Royal Bank of Scotland Kirkstane House 139 St Vincent House Glasgow G2 5JF
Solicitors	Squire Patton Boggs LLP Rutland House Cutlers Gardens London EC2M 4YH

Chamberlain Hotels Limited

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Strategic report

For the year ended 31 December 2020

Principal activities and Business review

The main activity of Chamberlain Hotels Limited ("the Company") continues to be the operation of a hotel in the United Kingdom.

The Company achieved a turnover of £3.77 million (2019: £14.04 million) in the year ended 31 December 2020 which is an decrease of 73.15% on the year ended 31 December 2019. The large decrease in turnover is due to the effect of the Covid-19 pandemic on trading which resulted in temporary hotel closures and limiting of guests to key workers throughout parts of the year.

The Company produced an operating loss of £2.53 million (2019: operating profit of £1.97 million) in the year ended 31 December 2020. While savings were achieved across the business these were not enough to offset the large decrease in revenue due to the Covid-19 pandemic. The hospitality industry faced severe challenges and the Company focused on cost control and cash flow reductions to mitigate the loss position whilst the hotels were closed, these included the following:

- Significant reduction in payroll including the use of the Coronavirus Job Retention Scheme for the majority of the employees (cost control)
- Elimination of all non-essential costs (including travel, training, retainers) (cost control)
- Review of all short and medium contracts (cost control)
- Deferral of renovations other than those already in progress (cash flow reduction)
- Participation in government schemes to improve short term cash flow with rates holidays and VAT (cash flow reduction).

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

	2020	2019
Gross (loss)/profit %	(64.84)%	15.95%
Operating (loss)/profit %	(67.14)%	14.04%
Customer satisfaction	78.95%	82.90%

Strategic report (continued)

For the year ended 31 December 2020

Business risks and uncertainties

The Company is directly exposed to the risks associated with the hotel industry - the main risk for the industry is that Government mandated lockdowns due to the pandemic continue. These lockdowns temporarily shut hotels throughout 2020 and they have continued into 2021. Further details are included in our going concern review in Note 2.6.

The Company's exposure to credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts. The Company seeks to mitigate credit risk through central and hotel level credit checking and, where customers pay on departure, Company policy is to obtain a pre-authorised credit card for payment. In certain circumstances customers pay all or part of their stay in advance.

The Company's exposure to liquidity and cash flow risk is mitigated by the trade receivables procedures described above and by negotiating commercial payment terms with suppliers. The Company aims to mitigate liquidity risk by managing cash generation and its use through its operations. Cash flows are monitored on a daily basis and in the current year due to the pandemic and operational closures cashflows have been under scrutiny; cash flow forecasts are prepared and presented to the management team to determine future cash flow requirements and sources – during the pandemic this allowed future planning opportunities to manage cash.

On 23 June 2016, the United Kingdom voted to formally resign its membership of the European Union and the UK left the EU on the 31 December 2020. Due to the disruptive nature of the pandemic, it is unclear as to the impact Brexit has had on the performance of the hotels or the Company. However, as the industry recovers from the pandemic and business/leisure travel resumes, the risks and impacts of Brexit may become apparent as, for example, staffing level requirements rise leading to a demand for staff. Post Brexit, the supply of staff could be impacted.

Future developments

The director expects to see improved results for 2021 and throughout future years when compared to 2020 as the Covid-19 vaccine roll out programme progresses in the UK reducing the potential for future lockdowns and hotel closures.

The first half of 2021 has seen challenging conditions as the hotel operations remained shut, however since May/June 2021 the hotel has reopened in full and the Company is witnessing increasing levels of activity.

In addition to this, there is a strong revenue forecast through to the end of 2021 and beyond, and the director is confident that taking this into consideration along with the continued tight cost controls in place, the future of the Company will show increasing growth in future years.

This report was approved by the board on 18 October 2021 and signed on its behalf.



Daniel Roger
Director

Director's report

For the year ended 31 December 2020

The director presents his report and the financial statements for the year ended 31 December 2020.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law, the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law, the director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Principal activities

The Company is part of a leading hotel group and operates a premium budget hotel in the United Kingdom.

Director's report (continued)

For the year ended 31 December 2020

Statement of corporate governance arrangements

The Company aligns its business to ensure its framework is abiding by the six Wates principles for large private companies.

The Company has used these principles under the following areas (which are detailed further through the Directors Report and Strategic Report) and there have been no instances of explicit departure from the below:

- Clear purpose and leadership – the Company strategy for growth and development is communicated throughout the organisation, ensuring transparency of goals, policies and direction for the Company and promoting a healthy corporate culture;
- High quality board and Senior Management team composition and a focus on diversity and a wealth of experience in the sector;
Positive relationships between the Company, shareholders and stakeholders – this is completed through frequent communication/meetings with the shareholder whereby company policies/practices, future developments and agreement on strategy is completed. Along with this, key suppliers and customers are also in communication with the various internal teams to foster this relationship and continue to provide/receive a high level of service;
- Remuneration which is proportionate and supports long-term success;
- The Board is comprised of one director, who is highly experienced in the sector in which the Company operates. The Director also delegates elements of governance of the Company to the highly skilled Senior Management team, whom oversee the various divisions within the Company and are responsible for reporting to the Director frequently on any issues which arise. This is done via the occurrence of at least quarterly meetings;
- Risk is managed by ensuring that there is transparency throughout the organisation on historical performance, current activities and future strategic direction. Open communication between the Company and stakeholders ensure that future risks are foreseen to the most extent possible, and mitigated via reasonable measures which are decided upon between the director and Senior Management team.

The Company is subject to the review of each of the relevant committees established in its Parent Company “Fattal Holdings (1998) Limited”, there are also frequent executive meetings held which cover areas such as audit and corporate responsibility.

The Company remains committed to maintaining high standards of corporate governance led by and directed by the Board of Director.

Results and dividends

The results of the Company for the year are set out in the Statement of comprehensive income on page 13 and in the related notes.

The Company recommended and paid dividends of £nil (2019: £nil).

Director's report (continued)

For the year ended 31 December 2020

Directors and secretary and their interests

The director who served during the year was:

Daniel Roger

The director who held office at 31 December 2020 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

Duty to promote the success of the Company

The Company and its director ensure that exceptional hospitality is at the core of the business, as this is what will drive future success and growth in line with the overall business strategy.

The Company culture is imperative to uphold; the director and the Senior Leadership team are in direct contact with employees on a regular basis to ensure all objectives are aligned and a good working environment exists within the Company. The director, via Senior Leadership, ensures the setting and maintaining of core Company values, and ensures ethical business behaviours.

The Company culture also includes a focus on building and maintaining relationships with key suppliers and customers, whose support is paramount to the ongoing success of the business. Key suppliers are kept up to date with business developments and offered opportunities as they arise for continued and growing business. Key customers have built a strong relationship with the Company which allows for a joint beneficial relationship with increased business and a common trust on the level of service provided.

Future developments

The Company has faced challenges in relation to the Covid-19 pandemic since March 2020 due to the lockdowns and limits on travel, which has impacted the hospitality and leisure industry. The Company since reopening and lifting restrictions from May 2021 has seen an increase in the level of activity and has forecasted to achieve increased revenue to the end of 2021 as the market recovers. The expected recovery of the business is hard to predict given the uncertainty Covid-19 has given to the business and market over the past year and while the vaccine roll out is positive, it is still unsure when the market will fully recover to pre Covid-19 levels.

Disabled persons

It is the policy of the Company to give fair and full consideration to registered disabled persons applying for employment and to the continuing employment and appropriate training of staff who become disabled having regard to their particular aptitudes and abilities.

Director's report (continued)

For the year ended 31 December 2020

Employee participation

The Company engages with employees on an ongoing basis to ensure sufficient training, development and promotion opportunities are being presented to them. Open communication channels within the Company allow for employees to excel in specific areas which they are strongest/most interested in – for example there are various management programmes which seek to develop high potential candidates into future leaders.

The Company also ensures that the wellbeing of employees is being considered throughout the year, particularly in the recent pandemic times – a web-based application was launched so that the Company could keep in contact with employees whilst they were not working during the pandemic.

The Company is committed to providing equal opportunities from recruitment and appointment, training and development to appraisal and promotion opportunities for a wide range of people, free from discrimination or harassment and in which all decisions are based on work criteria and individual performance.

The Company recognises that employees are at the heart of the delivery of service, and hence crucial to the future success of the Company.

Statement on business relationships

The director is satisfied that business relationships are managed, maintained and fostered through the relevant management teams – key supplier contracts are consistently reviewed by the procurement team, and customer relationships are upheld through the delivery of a high standard of service.

During the current year, in light of the challenging times which arose due to the Covid-19 pandemic, key short, medium and long term contracts were reviewed and re-negotiated where possible. Business relationships are also discussed above within the Duty to promote the success of the Company section.

Subsequent events

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

Political donations

The Company made £Nil political donations during the year (2019: £Nil).

Director's report (continued)

For the year ended 31 December 2020

Going concern

The director is satisfied that it is appropriate to prepare the financial statements on a going concern basis for the Company.

This is based on a review of the performance of the Company which has been directly impacted by the Covid-19 pandemic, along with a review of future forecasts for the Company for a period of 12 months from signing date.

During 2020, the Company was heavily impacted by the Covid-19 pandemic which forced the hospitality industry to close for periods of time over the year, resulting in no revenue and cash into the Company. Since the start of the pandemic in March 2020, the Company has focused on cost control to help protect the balance sheet and have reduced the cash outflows during this challenging time which has continued into early 2021. The Company has used several substantial measures during the pandemic to safeguard the position and performance of the Company. These measures include a significant reduction in payroll including the use of the Coronavirus Job Retention Scheme for the majority of the employees; elimination of all non-essential costs (including travel, training, retainers); review of all short and medium contracts; deferral of renovations other than those already in progress and participation in government schemes to improve short term cash flow.

As at the 31 December 2020, the Company is in a net liability position and has been further impacted at the start of 2021 by the pandemic. The Company has been and will continue to be supported by the ultimate parent Fattal Holdings (1998) Limited which has sufficient resources to support the Company as trading operations return to pre-pandemic levels. The Company has started to see improved trading conditions since reopening in May/June 2021 with strong revenue forecasts and continued cost controls continuing into the near future.

The director is satisfied that due to the actions described above together with the cash flow forecast and support letter from the ultimate parent Fattal Holdings (1998) Limited it is appropriate to prepare accounts on a going concern basis.

Statement as to disclosure of information to auditor

In the case of each person who was a director at the time this report was approved:

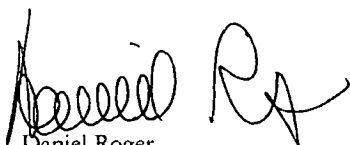
- so far as that director is aware there is no relevant audit information of which the Company's auditor is unaware: and
- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Auditor

It is proposed that Mazars LLP will continue in office in accordance with the Companies act 2006 section 487(2)

This report was approved by the board on 18 October 2021 and signed on its behalf.


Daniel Roger
Director

Independent auditor's report to the members of Chamberlain Hotels Limited

Opinion

We have audited the financial statements of Chamberlain Hotels Limited (the 'company') for the year ended 31 December 2020 which comprise Statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, 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 state of the Company's affairs as at 31 December 2020 and of its loss for the financial 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. 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

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.

Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

Other information

The other information comprises the information included in the financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

In 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 the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

Responsibilities of Directors

As explained more fully in the Director's Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 the financial statements.

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. Based on our understanding of the Chamberlain Hotels Limited and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, general data protection regulation (GDPR), modern slavery, food and beverage legislation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to Covid-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, deferred tax asset recognition, and significant one-off or unusual transactions.

Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.


There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Independent auditor's report to the members of Chamberlain Hotels Limited (continued)

Use of the audit 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.



Jonathan Seaman (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD

Date: 21 October 2021

Chamberlain Hotels Limited

Statement of comprehensive income

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	4	3,774	14,043
Cost of sales		(6,221)	(11,802)
Gross (loss)/profit		(2,447)	2,241
Administrative expenses		(87)	(270)
Operating (loss)/profit	5	(2,534)	1,971
Interest payable and similar expenses	8	(2,730)	(2,766)
Loss before tax		(5,264)	(795)
Tax on loss	9	171	395
Loss for the financial year		(5,093)	(400)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		(5,093)	(400)

All amounts relate to continuing operations.

The notes on pages 16 to 34 form part of these financial statements.

Chamberlain Hotels Limited

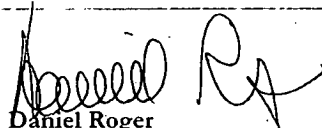
Registered number:02307261

Balance sheet

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	10	48,175	51,030
		<u>48,175</u>	<u>51,030</u>
Current assets			
Stocks	11	14	29
Debtors: amounts falling due within one year	12	1,433	2,641
Cash at bank and in hand	13	1	25
		<u>1,448</u>	<u>2,695</u>
Creditors: amounts falling due within one year	14	(5,549)	(3,983)
Net current liabilities		<u>(4,101)</u>	<u>(1,288)</u>
Total assets less current liabilities		<u>44,074</u>	<u>49,742</u>
Creditors: amounts falling due after more than one year	15	(47,539)	(48,114)
Net (liabilities)/assets		<u>(3,465)</u>	<u>1,628</u>
Capital and reserves			
Called up share capital	18	1,501	1,501
Profit and loss account	19	(4,966)	127
Total shareholder's (deficit)/funds - equity		<u>(3,465)</u>	<u>1,628</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 October 2021.


Daniel Roger
Director

The notes on pages 16 to 34 form part of these financial statements.

Chamberlain Hotels Limited

Statement of changes in equity

For the year ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
At 1 January 2020	1,501	127	1,628
Loss for the year	-	(5,093)	(5,093)
Total comprehensive loss for the year	-	(5,093)	(5,093)
At 31 December 2020	1,501	(4,966)	(3,465)

The notes on pages 16 to 34 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
At 1 January 2019	1,501	527	2,028
Loss for the year	-	(400)	(400)
Total comprehensive loss for the year	-	(400)	(400)
At 31 December 2019	1,501	127	1,628

The notes on pages 16 to 34 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2020

1. Reporting entity

Chamberlain Hotels Limited is a Company incorporated in the United Kingdom. The Company's registered office is 245 Broad Street, Birmingham, England, B1 2HQ. The registered number is 02307261.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("UK IFRSs"), 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 have been taken.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

As the consolidated financial statements of Fattal Holding (1998) Ltd include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 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 paragraph 17 and 18A 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Basis of measurement

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

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

Standards, amendments and interpretations adopted in the current financial year ended 2.4 31 December 2020

The following standards have been adopted in the current financial year. The standard adoptions have not caused any material effects on the financial statement for the financial year ended 31 December 2020.

	IFRS effective date - periods beginning on or after
IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment): Definition of a Material	1 January 2020
IFRS 3 Business Combinations (Amendment): Definition of a Business	1 January 2020
IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (Amendments): Interest Rate Benchmark Reform	1 January 2020
Conceptual Framework (Amendment): Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
IFRS 16 Leases (Amendment): Covid-19-related Rent Concessions	1 June 2020

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values. When measuring the fair value of an asset or liability the Company used market observable data as far as possible.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.6 Going concern

The director is satisfied that it is appropriate to prepare the financial statements on a going concern basis for the Company.

This is based on a review of the performance of the Company which has been directly impacted by the Covid-19 pandemic, along with a review of future forecasts for the Company for a period of 12 months from signing date.

During 2020, the Company was heavily impacted by the Covid-19 pandemic which forced the hospitality industry to close for periods of time over the year, resulting in no revenue and cash into the Company. Since the start of the pandemic in March 2020, the Company has focused on cost control to help protect the balance sheet and have reduced the cash outflows during this challenging time which has continued into early 2021. The Company has used several substantial measures during the pandemic to safeguard the position and performance of the Company. These measures include a significant reduction in payroll including the use of the Coronavirus Job Retention Scheme for the majority of the employees; elimination of all non-essential costs (including travel, training, retainers); review of all short and medium contracts; deferral of renovations other than those already in progress and participation in government schemes to improve short term cash flow.

As at the 31 December 2020, the Company is in a net liability position and has been further impacted at the start of 2021 by the pandemic. The Company has been and will continue to be supported by the ultimate parent Fattal Holdings (1998) Limited, which has sufficient resources to support the Company as trading operations return to pre-pandemic levels. The Company has started to see improved trading conditions since reopening in May/June 2021 with strong revenue forecasts and continued cost controls continuing into the near future.

The director is satisfied that due to the actions described above together with the cash flow forecast and support letter from the ultimate parent Fattal Holdings (1998) Limited, it is appropriate to prepare accounts on a going concern basis

2.7 Functional currency

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.

2.8 Foreign currency

Foreign currency transactions

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.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.9 Turnover

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. Revenue is recognised when rooms are occupied and food and beverages are sold.

The Company operates a loyalty programme. Revenue is allocated between the loyalty programme and the other components of the sale. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Company has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

Due to the nature of the business the turnover is recognised when the service is provided.

2.10 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Balance sheet and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

Government grants received in the year have been netted off against the relevant expense rather than being recognised as other income.

2.11 Finance income and finance costs

The Company's finance income and finance costs include:

- interest expense;
- interest income; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expenses are recognised using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.12 Taxation

Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the period 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 Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.13 Tangible fixed assets

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and impairment. Impairment losses are recognised in profit and loss.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation

No depreciation is provided on land. Other tangible fixed assets are depreciated to a residual value over the estimated useful lives which are as follows:

Buildings Core	- 30 to 125 years
Buildings Non Core	- 10 years
Plant	- 20 years
Fixtures, fittings and equipment	- 5 years

Depreciation is charged to the income statement on a straight line basis over the estimated useful life. Residual value is reassessed annually.

The Right of use assets are depreciated over the length of the lease.

2.14 Impairment

Individual items of tangible fixed assets are reviewed for impairment annually and tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that do not generate independent cash flows are combined into cash generating units. If carrying amounts exceed estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. Recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is assessed based on 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 risks specific to the asset.

2.15 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 Jurys Hotel Management (UK) Limited, 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 IAS 19 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.

2.16 Inventories

Inventories are measured at the lower of cost and net realisable value.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

A provision is measured at the amount that the Company would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. Risks and uncertainties are taken into account in measuring a provision. The provision is discounted to its present value.

2.19 Provisions and contingent liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of that outflow can be measured reliably. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.20 Financial Instruments

Financial assets are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income or amortised costs as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of instruments not at fair value through profit or loss, directly attributable transactions costs.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or amortised cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, which in the case of loans and borrowings, is net of directly attributable transactions costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs, when the Company becomes party to the contractual provisions of the instrument. The Company recognises an allowance for expected credit losses for customers and other receivables and the impairment provision to be recognised on origination of the customer balance based on its estimated credit loss and assessed throughout the life of the balance. Any changes in their value through impairment or reversal of impairment is recognised in the Statement of Comprehensive Income.

Trade payables

Trade payables are initially recognised at fair value through profit and loss and subsequently measured at amortised cost less settlement payments.

Notes to the financial statements

For the year ended 31 December 2020

2. Accounting policies (continued)

2.21 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and lease of low value. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability are the fixed lease payments less any incentives receivable.

The lease liability is presented as a separate line on the balance sheet the lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

3. Critical Accounting Estimates and Judgements

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to: depreciation of tangible fixed assets and impairment of receivables.

4. Turnover

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom. Turnover analysis is not presented due to its commercial sensitivity.

Due to the nature of the business the turnover is recognised when the service is provided.

Notes to the financial statements

For the year ended 31 December 2020

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020	2019
	£'000	£'000
Depreciation	2,814	2,870

The Director's remuneration is borne by another Group Company.

6. Auditor's remuneration

The Auditor's remuneration is borne by another Group Company.

7. Employees

The average monthly number of persons, including the executive director, employed by the Company, during the year was 90 (2019: 110).

Staff costs were as follows:

	2020	2019
	£'000	£'000
Wages and salaries	979	2,434
Social security costs	79	124
Cost of defined benefit scheme	28	38
	1,086	2,596

The Director did not receive any remuneration from the Company during the year in respect of services to the Company (2019: £Nil).

The above salary costs are net of government grants received in the year in relation to the Coronavirus Job Retention Scheme. The total grants received were £0.72 million.

8. Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest expense on lease liabilities	2,713	2,766
Foreign exchange loss	17	-
	2,730	2,766

Notes to the financial statements

For the year ended 31 December 2020

9. Taxation

	2020 £'000	2019 £'000
Corporation tax		
Current tax on (loss) for the year	-	(332)
	-	(332)
Total current tax	-	(332)
Deferred tax		
Losses and other deductions	-	4
Tangible fixed assets - allowances	(171)	(67)
Total deferred tax - (note 17)	(171)	(63)
Taxation on loss on ordinary activities	(171)	(395)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £'000	2019 £'000
Loss on ordinary activities before tax	(5,264)	(795)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,000)	(151)
Effects of:		
Remeasurement of deferred tax for changes in tax rates	(8)	-
Adjustments in respect of prior periods	-	(332)
Deferred tax not recognised	837	68
Income not taxable/expenses not deductible for tax purposes	-	1
Impact of change in tax rate	-	19
Total tax charge for the year	(171)	(395)

Notes to the financial statements

For the year ended 31 December 2020

9. Taxation (continued)**Factors that may affect future tax charges**

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021 states that this rate is to be increased from 19% to 25% from 1 April 2023. These proposed changes had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds. Deferred tax assets and liabilities have been recognised at using the tax rates applicable for the date the assets and liabilities are expected to reverse.

The Company had unrecognised deferred tax assets on losses of £0.86 million at 31 December 2020 (2019: £nil million).

10. Tangible fixed assets

	Plant, fixtures, fittings and equipment £'000	Land and buildings £'000	Total £'000
Cost			
At 1 January 2020	14,929	50,668	65,597
Disposals	(41)	-	(41)
At 31 December 2020	<u>14,888</u>	<u>50,668</u>	<u>65,556</u>
Depreciation			
At 1 January 2020	12,514	2,053	14,567
Charge for the year	761	2,053	2,814
At 31 December 2020	<u>13,275</u>	<u>4,106</u>	<u>17,381</u>
Net book value			
At 31 December 2020	<u>1,613</u>	<u>46,562</u>	<u>48,175</u>
At 31 December 2019	<u>2,415</u>	<u>48,615</u>	<u>51,030</u>

The Company leases a hotel and the lease term is 23 years remaining. The Company has taken the exemption to apply IFRS 16 to low level leases and short term leases.

Notes to the financial statements

For the year ended 31 December 2020

10. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance sheet is as follows:

	2020 £'000	2019 £'000
Tangible fixed assets owned	1,613	2,415
Right-of-use tangible fixed assets	46,562	48,615
	<u>48,175</u>	<u>51,030</u>

Information about right-of-use assets is summarised below:

Net book value

	2020 £'000	2019 £'000
Land and building	46,562	48,615
	<u>46,562</u>	<u>48,615</u>

The property lease in which the Company is the lessee contains a variable additional rental linked to sales generated from the leased hotel.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised in the statement of financial position:

Right-of-use asset	No of right-of-use assets leased	Remaining term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Land and Buildings	1	23 years	-	-	-	-

Chamberlain Hotels Limited

Notes to the financial statements

For the year ended 31 December 2020

10. Tangible fixed assets (continued)

	2020 £'000	2019 £'000
Amounts recognised in the profit and loss		
Depreciation expense on right of use asset	2,053	2,053
Interest expense on lease liabilities	2,713	2,766
Expense relating to variable lease payments not included in the measurement of the lease liability	-	1,199
Expense accounted for on a straight lines basis in relation to low value and short term leases	-	-
	<u>4,766</u>	<u>6,018</u>

The property lease in which the Company is the lessee contains variable additional rentals linked to sales generated from the leased hotel.

11. Stocks

	2020 £'000	2019 £'000
Consumables	14	29
	<u>14</u>	<u>29</u>

In 2020, a total of £0.17 million (2019: £0.62 million) of consumables was included in the profit or loss as an expense.

12. Debtors

	2020 £'000	2019 £'000
Trade debtors	63	524
Amounts owed by group undertakings	1,079	2,012
Prepayments	120	23
Other debtors	-	82
Deferred taxation - (note 17)	171	-
	<u>1,433</u>	<u>2,641</u>

Amounts owed by group undertakings are unsecured, repayable on demand and non-interest bearing.

Chamberlain Hotels Limited

Notes to the financial statements

For the year ended 31 December 2020

13. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	1	25
	<u>1</u>	<u>25</u>

14. Creditors: Amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	105	115
Amounts owed to group undertakings	3,350	275
Other taxation and social security	-	401
Lease liabilities	1,109	1,571
Accruals	985	1,621
	<u>5,549</u>	<u>3,983</u>

Amounts due to group undertakings relates to amounts, which are unsecured, interest-free and repayable on demand.

15. Creditors: Amounts falling due after more than one year

	2020 £'000	2019 £'000
Lease liabilities	47,539	48,114
	<u>47,539</u>	<u>48,114</u>

Notes to the financial statements

For the year ended 31 December 2020

16. Leases

Company as a lessee

The Company does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

Lease liabilities are due as follows:

	2020 £'000	2019 £'000
Within one year	1,109	1,571
Within 2-5 years	6,547	5,494
Over 5 years	40,992	42,620
	<u>48,648</u>	<u>49,685</u>

The undiscounted future cash flows on leases were as follows:

	2020 £'000	2019 £'000
Within one year	3,750	3,750
Within 2-5 years	15,000	15,000
Over 5 years	66,298	73,750
	<u>85,048</u>	<u>92,500</u>

The company has taken the exemption to apply IFRS 16 to low level leases and short term leases.

Notes to the financial statements

For the year ended 31 December 2020

17. Deferred taxation

	2020 £'000	2019 £'000
At beginning of year	-	(63)
Charged to profit or loss	171	63
At end of year	171	-

The deferred tax asset is made up as follows:

	2020 £'000	2019 £'000
Fixed asset timing differences	171	-
	171	-

18. Share capital

	2020 £'000	2019 £'000
Authorised		
2,000,000 (2019 - 2,000,000) Ordinary shares of £1.00 each	2,000	2,000
Allotted, called up and fully paid		
1,500,900 (2019 - 1,500,900) Ordinary shares of £1.00 each	1,501	1,501

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Non-voting shareholders are not entitled to request, attend or vote at any general meeting. Neither are they entitled to receive more than the amount paid up. In all other respects, non-voting shares rank pari passu with ordinary shares.

19. Reserves

Profit and loss account

This account includes all current and prior period profit and losses.

20. Capital commitments

At 31 December 2020, the Company had capital commitments of £Nil (2019: £Nil).

Notes to the financial statements

For the year ended 31 December 2020

21. Pension commitments

The Company participates in a group defined benefit scheme operated by Jurys Hotel Management (UK) Limited, which is the legal sponsor of the scheme. The UK defined benefit scheme was closed to future accrual in 2011.

The Company participates in a defined contribution scheme operated by Jurys Hotel Management (UK) Limited. Full details of the schemes are disclosed in the financial statements of the Company's immediate parent, Jurys Hotel Management (UK) Limited.

The total defined contribution pension charge for the year amounted to £27,555 (2019: £37,574).

22. Related party transactions

The Company has taken advantage of the exemption under FRS 101 paragraph 8(K), "Related Party Disclosures", not to disclose transactions with group undertakings as it is a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking.

There are no related party transactions requiring disclosure.

23. Subsequent events

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

24. Controlling party

The Company's immediate parent is Jurys Hotel Management (UK) Limited. The largest Company in the group is Fattal Holdings (1998) Limited, a Company incorporated in Israel with a registered office at Triangular Building, 35th Floor, Azrieli Center, Tel Aviv, Israel. The consolidated accounts can be obtained from Israeli Securities Authority's website.

The director considers David Fattal to be the ultimate controlling party.