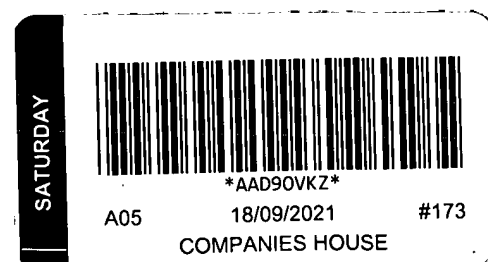


Registration No: 03200312

**MANDARIN ORIENTAL LONDON LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



# **Mandarin Oriental London Limited**

## **Contents**

|                                        | <b>Page</b> |
|----------------------------------------|-------------|
| Company information.....               | <b>1</b>    |
| Directors' report.....                 | <b>2</b>    |
| Independent auditors' report.....      | <b>4</b>    |
| Statement of comprehensive income..... | <b>7</b>    |
| Statement of financial position.....   | <b>8</b>    |
| Statement of changes in equity.....    | <b>9</b>    |
| Notes to the financial statements..... | <b>10</b>   |

**Mandarin Oriental London Limited****Company information****Directors**

Craig Alan Beattie  
Lesley Amanda Hyndman  
Philippe Alexandre Protto (Resignation on 7 September 2020)  
Alexander Nicholas Kwok Wing Li  
Jillian Margaret Kluge (Appointment on 7 September 2020)

**Secretary and registered office**

Mandarin Oriental UK Ltd  
5<sup>th</sup> Floor  
110 High Holborn  
London  
WC1V 6JS

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

## **Mandarin Oriental London Limited**

### **Directors' report For the year ended 31 December 2020**

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

#### **Directors of the company**

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

Craig Alan Beattie  
Lesley Amanda Hyndman  
Philippe Alexandre Protto (Resignation on 7 September 2020)  
Alexander Nicholas Kwok Wing Li  
Jillian Margaret Kluge (Appointment on 7 September 2020)

#### **Principal activities**

The principal activity of the company is that of a holding company where one subsidiary company operates a luxury hotel in London. Delivering shareholder value can only be achieved by continued investment in the hotel to ensure that the room product and service standards are of the highest quality.

#### **Future Developments**

Mandarin Oriental London Limited will continue with the principal activity for the foreseeable future.

#### **Results and dividends**

The company did not trade during the year and consequently there was no profit or loss in the financial year (2019: £nil)

The directors do not recommend the payment of a dividend (2019: £nil).

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The hotel has a risk management committee whose responsibility is to monitor, mitigate and report on these risks. The Key business risks affecting the business are:

**Terrorism:** another terrorist attack on the UK, and London in particular, could have a serious impact on influx of visitors and affect the business. While management is unable to eliminate the risk, the objective is to minimise its impact through security standards, insurance coverage and a flexible cost base.

**Competition:** the hotel operates in a highly competitive trade environment, and it is vital to ensure that the product compares favourably with that of the competitors. Management undertakes regular site inspections of competing properties, monitor industry trend and look at ways to be innovative with the offer.

**Service standards:** the guest experience is central to the performance of the business so it must be evaluated on an ongoing basis to safeguard against any reduction in standards. Management dedicates significant resources to staff development, training, and retention, while using a variety of methods to evaluate the guest experience. These include mystery shoppers, guest surveys and comment cards.

**Disease:** a flu or other pandemic could negatively impact world-wide travel as we experienced this year. It has negatively affected all businesses as well as personal lives. While management is unable to eliminate the risk, the objective is to minimise its impact through safety standards and a flexible cost base.

**Guest health and safety:** the health and safety of guests is of paramount concern as harm or injury to guests could lead to bad publicity and negatively impact sales. To mitigate these risks there are rigorous documented Safe & Sound procedures with annual audits by independent consultants.

## **Mandarin Oriental London Limited**

### **Directors' report (continued) For the year ended 31 December 2020**

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the 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 101 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.

#### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

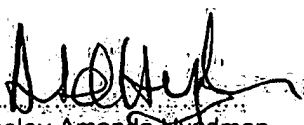
#### **Reappointment of Independent auditors**

Approval from the members will be sought to re-appoint the auditors, PricewaterhouseCoopers LLP to continue in office.

#### **Small company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Approved by the Board on 31<sup>st</sup> August 2021 and signed on its behalf by;



Lesley Amanda Hyndman  
Director

## Mandarin Oriental London Limited

### Independent auditors' report to the members of Mandarin Oriental London Limited

#### Report on the audit of the financial statements

---

##### Opinion

In our opinion, Mandarin Oriental London Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

---

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

---

##### Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

---

##### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## **Mandarin Oriental London Limited**

### **Independent auditors' report to the members of Mandarin Oriental London Limited (continued)**

#### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

##### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Company law and tax legislation, 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 financial statements such as the Companies Act 2006. We evaluated 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 inappropriate journal entries to manipulate reported results. Audit procedures performed by the engagement team included:

- Evaluating management's controls designed to prevent and detect irregularities.
- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations.
- Review of available Board Minutes
- Where applicable, testing of journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Mandarin Oriental London Limited****Independent auditors' report to the members of Mandarin Oriental London Limited (continued)****Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

---

**Other required reporting****Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report ; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

---



Diane Walmsley (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
31<sup>st</sup> August 2021

## Mandarin Oriental London Limited

Statement of Comprehensive Income  
For the year ended 31 December 2020

|                            | Note | 2020<br>£ '000 | 2019<br>£ '000 |
|----------------------------|------|----------------|----------------|
| Revenue                    |      | -              | -              |
| Administrative expenses    | 4    | -              | -              |
| Result before tax          |      | -              | -              |
| Tax                        | 7    | -              | -              |
| Result for the year        |      | -              | -              |
| Other comprehensive income |      | -              | -              |
| Total comprehensive income |      | -              | -              |

All amounts relate to continuing operations.

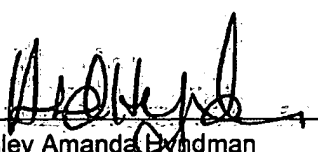
## Mandarin Oriental London Limited

**Statement of Financial Position**  
**As at 31st December 2020**  
**Registration Number 03200312**

|                                     | Note | 2020<br>£ '000 | 2019<br>£ '000 |
|-------------------------------------|------|----------------|----------------|
| <b>Assets</b>                       |      |                |                |
| <b>Non-current assets</b>           |      |                |                |
| Investments in subsidiaries         | 8    | 90,001         | 90,001         |
| <b>Total assets</b>                 |      | <b>90,001</b>  | <b>90,001</b>  |
| <b>Equity and liabilities</b>       |      |                |                |
| <b>Equity</b>                       |      |                |                |
| Share capital                       | 9    | 6,072          | 6,072          |
| Share premium                       |      | 83,928         | 83,928         |
| Retained earnings                   |      | 1              | 1              |
| <b>Total Equity</b>                 |      | <b>90,001</b>  | <b>90,001</b>  |
| <b>Total liabilities and equity</b> |      | <b>90,001</b>  | <b>90,001</b>  |

The notes on pages 10 to 14 are an integral part of these financial statements.

The financial statements on pages 7 to 14 were approved and authorised for issue by the Board on 31<sup>st</sup> August 2021 and signed on its behalf by:

  
 Lesley Amanda Hyndman  
 Director

**Mandarin Oriental London Limited****Statement of Changes in Equity  
For the year ended 31 December 2020**

|                            | <b>Share<br/>Capital<br/>£ '000</b> | <b>Share<br/>Premium<br/>£ '000</b> | <b>Retained<br/>Earnings<br/>£ '000</b> | <b>Total<br/>Equity<br/>£ '000</b> |
|----------------------------|-------------------------------------|-------------------------------------|-----------------------------------------|------------------------------------|
| As at 1 January 2019       | 6,072                               | 83,928                              | 1                                       | 90,001                             |
| Total comprehensive income | -                                   | -                                   | -                                       | -                                  |
| As at 31 December 2019     | 6,072                               | 83,928                              | 1                                       | 90,001                             |
| Total comprehensive income | -                                   | -                                   | -                                       | -                                  |
| As at 31 December 2020     | 6,072                               | 83,928                              | 1                                       | 90,001                             |

## **Mandarin Oriental London Limited**

### **Notes to the Financial Statements**

#### **1. Accounting Policies**

##### **(a) Basis of preparation**

The financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 ("FRS 101") as issued by the Financial Reporting Council in the United Kingdom.

The principal accounting policies are set out below and have been applied consistently throughout the year.

As permitted under section 400 of the Companies Act 2006, the Company has not prepared consolidated financial statements since it is a wholly owned subsidiary undertaking of Mandarin Oriental Hyde Park (Investment) Limited, a company registered in England and Wales. The largest and smallest group for which consolidated financial statements are prepared and of which the company is a member are, respectively, Jardine Matheson Holdings Limited and Mandarin Oriental International Limited, both incorporated in Bermuda

##### **(b) Going concern**

The financial statements have been prepared on a going concern basis. The company has positive net assets and is responsible for holding of the investment in Mandarin Oriental Hyde Park Hotel which has sufficient cash reserves and hence the use of going concern assumption is appropriate. The impact of COVID 19 has been taken into account and does not alter this view.

##### **(c) Fixed asset investments**

Investments held as fixed assets are stated at cost less provision for any impairment. Any impairment is recognised in the profit and loss account in the period in which it arises.

##### **(d) Taxation**

Taxation provided is that chargeable on profits for the year together with deferred Taxation.

The current income tax charge is calculated on the basis of taxation laws enacted or substantially enacted at the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Mandarin Oriental London Limited****Notes to the Financial Statements****1. Accounting Policies****(e) Financial instruments**

Financial assets and liabilities are initially recognised on the balance sheet at fair value when the company becomes party to the contractual provisions of the instruments.

All financial assets are categorised as loans and receivables. Such assets are subsequently carried at amortised cost using the effective interest rate method of the time value of money may have a significant impact on their value.

The company assesses at the balance sheet date whether there is objective evidence that a financial asset is impaired. Impairment losses are incurred only if there is objective evidence that a loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

**2. Critical accounting estimates and judgements**

The preparation of financial statements in conformity with FRS 101 requires the directors to exercise judgement in the process of applying the company's accounting policies. It also requires the use of estimates and assumptions that affect the reported assets and liabilities; the disclosure of contingent assets and liabilities at the reporting date and the reported revenues and expenses for the financial year. Although these estimates are based on the directors' best knowledge of current events and actions, actual results may ultimately differ from these estimates.

There are no critical accounting judgements concerning the future or key sources of estimation uncertainty at the year-end date that have a significant risk of causing a material adjustment to the financial statements, other than the impairment of the investment in subsidiaries.

The company tests annually whether the investment in the subsidiary suffered any impairment. The recoverable amount of an asset determination is based on the higher of its fair value less cost to sell and its value in use, calculated based on management's assumptions and estimates. The amount of change, required to the key assumptions, including the discount rates or the growth rate to result in an impairment is not likely.

## **Mandarin Oriental London Limited**

### **Notes to the Financial Statements (Continued)**

#### **3. Exemptions**

As permitted under FRS 101, the company has taken advantage of the following exemptions from disclosures which would otherwise be required under IFRS as adopted by the European Union:

- a) IFRS 7, 'Financial Instruments: Disclosures'
- b) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1
- c) The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- d) IAS 7, 'Statement of cash flows':
- e) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- f) Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- g) the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group

The directors consider all the exemptions noted above to be available on the basis that equivalent disclosures are included in the consolidated financial statements of the group into which the entity is consolidated. The details of the consolidating parent company and the location from which the consolidated financial statements may be obtained are included in note 10 to the financial statements.

#### **4. Administrative expenses**

The auditors' fees of £2,000 (2019: £2,000) in respect of the audit of the financial statements of the company were borne by the subsidiary undertaking.

#### **5. Employees**

The company employed no staff during the year (2019: none) and had no staff costs (2019: £nil).

#### **6. Directors' remuneration**

No director received any remuneration during the year in respect of services to the company nor had any retirement benefits accruing to them (2019: none). There is no recharge for this amount.

## Mandarin Oriental London Limited

## Notes to the Financial Statements (Continued)

## 7. Tax

|                         | 2020<br>£ '000 | 2019<br>£'000 |
|-------------------------|----------------|---------------|
| <b>Current tax</b>      |                |               |
| UK corporate tax charge | <u>-</u>       | <u>-</u>      |

As at 31 December 2020, the standard rate of corporation tax in the UK was 19%. Total current tax on result on ordinary activities for the year is the same as (2019: the same as) the effective rate of corporation tax in the UK of 19% (2019: 19%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The proposal was substantively enacted on 24 May 2021. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would not have had a material impact on the tax expense.

## 8. Investments in subsidiaries

|                            | 2020<br>£ '000 | 2019<br>£ '000 |
|----------------------------|----------------|----------------|
| Investment in subsidiaries | <u>90,001</u>  | <u>90,001</u>  |

The investment in the subsidiary entity is recorded at cost, which is the fair value of the consideration paid. The directors believe that the carrying value of the investment is supported by the value of the underlying net assets taking into consideration the market value of the property owned by the subsidiary.

## Details of subsidiaries

| Subsidiary undertaking              | Ownership | Principal place of business and country of incorporation | Principal activity       | Address of the registered office |
|-------------------------------------|-----------|----------------------------------------------------------|--------------------------|----------------------------------|
| Mandarin Oriental Hyde Park Limited | 100%      | England and Wales                                        | Hotel owner and operator | 3 Lombard Street London EC3V 9AQ |

## 9. Share capital

|                                                         | 2020          |              | 2019          |              |
|---------------------------------------------------------|---------------|--------------|---------------|--------------|
|                                                         | No. '000      | £'000        | No. '000      | £'000        |
| Allotted, called up and fully paid shares of £0.25 each | <u>24,289</u> | <u>6,072</u> | <u>24,289</u> | <u>6,072</u> |

**Mandarin Oriental London Limited****Notes to the Financial Statements (Continued)****10. Control**

The company is a private limited company, incorporated and domiciled in the United Kingdom.

The company is owned and controlled by its immediate parent undertaking, Mandarin Oriental Hyde Park (Investment) Limited, a company incorporated in England and Wales. Its publicly quoted parent undertaking is Mandarin Oriental International Limited, a company incorporated in Bermuda.

The largest and smallest group for which consolidated financial statements are prepared and of which the company is a member are, respectively, Jardine Matheson Holdings Limited and Mandarin Oriental International Limited, both incorporated in Bermuda. Copies of the financial statements for both these groups can be obtained from their registered office, Jardine house, 33-35 Reid Street, Hamilton, Bermuda. The ultimate parent undertaking and ultimate controlling party is Jardine Matheson Holdings Limited, a company incorporated in Bermuda, with a standard listing on the London Stock Exchange and secondary listings in Bermuda and Singapore.