

Registration No: 5990930

Mandarin Oriental Finance (UK) Ltd

Annual Report and Financial Statements

for the year ended 31 December 2020

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Company information

Directors

Syung Hwa Matthew David Bishop
Christoph Mares
Alexander Nicholas Kwok Wing Li
David Alasdair Murray

Registered office

5th Floor
110 High Holborn
London
WC1V 6JS
United Kingdom

Independent auditors

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

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:

Syung Hwa Matthew David Bishop (Appointed: 01 Sept 2021)

Craig Alan Beattie (Resigned: 31 Aug 2021)

Christoph Mares

Alexander Nicholas Kwok Wing Li

Philippe Alexandre Protto (Resigned: 07 Sept 2020)

Jillian Margaret Kluge (Resigned: 30 Sept 2021)

David Alasdair Murray (Appointed: 01 Oct 2021)

Principal activities

The principal activity of the company is the providing of financing and related activities to other companies in the Mandarin Oriental Hotel Group.

Going Concern

The directors confirm that the company has adequate resources to settle its obligations for at least 12 months from the date of approval of the financial statements and hence the financial statements have been prepared on going concern basis.

Directors have considered the impact of COVID-19 which is limited as it is not a trading company. Hence, use of going concern basis remain appropriate.

Business review

Fair review of the business

Results and dividends:

The company did not trade during the year, however there were some bank charges incurred, which resulted in US\$ 196 loss for the financial year (2019: US\$ 173 loss).

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

Future outlook:

The directors expect the company's activities to continue on a similar basis in the foreseeable future.

Key performance indicators:

Given the nature of the business, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance, or position of the business.

Principal risks and uncertainties

The principal risks and uncertainties facing the company, including financial risk management, are described in the Mandarin Oriental International Limited Annual Report 2020, which are available through company's website: MandarinOriental.com

Directors' Report (continued)

for the year ended 31 December 2020

Future developments

While global market conditions remain uncertain, the group which is a strong global brand, continues to stay in strong competitive and financial position. Over the longer term, Mandarin Oriental International Limited will continue to benefit from the strength of its brand, the increasing number of travellers from emerging markets such as China, the limited supply of luxury hotels in its key mature markets and the phased opening of new hotels under development.

Statement of Directors' Responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and 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 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 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.

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

Disclosure of information to the auditors

In accordance with section 418 of the Companies Act 2006, each director has taken 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. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.


Reappointment of independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

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 15 October 2021 and signed on its behalf by:



Alexander Nicholas Kwok Wing Li
Director

Independent auditors' report to the members of Mandarin Oriental Finance (UK) Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Mandarin Oriental Finance (UK) Ltd'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 loss 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 and 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.

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 in respect of the financial statements, 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:

- Discussions with management over their consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Understanding and evaluating management's controls designed to prevent and detect irregularities.
- Reviewing relevant meeting minutes, including those of the Board of Directors.
- Identifying and testing journal entries meeting certain risk criteria.

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. This description forms part of our auditors' report.

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 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
15 October 2021


Statement of Financial Position

as at 31 December 2020

Registration No: 05990930

	Note	2020	2019
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	8	519	715
Trade and other receivables	9	197	197
Total assets		<u>716</u>	<u>912</u>
Current liabilities			
Trade and other payables	10	467	467
Total liabilities		<u>467</u>	<u>467</u>
Net current assets		<u>249</u>	<u>445</u>
Equity			
Called up share Capital	11	1,000	1,000
Accumulated losses		(751)	(555)
Total Equity		<u>249</u>	<u>445</u>

The financial statements on pages 9 to 16 were approved and authorised for issue by the Board on 15 October 2021 and signed on its behalf by:



Alexander Nicholas Kwok Wing Li
Director

Statement of Comprehensive Income

for the year ended 31 December 2020

	Note	2020	2019
		\$	\$
Revenue		-	-
Administrative expenses	4	196	173
Loss before income tax		<u>196</u>	<u>173</u>
Income tax expense	7	-	-
Loss for the financial year		<u>196</u>	<u>173</u>

All amounts relate to continuing operations.

The company has no items of other comprehensive income.

Statement of Changes in Equity

for the year ended 31 December 2020

	Called up share Capital	Accumulated losses	Total Equity
	\$	\$	\$
As at 1 January 2019	1,000	(382)	618
Loss for the Year	-	(173)	(173)
As at 31 December 2019	1,000	(555)	445
Loss for the Year	-	(196)	(196)
As at 31 December 2020	1,000	(751)	249

All amounts relate to continuing operations;

The company has no items of other comprehensive income.

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, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 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 2.

The principal accounting policies are set out below and have been applied consistently throughout the year. The adoption of any new accounting standards during the year has had no impact on the company.

b) Going concern

The financial statements are prepared on a going concern basis since the directors have reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Also, the company has no obligations hence is able to continue to operate the business for the foreseeable future. Directors have considered the impact of COVID-19 and other events and confirm that the going concern assumption is still appropriate. Due the nature the business the impact of the COVID-19 was not material and we anticipate the same going forward.

c) 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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.

d) 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.