

000267/820

Registered number: 05374151

**Rose Diamond D Leicester 2005 Ltd**

**Annual report and financial statements  
for the year ended 31 December 2020**



# **Rose Diamond D Leicester 2005 Ltd**

## **Company information**

### **Directors**

S. Al Dhaheri - alternate  
K. Al Khajeh  
M. Al Mansoori  
J. Anand  
D. Ayyar - alternate  
M. Foxon  
S. Al Hallami  
A. Al Ketbi

### **Registered number**

05374151

### **Registered office**

Tmf Group 8th Floor  
20 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

### **Independent auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5GL  
United Kingdom

# **Rose Diamond D Leicester 2005 Ltd**

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# **Rose Diamond D Leicester 2005 Ltd**

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

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

### **Principal activity**

The principal activity of the company continued to be the operation of a hotel in the United Kingdom. This hotel is operated by Marriott under the name Leicester Marriott Hotel.

### **Results and dividends**

The loss for the year, after taxation, amounted to £4,525,272 (2019: loss of £676,236).

The directors do not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: £Nil).

The operations and business activities of the company have been impacted by the COVID-19 outbreak. The hotel in the United Kingdom operated under this entity closed in Q1 2020 in line with government restrictions. The hotel re-opened in Q3 and has remained open since, but has operated at a lower capacity/occupancy throughout that period in order to comply with government regulations designed to prevent the spread of COVID-19.

Whilst the operator has benefited from government support such as the Coronavirus Job Retention Scheme and the Business Rates relief for Retail, Hospitality & Leisure which have helped to mitigate the operational losses, working capital funding in the form of equity injections of £1,272,901 have been required in 2020. In addition, the result has been impacted by actual and accrued severance payments incurred by the operator and recharged to the company, related to the restructuring of the operators workforce.

### **Political donations**

The company has made no donations to a registered political party or other political organisation in the current or prior year.

### **Going concern**

The operations and business activities of the company have been impacted by the COVID-19 outbreak. The balance sheet of the company shows a net current assets position and the parent undertaking, Tamweelview European Holdings SA has given a written statement that it has the capacity to continue supporting the company to allow it to meet its liabilities as they fall due for 12 months from the approval of these financial statements ("the going concern period"). Therefore, the directors believe that the company has sufficient financial resources to meet its liabilities as and when they fall due and accordingly these financial statements have been prepared on a going concern basis.

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements were:

S. Al Dhaheri - alternate  
S. Al Darmaki (resigned 8 April 2021)  
K. Al Khajeh  
M. Al Mansoori  
J. Anand  
D. Ayyar - alternate  
M. Foxon  
A. Garrod - alternate (resigned 10 March 2021)  
C. Scragg - alternate (resigned 1 January 2020)  
S. Al Hallami (appointed 8 April 2021)  
A. Al Ketbi (appointed 8 April 2021)

## Rose Diamond D Leicester 2005 Ltd

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

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with Section 487 of the Companies Act 2006.

#### Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on  
by:

2 August

2021 and signed on its behalf

*Marten Foxon*

Marten Foxon (Aug 2, 2021 18:11 GMT+4)

**M. Foxon**  
Director



Majed Al Mansoori (Aug 2, 2021 18:13 GMT+4)

**M. Al Mansoori**  
Director

## **Rose Diamond D Leicester 2005 Ltd**

### **Directors' responsibilities statement for the year ended 31 December 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these audited financial statements of the company, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the financial statements of the company comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSE DIAMOND D LEICESTER 2005 LIMITED**

### **Opinion**

We have audited the financial statements of Rose Diamond D Leicester 2005 Limited ("the company") for the year ended 31 December 2020, which comprise the Profit and loss account, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 3.

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 year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter**

We draw attention to note 10 to the financial statements which states that the independent external valuation of the hotel asset at the reporting date is reported on the basis of material valuation uncertainty due to the potential economic effect of the Coronavirus pandemic. Consequently, more subjectivity is associated with the valuation of the hotel asset than would normally be the case. Our opinion is not modified in respect of this matter.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSE DIAMOND D LEICESTER 2005 LIMITED (continued)**

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue transactions are simple in nature and the average value per transaction is low and therefore management would have to process a large volume of false revenue transactions to materially misstate or record revenue in the wrong period.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, those that include key words in their descriptions that are unusual and any post close entries.
- Assessing significant accounting estimates for bias.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSE DIAMOND D LEICESTER 2005 LIMITED (continued)**

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSE DIAMOND D LEICESTER 2005 LIMITED (continued)**

**Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.

**Chrissy Douka (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
2<sup>nd</sup> August 2021

## Rose Diamond D Leicester 2005 Ltd

### Profit and loss account for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	5	2,204,070	9,123,455
Cost of sales		(1,312,146)	(4,266,592)
<b>Gross profit</b>		<b>891,924</b>	<b>4,856,863</b>
Administrative expenses		(2,550,998)	(3,912,210)
Impairment charge - tangible assets	6	(2,142,437)	(1,212,882)
<b>Operating loss</b>		<b>(3,801,511)</b>	<b>(268,229)</b>
Interest receivable		491	1,659
Interest payable and similar charges		(235,973)	(274,349)
<b>Loss before taxation</b>		<b>(4,036,993)</b>	<b>(540,919)</b>
Taxation on loss for the financial year	9	(488,279)	(135,317)
<b>Loss for the financial year</b>		<b>(4,525,272)</b>	<b>(676,236)</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 11 to 23 form part of these financial statements.

# Rose Diamond D Leicester 2005 Ltd

Registered number: 05374151

## Balance sheet as at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	10		14,700,000		17,300,000
			14,700,000		17,300,000
<b>Current assets</b>					
Stocks	11	11,730		25,771	
Debtors	12	1,536,149		2,404,122	
Cash at bank and in hand		6,544		87,719	
		1,554,423		2,517,612	
Creditors: Amounts falling due within one year	13	(698,600)		(1,025,051)	
<b>Net current assets</b>			855,823		1,492,561
<b>Total assets less current liabilities</b>			15,555,823		18,792,561
Creditors: Amounts falling due after more than one year	14		(8,638,824)		(8,623,191)
<b>Net assets</b>			6,916,999		10,169,370
<b>Capital and reserves</b>					
Called up share capital	16		9,631,344		8,358,443
Retained earnings			(2,714,345)		1,810,927
<b>Total equity</b>			6,916,999		10,169,370

These financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' as amended by Section 1A 'Small Entities'.

The financial statements on pages 8 to 23 were approved and authorised for issue by the board on 2 August 2021 and were signed on its behalf by:

Marten Foxon

Marten Foxon (Aug 2, 2021 18:11 GMT+4)

**M. Foxon**  
Director

M. Al Mansoori

Majed Al Mansoori (Aug 2, 2021 18:13 GMT+4)

**M. Al Mansoori**  
Director

The notes on pages 11 to 23 form part of these financial statements.

## Rose Diamond D Leicester 2005 Ltd

### Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2020	8,358,443	1,810,927	10,169,370
<b>Comprehensive expense for the year</b>			
Loss for the financial year	-	(4,525,272)	(4,525,272)
<b>Contributions by and distributions to owners</b>			
Issue of share capital	1,272,901	-	1,272,901
<b>At 31 December 2020</b>	<b>9,631,344</b>	<b>(2,714,345)</b>	<b>6,916,999</b>

### Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2019	8,358,443	2,487,163	10,845,606
<b>Comprehensive expense for the year</b>			
Loss for the financial year	-	(676,236)	(676,236)
<b>At 31 December 2019</b>	<b>8,358,443</b>	<b>1,810,927</b>	<b>10,169,370</b>

The notes on pages 11 to 23 form part of these financial statements.

# **Rose Diamond D Leicester 2005 Ltd**

## **Notes to the financial statements for the year ended 31 December 2020**

### **1. General information**

Rose Diamond D Leicester 2005 Ltd ('the company') operates a hotel in the United Kingdom. This hotel is operated by Marriott under the name Leicester Marriott Hotel.

The company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Tmf Group 8th Floor, 20 Farringdon Street, London, EC4A 4AB, United Kingdom.

### **2. Statement of compliance**

The individual financial statements of Rose Diamond D Leicester 2005 Ltd have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', as amended by Section 1A 'Small Entities' ('FRS 102') and the Companies Act 2006.

### **3. Accounting policies**

#### **3.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of land and buildings. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Going concern:

The financial statements have been prepared on the going concern basis for the following reasons. The operations and business activities of the company have been impacted by the COVID-19 outbreak. A hotel in the United Kingdom operated under this entity closed in Q1 2020 in line with government restrictions. The hotel re-opened in Q3 and has remained open since but has operated at a lower capacity/occupancy throughout that period in order to comply with government regulations designed to prevent the spread of COVID-19.

The company is part of a cross-collateralised pool of assets that secures a £466m debt facility with Credit Agricole Corporate and Investment Bank for which £8.7 million is allocated to the company.

The financial covenants on this cross guaranteed debt facility are loan to value, debt to EBITDA and interest cover ratio, and these are required to be obliged on a quarterly basis and are assessed by the bank on a combined portfolio basis. A covenant waiver was provided by the bank from 26 March 2020 to and including 31 December 2020 subject to certain conditions. A new waiver letter has been signed on 18 March 2021 extending the waiver period to March 2022 and for which Tamweelview European Holdings SA (an intermediate parent undertaking) has provided a 12 months interest shortfall guarantee. The waiver avoids any breach of the debt to EBITDA and interest cover ratio covenants until the first quarter of 2022, preventing any event of default. The loan is repayable in August 2022.

The parent undertaking, Tamweelview European Holdings SA, has given a written statement that it will not seek repayment of the intercompany payables if it would prevent the company from continuing its operations for a period of 12 months from the approval of these financial statements ("the going concern period").

## **Rose Diamond D Leicester 2005 Ltd**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **3. Accounting policies (continued)**

##### **3.1 Basis of preparation of financial statements (continued)**

Tamweelview European Holdings SA has current liabilities owed to Silver Holdings SA and Silver Holdings SA is an immediate parent entity of Tamweelview European Holdings SA. Tamweelview European Holdings SA is considered a going concern and has sufficient resources and reserves to continue the operations and provide support to the company. Without considering the payables towards Silver Holdings SA, there would be an excess of current assets over current liabilities which is sufficient to provide support to the company, including the repayment of the portfolio debt if required (i.e. under severe but plausible downside scenarios of a covenant breach after the period covered by the waiver or in the event of the loan not being extended after August 2022).

Silver Holdings SA has confirmed it will not request its subsidiary to repay the above-mentioned intercompany payables if it would prevent its subsidiary from continuing to carry on its business and continuing its operations.

The company is ultimately controlled by Abu Dhabi Investment Authority, a sovereign wealth fund, registered in United Arab Emirates. The directors have no reason to believe that the Abu Dhabi Investment Authority would not continue to support the group.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Therefore the directors believe that the company has access to sufficient financial resources to support the business to meet its liabilities as and when they fall due for at least 12 months from the date of approval of the financial statements and accordingly these financial statements have been prepared on a going concern basis.

##### **3.2 Turnover**

Turnover is the value of services and goods sold, within the United Kingdom, as part of the company's continuing ordinary activities after deducting value added taxes.

###### **(i) Sale of services**

Turnover is recognised on room sales and guest services when rooms are occupied and services have been rendered.

###### **(ii) Sale of goods - retail**

Sales of goods are recognised on sale to the customer which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

##### **3.3 Exceptional items**

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Gains or losses which are recognised in the profit and loss account on the impairment or reversal of impairment of land and buildings are treated as exceptional items.

## **Rose Diamond D Leicester 2005 Ltd**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **3. Accounting policies (continued)**

##### **3.4 Interest receivable**

Interest receivable is recognised in the profit and loss account using the effective interest method.

##### **3.5 Interest payable and similar charges**

Interest payable is charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **3.6 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. 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 this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

###### **(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

###### **(ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.



## **Rose Diamond D Leicester 2005 Ltd**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **3. Accounting policies (continued)**

##### **3.7 Tangible assets**

Tangible assets include freehold hotels. Land and hotel buildings are stated at fair value, and hotel fixtures and fittings are stated at cost. Hotel refurbishment costs are capitalised in the period in which they are incurred. Repairs and maintenance costs are expensed as incurred.

A full valuation is carried out by a qualified external valuer every year. Revaluation gains are taken to the statement of other comprehensive income unless reversing a previously recognised impairment, when they are recognised in the profit and loss account. Revaluation losses are recognised in the statement of other comprehensive income to the extent that they offset previous revaluation gains. All other losses, including those incurred by a clear consumption of economic benefit, are charged to the profit and loss account. On revaluation of assets carried at fair value, accumulated depreciation at the date of valuation is taken to the statement of other comprehensive income.

Freehold land is not depreciated. Depreciation on hotel buildings, fixtures and fittings is provided at rates calculated to write off the value/cost less estimated residual value of each asset over its expected useful life.

Major refurbishments would be classified as construction in progress and stated at cost. They would be reclassified and depreciated when the related assets are made available for use.

Depreciation is provided on the following basis:

Freehold buildings	- Lesser of estimated useful life and 50 years
Fixtures and fittings	- Between 3 and 25 years

The carrying value of fixtures, fittings and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable as well as at the end of each reporting period. Any impairment in the value of assets below depreciated cost is charged to the profit and loss account.

##### **3.8 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

##### **3.9 Cash**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

## **Rose Diamond D Leicester 2005 Ltd**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **3. Accounting policies (continued)**

##### **3.10 Financial instruments**

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

Basic financial assets, including trade and other debtors, amounts owed by group undertakings and cash and bank balances are initially recognised at transaction price. Such assets are subsequently measured at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

###### **(ii) Financial liabilities**

Basic financial instruments, including trade and other creditors, amounts owed to group undertakings, loans from fellow group companies and bank loans are initially recognised at transaction price.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

###### **(iii) Offsetting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **3.11 Foreign currency translation**

The company's functional and presentational currency is pound sterling.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### **3.12 Operating leases: lessee**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

##### **3.13 Management fees**

Management fees are paid to the hotel's operator and include a base fee, based upon a percentage of hotel revenue and recognised in the year in which the revenue is incurred.

## Rose Diamond D Leicester 2005 Ltd

### Notes to the financial statements for the year ended 31 December 2020

#### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (i) Tangible assets

Tangible assets are revalued annually by independent valuers to assess the fair value of the hotel assets.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of tangible assets.

##### (ii) Impairment of trade debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.

##### (iii) Taxes

Determining income tax provisions involves judgements on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used on temporary differences where it is probable that there will be taxable income against which these can be offset. See note 15 for details of deferred tax recognised.

##### (iv) Contingent liabilities

The company considers the potential obligations which may be incurred as a result of past events and the uncertainty of the impact on the company. Where the company identifies a present obligation for which payment is probable and the amount can be reliably estimated a provision is recognised. See note 17 for details.

#### 5. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Room revenue	1,209,993	5,001,842
Food and beverages	888,565	3,696,936
Other income	105,512	424,677
	<u>2,204,070</u>	<u>9,123,455</u>

## Rose Diamond D Leicester 2005 Ltd

### Notes to the financial statements for the year ended 31 December 2020

#### 6. Exceptional items

	2020 £	2019 £
Impairment charge - tangible assets (note 10)	<u>(2,142,437)</u>	<u>(1,212,882)</u>

#### Impairment charge - tangible assets

The directors have considered the carrying value of the company's hotel asset following a valuation by CBRE Hotels Ltd dated 31 December 2020 carried out in accordance with the RICS valuation - Professional Standards effective from January 2017. This resulted in a charge of £2,142,437 (2019: £1,212,882).

#### 7. Operating loss

The audit fees for the year were £48,205 (2019: £31,852). There were no non-audit fees for the current or previous financial year.

#### 8. Staff costs

The company had no employees other than the directors during the year ended 31 December 2020 or the previous financial year.

The directors did not receive or waive any emoluments in respect of their services to the company during the year ended 31 December 2020 or the previous financial year.

## Rose Diamond D Leicester 2005 Ltd

### Notes to the financial statements for the year ended 31 December 2020

#### 9. Taxation

There is no current tax for the financial year ended 31 December 2020 or the previous financial year.

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	545,733	151,210
Impact of change in tax rate	(57,445)	(15,918)
Adjustment in respect of prior periods	(9)	25
<b>Taxation on loss on ordinary activities</b>	<b>488,279</b>	<b>135,317</b>

#### Factors affecting tax charge for the year

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

	2020 £	2019 £
Loss on ordinary activities before tax	(4,036,993)	(540,919)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(767,029)	(102,775)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	10	209
Adjustment in respect of prior periods	(9)	25
Impact of change in tax rate	(57,445)	(15,918)
Group relief	-	8,208
Impairment of assets	421,305	245,568
Unrecognised deferred tax	891,447	-
<b>Total tax charge for the year</b>	<b>488,279</b>	<b>135,317</b>

#### Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

## Rose Diamond D Leicester 2005 Ltd

### Notes to the financial statements for the year ended 31 December 2020

#### 10. Tangible assets

	Freehold land and buildings (At valuation) £	Fixtures and fittings (At cost) £	Construction in progress (At cost) £	Total £
<b>Valuation/cost</b>				
At 1 January 2020	14,772,098	10,172,234	15,563	24,959,895
Additions	13,250	47,902	44,586	105,738
Reclassification	28,299	31,850	(60,149)	-
Revaluation	(2,142,437)	-	-	(2,142,437)
Reversal of depreciation on revaluation	(74,957)	-	-	(74,957)
At 31 December 2020	12,596,253	10,251,986	-	22,848,239
<b>Accumulated depreciation</b>				
At 1 January 2020	-	7,659,895	-	7,659,895
Charge for the year	74,957	488,344	-	563,301
Reversal on revaluation	(74,957)	-	-	(74,957)
At 31 December 2020	-	8,148,239	-	8,148,239
<b>Net book value</b>				
At 31 December 2020	12,596,253	2,103,747	-	14,700,000
At 31 December 2019	14,772,098	2,512,339	15,563	17,300,000

Following a valuation by CBRE Hotels Ltd dated 31 December 2020, the directors have revalued the company's hotel asset to £14,700,000 (2019: £17,300,000). The valuation was carried out in accordance with the RICS Valuation - Professional Standards effective from January 2017. As at the valuation date, there continues to be an unprecedented set of circumstances caused by COVID-19 and an absence of relevant market evidence on which to base our judgements. The valuation is therefore reported as being subject to 'material valuation uncertainty', as set out in VPS 3 and VPGA 10 of the RICS Valuation - Global Standards.

The valuation has been incorporated into the financial statements; the resulting impairment charge has been taken to the profit and loss account. The revaluation during the year ended 31 December 2020 resulted in a revaluation deficit of £2,142,437.

If land and buildings had not been revalued they would have been included at the following amounts:

	2020 £	2019 £
Cost	27,100,056	27,058,507
Accumulated depreciation/ impairment	(14,503,803)	(12,286,409)
<b>Net book value based on historical cost</b>	<b>12,596,253</b>	<b>14,772,098</b>

## Rose Diamond D Leicester 2005 Ltd

### Notes to the financial statements for the year ended 31 December 2020

#### 11. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<b>11,730</b>	25,771

#### 12. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Deferred tax asset (note 15)	-	488,279
<b>Due within one year</b>		
Trade debtors	<b>16,742</b>	384,884
Amounts owed by group undertakings	<b>1,245,412</b>	1,319,170
Other debtors	<b>181,808</b>	35,827
Prepayments and accrued income	<b>71,976</b>	168,762
Tax recoverable	<b>20,211</b>	7,200
	<b>1,536,149</b>	2,404,122

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

Trade debtors are stated after provisions for impairment of £122 (2019: £7,253).

#### 13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	<b>2,556</b>	-
Trade creditors	<b>83,807</b>	269,857
Amounts owed to group undertakings	<b>131,776</b>	-
Other creditors	<b>11,773</b>	7,131
Accruals and deferred income	<b>468,688</b>	748,063
	<b>698,600</b>	1,025,051

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

## Rose Diamond D Leicester 2005 Ltd

### Notes to the financial statements for the year ended 31 December 2020

#### 14. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Bank loans (net of issue costs)	<u>8,638,824</u>	<u>8,623,191</u>

The bank loan is repayable on 3 August 2022, the directors intend to renegotiate with the lender in due course and anticipate a full refinance of this facility.

Interest is payable quarterly at LIBOR 3mGBP plus 2.15% and included within accruals in creditors due within one year. Loan arrangement fees of £81,889 were capitalised and are being amortised over the loan term. The loan is shown net of these deferred fees. At 31 December 2020 the unamortised arrangement fees were £23,494 (2019: £39,127).

During the year, an amount of £Nil (2019: £Nil) was repaid on the principal amount of the bank loan.

As a result of the changing economic and business circumstances due to the COVID-19 outbreak the directors of the company have considered the impact on the company's ability to meet its loan covenants as well as its obligations as they fall due.

A covenant waiver was provided by the bank from 26 March 2020 to and including 31 December 2020 subject to certain conditions. A new waiver letter has been signed on 18 March 2021 extending the waiver period to March 2022 and for which Tamweelview European Holdings SA has provided a 12 months interest shortfall guarantee. The waiver avoids any breach of the debt to EBITDA and interest cover ratio covenants until the first quarter of 2022, preventing any event of default.

The parent undertaking, Tamweelview European Holdings SA, has given a written statement that it has the capacity to continue supporting the company to allow it to meet its liabilities as they fall due for 12 months from the approval of these financial statements (see note 3.1 for further details).



# Rose Diamond D Leicester 2005 Ltd

## Notes to the financial statements for the year ended 31 December 2020

### 15. Deferred taxation

	2020 £	2019 £
At 1 January	488,279	623,596
Charged to the profit and loss account	(488,279)	(135,317)
<b>At 31 December</b>	<b>-</b>	<b>488,279</b>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	-	488,279
	<b>-</b>	<b>488,279</b>

A deferred tax asset of £2,278,709 (2019: £870,470) arising from capital and trading losses has not been recognised as there is insufficient evidence of future taxable profits to confirm recoverability in the foreseeable future.

### 16. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
9,631,344 (2019: 8,358,443) ordinary shares of £1 each	<b>9,631,344</b>	<b>8,358,443</b>

On 17 December 2020, the company issued 1,272,901 ordinary shares of £1 each, for a total consideration of £1,272,901.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

### 17. Capital commitments

At 31 December the company had capital commitments as follows:

	2020 £	2019 £
Contracts placed for future capital expenditure not provided in the financial statements	<b>35,709</b>	<b>52,144</b>

## **Rose Diamond D Leicester 2005 Ltd**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **18. Contingent liabilities**

The company and several fellow group undertakings entered into a facility agreement with a number of third parties, in respect of a bank loan.

This loan is secured by way of a fixed and floating charge over the present and future property and assets of this company and the property and assets of the fellow group undertakings.

The directors do not anticipate the security being called in.

#### **19. Related party transactions**

The company is exempt from disclosing related party transactions with companies that are wholly owned within the Tamweelview European Holdings SA group.

#### **20. Immediate and ultimate parent undertakings and controlling party**

The immediate parent undertaking is Silver Diamond TEHC24 Sàrl, a company registered in Luxembourg. Silver Diamond TEHC24 Sàrl is the parent undertaking of the smallest group to consolidate these financial statements.

Tamweelview European Holdings SA, a company registered in Luxembourg is the parent undertaking of the largest group to consolidate these financial statements, copies of which are available from 2C rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg.

The ultimate parent undertaking is Silver Holdings SA, a company registered in Luxembourg.

The ultimate controlling entity is the Abu Dhabi Investment Authority, registered in United Arab Emirates.

#### **21. Post balance sheet events**

As a result of the UK nationwide lockdown the hotel operated under this entity was operating at a lower capacity, catering only to essential business during the first months of 2021. The hotel fully re-opened in May 2021.

The UK Government's vaccine programme provides confidence that the end of the pandemic is in sight and that the hotels will gradually recover to previous levels of occupancy.

In the Government's Budget statement of 3 March 2021, the extension of Business Rates relief for Retail, Hospitality & Leisure and Coronavirus Job Retention Scheme was announced.