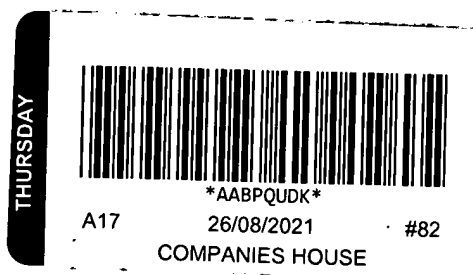


Frasers Hospitality Hamburg Investments Limited

Annual report and financial statements

Registered number 09300334

30 September 2020



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Directors' report

The directors present the annual report of the company together with the audited financial statements for the year ended 30 September 2020.

Principal activity

The principal activity of the company is that of property ownership.

Business review and results

The results for the year are set out in the attached profit and loss account.

The Company has invested in a development located in Hamburg, Germany. The serviced apartments were completed in May 2019 and are being managed by a related party, Frasers Hospitality Hamburg GmbH.

As part of the Frasers group the serviced apartment development complements existing offerings in Europe, Asia and Australasia. Based upon their knowledge of the market and the reputation of the Frasers branding, the directors are confident that the company is appropriately positioned to manage the risks that this venture may face.

Dividend

An interim dividend of €nil (2019: €nil) was paid in the year. The directors do not recommend the payment of a final dividend (2019: €nil).

Directors

The directors of the company during the year ended 30 September 2020 and to the date of this report were:

KS Chia	
GFJ Bakker	
TC Koh	(resigned 1 July 2021)
BK Chan	(appointed 1 July 2021)

Certain directors benefitted from qualifying indemnity provisions in place during the financial year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Covid-19

The directors acknowledge that the COVID-19 pandemic has brought substantial operational and business challenges resulting in a significant impact on the Company's performance over the past 12 months. Whilst there is inherent uncertainty in the trading environment, as Germany and the rest of the world navigate the path back to the removal of Government restrictions on our ability to trade and individual's ability to travel, the directors are continuing to monitor the situation closely, continually implementing cost containment measures to minimise the impact of this risk.

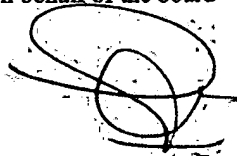
Furthermore, the directors were strongly encouraged by the levels of consumer demand for the range of services the Company has to offer when Government restrictions allowed for trade over the last year. The directors therefore remain confident in the long-term fundamentals of the market the Company operates in and in the viability of the business.

Directors' report *(continued)*

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board

A handwritten signature in black ink, appearing to be 'GFJ Bakker', written over a faint circular stamp or watermark.

GFJ Bakker
Director

Registered Office:

3rd Floor
95 Cromwell Road
London
SW7 4DL

Dated: 13 July 2021

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 enable them to ensure that the financial statements 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 misstatement, 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 Frasers Hospitality Hamburg Investments Limited

Opinion

We have audited the financial statements of Frasers Hospitality Hamburg Investments Limited ("the company") for the year ended 30 September 2020 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- s
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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. 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 8 to the financial statements which states that the independent external valuation of the Company's investment properties is reported on the basis of 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Global Valuation - Global Standards due to the potential economic effect of the coronavirus pandemic and consequently more subjectivity is associated with the valuation 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. 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 a ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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.



Independent auditor's report to the members of Frasers Hospitality Hamburg Investments Limited (continued)

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:

- a 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 take advantage of the small companies' exemption from the requirement to prepare the strategic report.

We have nothing to report in these respects.

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 Financial Reporting Council's website at 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.

Mark Flanagan (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham, NG1 6FQ

Dated: 16 July 2021

Profit and loss account
for the year ended 30 September 2020

	<i>Note</i>	2020 €000	2019 €000
Turnover	2	2,000	833
Cost of sales		-	-
Gross profit		2,000	833
Administrative expenses	3	(79)	(94)
Valuation Movement	7	(5,137)	2,350
Operating (loss)/profit before taxation		(3,216)	3,089
Tax on (loss)/ profit	6	(469)	(95)
(Loss)/profit for the financial year		(3,685)	2,994

In the current year, the company made no material acquisitions and had no discontinued operations.

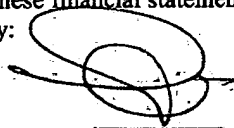
There were no other gains or losses other than those presented in the profit and loss account, and as such no separate statement of other comprehensive income has been presented.

The attached notes form an integral part of the financial statements.

Balance sheet
at 30 September 2020

	<i>Note</i>	2020	2019
		€000	€000
Fixed assets			
Investment property	8	61,338	69,465
Intangible assets	9	13	15
		<u>61,351</u>	<u>69,480</u>
Current assets			
Debtors (including €nil (2018: €nil) due after more than one year)	10	4,088	2,084
Cash at bank and in hand		68	465
		<u>4,156</u>	<u>2,549</u>
Creditors: amounts falling due within one year	11	<u>(66,553)</u>	<u>(69,390)</u>
Net current liabilities		<u>(62,397)</u>	<u>(66,841)</u>
Net assets/(liabilities)		<u>(1,046)</u>	<u>2,639</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		(1,046)	2,639
Shareholders' deficit		<u>(1,046)</u>	<u>2,639</u>

These financial statements were approved by the board of directors on 13 July 2021 and were signed on its behalf by:



GFJ Bakker
Director

Company registered number: 09300334

The attached notes form an integral part of the financial statements.

Statement of changes in equity

	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 October 2018	-	(355)	(355)
Total comprehensive income for the period	-	2,994	2,994
Profit for the year	-	2,994	2,994
Balance at 30 September 2019	-	2,639	2,639

	Called up share capital €000	Profit and loss account €000	Total equity €000
Balance at 1 October 2019	-	2,639	2,639
Total comprehensive income for the period	-	(3,685)	(3,685)
Profit for the year	-	(3,685)	(3,685)
Balance at 30 September 2020	-	(1,046)	(1,046)

Notes

(forming part of the financial statements)

1 Accounting policies

Frasers Hospitality Hamburg Investments Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 09300334 and the registered address is 3rd Floor, 95 Cromwell Road, London, SW7 4DL.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ["Adopted IFRSs"], but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The presentation currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

The Company's intermediate parent undertaking, Frasers Property Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Frasers Property Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 16.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Frasers Property Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to References to the Conceptual Framework in IFRS Standards (effective date to be confirmed).

The following Adopted IFRSs have been applied in these financial statements. Their adoption does not have a material effect on the financial statements unless otherwise indicated:

- IFRS 16 Leases (effective date 1 January 2019): IFRS 16 replaces existing lease accounting guidance. IFRS 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has adopted the standard from the financial year beginning on 1 October 2019 and has applied the standard using the modified retrospective approach. The Company elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application of 1 October 2019. Accordingly, existing lease contracts that are still effective on 1 October 2019 continue to be accounted for as lease contracts under IFRS 16. IFRS16 substantially carries forward the current existing lessor accounting requirements. the Company continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

Notes (continued)

1 Accounting policies (continued)

- IFRS 9 Financial instruments (effective date 1 January 2018). This standard replaces IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 Revenue from Contracts with Customers (effective date 1 January 2018). This standard replaces IAS 18, 'Revenue' and IAS 11 'Construction contracts' and related interpretations. It establishes principles for reporting the nature, amount and timing of revenue arising from an entity's contracts with customers.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

Notwithstanding net current liabilities of €62,397,000 as at 30 September 2020, the directors have a 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. Accordingly, the financial statements have been prepared on a going concern basis.

The COVID-19 pandemic has brought substantial operational and business challenges resulting in a significant impact on the Company's performance over the past 12 months. The directors of the Company have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These updated forecasts include severe but plausible downsides related to the Covid-19 outbreak, including a significant period of no revenue due to property closures and a slow return to previous experienced levels of trading.

The Company is ultimately owned by Frasers Property Limited ('FPL'), which is listed on the Singapore Exchange.

Those forecasts are dependent on certain of the company's fellow subsidiaries, and some related parties, of Frasers Property Limited ("FPL") not seeking repayment of the amounts currently due by the Company, which at 30 September 2020 amounted to €65,942,000. These fellow subsidiaries and related parties are ultimately reliant on the support of FPL, and they have indicated that they do not intend to seek repayment of these amounts for the period covered by the forecasts. 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

1.4. Financial instruments (policy applicable from 1 October 2018)

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.4 Financial instruments (policy applicable from 1 October 2018) (continued)

Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Intra-group financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Notes (continued)

1 Accounting policies (continued)

1.4 Financial instruments (policy applicable from 1 October 2018) (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.5. Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.7. Investment property

Property under construction or development for future use as an investment property is accounted for using the cost measurement model elected for investment property. When the entity completes the construction or development of a self-constructed investment property this will be carried at fair value.

In applying the fair value model in IAS 40 Investment Property:

- i. investment properties will be held at fair value. Any gains or losses arising from changes in the fair value will be recognised in profit or loss in the period that they arise; and
- ii. no depreciation will be provided in respect of investment properties applying the fair value model.

Any gain or loss arising from a change in fair value will be recognised in profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.8. Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. Estimated useful lives are as follows:

- Software costs 5-10 years

1.9. Impairment excluding stocks

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.10. Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts where applicable.

1.11. Taxation

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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

1.12. Leases

Policy applicable from 1 October 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease under IFRS 16. This policy is applied to contracts entered into, on or after 1 October 2019.

Notes (continued)

1 Accounting policies (continued)

1.12. Leases (continued)

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term.

Policy applicable before 1 October 2019

As a lessee

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

As a lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term. The rental income is recognised as other operating income.

2 Turnover

All turnover is generated in Germany in relation to the principal activity of the Company.

	2020 €000	2019 €000
Investment property rentals	2,000	833

Notes (continued)

3 Auditor's remuneration

	2020 €000	2019 €000
Audit of these financial statements	4	4
Amounts receivable by the company's auditor and its associates in respect of:		
Audit-related assurance services	1	1
Taxation compliance services	2	2
	<u> </u>	<u> </u>

4 Staff numbers and costs

The company employed no staff during the current or prior year.

5 Directors' remuneration

The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 30 September 2020 or 30 September 2019.

6 Taxation

Recognised in the profit and loss account

	2020 €000	2019 €000
<i>UK corporation tax</i>		
Current tax on profit for the year	365	140
Adjustments in respect of prior periods	104	(45)
	<u> </u>	<u> </u>
Tax on (loss)/profit	469	95

Reconciliation of effective tax rate

	2020 €000	2019 €000
(Loss)/profit for the year	(3,685)	2,994
Total tax charge	469	95
	<u> </u>	<u> </u>
(Loss)/profit excluding taxation	(3,216)	3,089
	<u> </u>	<u> </u>
Tax using the UK corporation tax rate of 19% (2018: 19%)	(611)	587
Adjustments in respect of prior periods	104	(45)
Permanent differences	976	(447)
	<u> </u>	<u> </u>
Total tax charge	469	95

In the 3 March 2021 UK Budget, it was announced that the UK corporation tax rate will increase from the current 19% to 25% with effect from 1 April 2023, notwithstanding a lower rate of 19% will remain for small businesses with profits of £50,000 or less. This will have a consequential effect on the Company's future tax charge.

Notes (continued)

7 Valuation movement

	2020 €000	2019 €000
Fair value adjustments for investment property (Note 8)	(5,137)	2,350

8 Investment property

	€000
<i>Valuation:</i>	
Opening balance	69,465
Adjustment to prior cost	(2,990)
Valuation loss (Note 7)	(5,137)
Closing balance	61,338

9 Intangible assets

	€000
Opening balance	15
Additions	-
Amortisation	(2)
At 30 September 2020	13

10 Debtors

	2020 €000	2019 €000
Other debtors	355	690
Amounts owed by group undertakings	3,721	1,327
Corporation tax debtors	-	55
Prepayments	12	12
	4,088	2,084

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

11 Creditors: amounts falling due within one year

	2020 €000	2019 €000
Amounts owed to group undertakings	65,942	63,600
Other creditors	2	-
Corporation tax payable	356	-
Accruals and deferred income	253	5,790
	66,553	69,390

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

Notes (continued)

12 Capital commitments

The company has no capital commitments at 30 September 2020.

13 Capital and reserves

Share capital

	2020 €000	2019 €000
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of €1 each	-	-
	<u> </u>	<u> </u>
Shares classified in shareholders' funds	-	-
	<u> </u>	<u> </u>

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.

Dividends

No dividends were paid during the year (2019: *€nil*). After the balance sheet date dividends of *€nil* (2019: *€nil*) were proposed by the directors.

14 Operating leases

Leases as lessor

The investment properties are let under operating leases. The future minimum lease income under non-cancellable leases are as follows:

	2020 €000	2019 €000
Less than one year	2,000	2,000
Between one and five years	8,000	8,000
More than five years	5,467	7,467
	<u> </u>	<u> </u>
	15,467	17,467
	<u> </u>	<u> </u>

During the year €2,000,000 (2019: €2,000,000) was recognised as rental income by the Company under non-cancellable leases.

Notes (continued)

15 Related parties

Frasers Hospitality (UK) Limited is a fellow subsidiary of Frasers Hospitality Holdings Pte Limited and, at the year end, the company owed a net amount of €1,583,000 (2019: €1,640,000) to this company.

Fairdace Limited is a fellow subsidiary of Frasers Hospitality Holdings Pte Limited and, at the year end, the company was owed €15,000 (2019: €15,000) by this company.

The company is a subsidiary of Frasers Hospitality Holdings Pte Limited and at the year end the amount owed to Frasers Hospitality Holdings Pte Limited was €61,510,000 (2019: €61,510,000).

Frasers Hospitality Hamburg GmbH Limited is a fellow subsidiary of Frasers Hospitality Holdings Pte Limited and, at the year end, the company was owed €3,406,000 (2019: €1,312,000) by this company.

Frasers Hospitality Frankfurt Investment is a fellow subsidiary of Frasers Hospitality Holdings Pte Limited and, at the end year end the company owed a net amount of €2,350,000 (2019: €450,000) to this company.

Frasers Hospitality Berlin Investment is a fellow subsidiary of Frasers Hospitality Holdings Pte Limited and, at the end year end the company owed a net amount of €499,000 (2019: €0) to this company.

Frasers Hospitality Barcelona Management is a fellow subsidiary of Frasers Hospitality Holdings Pte Limited and, at the year end, the company was owed €275,000 (2019: €0) by this company.

Frasers Hospitality Barcelona Investment is a fellow subsidiary of Frasers Hospitality Holdings Pte Limited and, at the year end, the company was owed €25,000 (2019: €0) by this company.

16 Ultimate parent company and parent company of larger group

At the year end the company is a wholly owned subsidiary of Frasers Hospitality Holdings Pte Limited, a company registered in Singapore.

The smallest group for which consolidated financial statements are prepared is headed by Frasers Property Limited. Copies of the financial statements of Frasers Property Limited are available from: 438 Alexandra Road, Alexandra Point, Singapore 119958.

The company's ultimate parent undertaking and controlling party is TCC Assets Limited, a company incorporated and registered in Thailand. The largest group for which consolidated financial statements are prepared is headed by TCC Assets Limited, incorporated in Thailand.

17 Accounting estimates and judgements

Key sources of estimation uncertainty

The directors consider the only area of estimation uncertainty in the financial statements is the valuation of investment property. This element of uncertainty is minimised by the Board appointing independent reputable valuation firms to advise on the market value of these assets. The latest revaluation was performed by Savills (UK) Limited (a member of the Royal Institute of Chartered Surveyors) on 30 September 2020. The fair value of investment property is sensitive to changes in both observable and unobservable inputs. Expected occupancy rates may have an impact on yield, with higher vacancy rates resulting in lower yields.

Critical accounting judgements in applying the Company's accounting policies

The directors consider that there are no critical accounting judgements (except for those involving estimates included above).