
**MILLENNIUM & COPTHORNE HOTELS
LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
For the Year Ended 31 December 2024**

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MILLENNIUM & COPTHORNE HOTELS LIMITED

STRATEGIC REPORT

The Directors present the Strategic Report for Millennium & Copthorne Hotels Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2024.

Business Review

Total revenue generated in the reported currency for the year rose to £961m (2023: £906m). The increase was primarily in total hotel revenue which grew to £899m (2023: £858m) following the acquisitions of Sofitel Brisbane Central Hotel in December 2023 and Hilton Paris Opera in May 2024.

The gross profit increased to £577m (2023: £540m) with the gross profit margin remaining steady at 60% (2023: 60%). This profit growth was driven by higher revenues whilst maintaining robust cost controls. However, the operating profit and operating profit margin decreased to £221m (2023: £265m) and 23% (2023: 29%) respectively due to the absence of one-off gains in 2024 vis-à-vis the previous year when operating profit was pushed higher by realized gains from the sale of properties in the US and Singapore.

The net asset value (NAV) for the Group increased to £3,985m (2023: £3,936m). This growth was driven by an increase in investment in property, plant, and equipment during the year.

Acquisitions

The Group made one hotel acquisition in 2024.

France

In May 2024, the Group acquired the 268-room Hilton Paris Opera for a purchase consideration of €240m (£204m).

Key Performance Indicators

We use a set of carefully selected key performance indicators ("KPIs") to monitor our success. These KPIs are used to measure the Group's progress year-on-year against those strategic priorities:

- **Growth** To achieve profitable growth and improved asset returns for our hospitality business.
- **Financial performance** To ensure a sound financial base to provide a solid platform for the development and growth of Group.
- **Cost Control** To ensure costs remain in line with revenue movements through a decentralised model, technological enhancements to drive efficiencies and rigorous monitoring of spending.

Measure	2024	2023	Basis for calculation
Revenue per available room	£104	£102	Average room rate x Annual occupancy percentage.
Occupancy	75%	73%	Percentage of rooms available for sale that were sold to our guests for the year.
Hotel revenue	£899m	£858m	Includes room, food & beverage and meetings & events for the year.
Average room rate	£139	£139	Revenue for sales divided by the number of room nights sold for the year.
Gearing	7%	1%	Net debt over total equity for the year.
Net Debt	(£267m)	(£55m)	Total cash and cash equivalents less the interest-bearing loans, bonds and borrowings. Refer to Note 20 for further details.
Operating Profit	£221m	£265m	Operating profit for the year.
Profit before tax	£266m	£282m	Profit before tax for the year.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

The Group recognises that risk management is crucial for management to make well-informed business decisions, minimising the impact of various risks and optimising opportunities. The Group is committed to maintaining risk management practices as an integral part of the business and operations. The Group will continue to proactively monitor developments, the prevailing risk, exposure and adapt accordingly.

The Group's Enterprise Risk Management (ERM) framework has been developed by reference to and alignment with global best practices including International Organisation for Standardisation (ISO) 31000:2018, ISO 27001 Information Security Management System, Payment Card Industry Data Security Standard (PCI DSS), OSHA standards, the EU General Data Protection Regulation, the UK Bribery Act 2010 and other similar guidelines. The framework consists of five key pillars that serve as the foundation of the Group's execution and implementation of its ERM programme. These pillars include risk strategy, risk culture, risk governance, risk appetite and risk process. The Directors aim to adopt a proactive risk management approach that aims to safeguard the interests of the business and our stakeholders through the early identification and management of risks to minimise their impact and reduce uncertainties.

Market risk – Competition and sector evolution

Competition in the hotel industry is increasing as the sector continues to consolidate and the growth of alternative business models, such as sharing economy platforms like Airbnb, also are impacting supply and demand dynamics within the industry. Online travel agencies, such as Booking.com and Expedia.com, which compete against direct booking channels, are taking market share and influencing consumer preferences.

To mitigate these risks, the Group is aggressively managing its portfolio of distribution channel partners, including established online travel agencies and new, niche, or local players, to optimise revenue, gain access to new customers and minimise commission costs. At the same time, rewards programs are optimised to boost customer retention and drive direct bookings. This is coupled with the diverse nature of the portfolio, both geographically and in respect of its breadth of brands. The Group maintains a flexible operating structure that allows it to align its sales and marketing activities and adapt to changing hospitality trends.

Finance risk – Foreign currency and borrowing

The Group operates in numerous jurisdictions and trades in various international currencies and the reporting currency is pounds sterling. Fluctuations in currency exchange rates and interest rates may be either accretive or dilutive to the Group's reported trading results and net asset value.

Hotels generally require significant capital expenditure at regular intervals to remain competitive. Real estate assets, labour and other operating expenses can be significant when considering capital expenditure projects. The Group may need to borrow funds from time to time to cover these capital expenditures and working capital requirements, where unhedged or rising interest rates may result in increased borrowing costs and an impact on the Group's profits.

Foreign exchange risk is mitigated as the exposure is primarily managed through the funding of purchases and repayment of borrowings from income generated in the same currency creating a natural hedge. The Group's treasury team monitors and addresses treasury matters, including the Group's borrowing headroom and borrowing requirements, in accordance with the Group's treasury policy and conducts business with a diversified set of lenders. The Group generally does not borrow on a secured basis, its real estate assets could serve as significant collateral should secured borrowings be required in the future.

Health and safety risk – Non-compliance and risk of injury

The health, safety and security of guests, visitors and employees is a fundamental expectation and there is a breadth of regulatory requirements across different jurisdictions relating to health and safety matters. Failure to implement and maintain sufficient controls regarding health and safety issues could result in serious injury or loss of life, lead to regulatory investigations and expose the Group to significant claims, sanctions or fines, as well as reputational damage.

To ensure the health and safety of our key stakeholders, the Group has a health, safety and environmental management system in place, which includes policies, procedures, testing, self and third-party audits, training and reporting. Management proactively seeks to identify emerging risks at the earliest opportunity to ensure clear roles and responsibilities are defined and internal controls function to mitigate risk. The well-being of the Group's guests, colleagues and other stakeholders is one of its top priorities. Robust precautionary measures, including an enhanced cleaning and sanitisation programme, help ensure that the Group's hotels and corporate offices remain safe places to visit.

IT infrastructure risk – infrastructure, process and data

Increasing reliance on transactions over the internet and mobile applications and the aggregation and storage of guest and other information electronically present heightened risks of attacks affecting the operation of our systems and a potential loss or misuse of confidential, personal, and/or proprietary information. The hospitality sector faces emerging threats from AI-enhanced attacks and remains vulnerable to large-scale cyberattacks as hotel companies often handle extensive customers' personal data. The occurrence of a cyber-attack or loss of customer personal data could result in litigation, reputational damage, monetary damages and disruption to the normal course of business.

The Group's regional IT teams conduct periodic security and penetration testing. The Group's software systems are regularly updated with the latest security updates and patches. In the event of an IT security event, regional IT teams have developed disaster recovery plans for their high-priority systems and tests are conducted on select mission-critical systems annually to verify their recoverability offsite. Sensitive information training is provided for all staff regardless of role so that a good knowledge and awareness is developed and maintained throughout the business. There is commitment to digital security through strategic investments in cutting-edge technologies and standardised global protocols. Where the Group outsources critical information technology systems, it is ensured that suppliers exceed industrial standards to ensure maximum effectiveness and safety is maintained.

STRATEGIC REPORT (continued)**Statement under section 172(1) of the Companies Act 2006**

In accordance with Section 172(1)(a) to (f) of the Companies Act 2006 ("Section 172(1) Statement"), the Directors set out their Section 172(1) Statement below.

The Directors understand their duties under Section 172 of the Companies Act 2006 and more specifically, their duty to act in the way each Director considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole. This is defined under Section 172 of the Companies Act 2006 by the following areas which have been reviewed individually:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the Company.

Consequences of any decision in the long term

The Directors are committed to the significance of the views and opinions of the key stakeholders of the Group when making decisions for the long-term strategy and success of the Group. This is shown through the value and engagement placed on the key stakeholders of the Company and Group to ensure synergy between the Group and the key stakeholders.

Interests of the Group's employees

The Directors recognise that the Group's employees are a valued asset of the Group as they serve as key brand ambassadors, are critical to front-line service delivery and have the ability to create a unique and memorable experience of customers. To ensure good employee engagement and build a collaborative and supportive environment, the Group ensures that good training and development is provided, good internal communications are maintained through periodic newsletters and employee intranet and good recruitment and induction. This is at the forefront of the Group's ethos.

The Group's business relationships with suppliers, customers and others

The Directors understand that nurturing and maintaining good relationships with key stakeholders, customers, and suppliers is a key driver to sustainable growth and long-term success. Customers are the lifeblood of the business and are valued very highly. The Group endeavours to provide the customer with a unique experience in a friendly, clean and accommodating environment. By doing this it is recognised that maintaining good relations with suppliers is critical so that quality products and services provided to customers are maintained. All our suppliers undergo a thorough vetting process, including background and credit checks, to ensure they possess the necessary resources to provide consistent and uninterrupted supply. Further we This is done by engaging engage with suppliers and ensuring the development of good business relationships, meeting sustainable sourcing requirements and fair price and payment terms.

Impact of the Group's operations on the community and the environment

The Directors recognise the role of the Group in the community and the surrounding environment by ensuring that there is a continued and concerted effort to ensure processes are efficient, sustainable and with the least impact on the environment as possible. The Group participates in support for charitable organisations, and participation in local outreach programs to ensure that the Group acts as a good corporate citizen.

Desirability of the Group to maintain a reputation for high standards of business conduct

The Directors value the reputation and high standards that are required to operate in this business sector. It is recognised that maintaining the Group's reputation for high standards and corporate responsibility. This is done through ensuring complete compliance with legal requirements, developing a respectful culture and leading by example through good corporate governance.

To act fairly as between members of the Group

The Directors are committed to ensuring a fair, transparent, and accountable relationship with the members of the Group, this is achieved through clear investor communication, general meeting and clear financial data in the form of audited financial statements.

Non-financial and sustainability information statement

The Group is committed to transparently disclosing its approach to managing climate-related risks and opportunities in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The disclosure in this statement complies with the requirements of sections 414CA and 414CB of the Companies Act (as amended by the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022). The Group and the Directors recognise the materiality of climate factors in the business and believe that a comprehensive review, planning, actions, and disclosure strategies contribute to both sound risk management and sustainable business practices.

Governance

The Directors and management assume a pivotal role in evaluating and executing projects and actions influenced by climate-related risks and opportunities.

The governance arrangements of the Group in relation to assessing and managing climate-related risks and opportunities consist of two committees and a sustainability team:

- 1) Sustainability Committee ("SC"), comprising of Heads of Departments of relevant business units. It was formally established in July 2023 to assist the Board in fulfilling its oversight responsibilities in relation to sustainability matters. These include, but not limited to, recommending the Group's sustainability strategy for adoption by the Board and ensuring that it remains fit for purpose; ensuring sustainability risks are identified, assessed and managed in line with the Group's relevant risk mitigation framework; and reducing the Group's contribution to greenhouse gas ("GHG") emissions.

SC meetings are held at least 3 times per year and the Board is kept informed by the SC on its progress, through board presentations; updates to the Executive Committee, comprising of the Executive Chairman and two Executive Directors; and regular email and live updates to other senior members of the management team.

In addition, as the Group operates in different regions under different jurisdictions, invariably, there shall be differing climate-related disclosure regulations and requirements and that climate risk and impacts are often best identified and assessed at a local rather than global level. Therefore, since September 2024, in order to ensure that global (and region-specific) and finance perspectives are duly considered, the SC expanded its composition by adding a senior member from the Global Finance team and a representative from New Zealand.

STRATEGIC REPORT (continued)**Non-financial and sustainability information statement (continued)**

Since November 2024, to further enhance the process of assessing, implementing, and managing climate-related risks and opportunities, a sustainability team was formally established, consisting of dedicated sustainability leads for each of Asia, UK and Europe, New Zealand and the U.S. The sustainability team meets at least once a month and the head of the team reports to senior management on a regular basis.

2) Management Risk Committee (“MRC”), comprising of Owner’s Representative, Group General Counsel, as well as other senior members of the Group’s parent, City Development Limited (“CDL”). It is chaired by the Executive Director who is also a member of the Board.

Matters discussed during the MRC concern all different types of risk and, since early 2024, Climate Change - Extreme Weather Events have been added as an item for discussion during the MRC. Follow-up items will then be assigned to the relevant groups for further study and assessment. The MRC meets at least four times a year.

The aim of the above-mentioned governance structure is to ensure that the Directors will be periodically updated and will discuss matters of climate change, as well as the risks and opportunities this poses to businesses in all regions. This ensures that the Group can navigate the challenges and capitalise on benefits associated with environmental considerations and climate-related factors. The Directors believe that periodically reviewing climate-related risks and opportunities would ensure that these factors are systematically addressed at the highest levels of the organisation.

The Directors increasingly consider climate-related risks and opportunities when guiding strategic decisions, formulating plans, establishing risk management policies, and incorporating environmental factors into budgets. This is becoming an integrated item that fosters an environment where climate-related challenges are met with informed and strategic responses in the short, medium, and long term.

Strategy

The Group’s business strategy continues to be refined such that it can be resilient to climate-related risks and as well as to capitalise on opportunities.

Given the different regions/jurisdictions in which the Group operates, climate risks and impacts are often best identified and assessed at a local rather than global level.

Within this context, although the Group has not conducted a formal scenario analysis on a group-wide basis, assessing and managing climate-related risks and opportunities is a combination of bottom up and top-down processes, through regional and/or site-specific assessments. The Group and the Directors look to consider a range of climate scenarios in its strategic planning to ensure its long-term sustainability. Below list of risks have been identified for the short term to 2030. Further analysis will be conducted to cover longer-term climate-related risks.

The Group recognises that energy usage is a significant component of its carbon emissions, its business strategy has been designed to be resilient to transition risks and opportunities posed by rising energy costs or carbon prices including the following areas:

1) Building standards could emerge which mandate building and energy efficiency. This would directly affect the Group’s costs from increased investment in technology. However, there may also be energy cost savings from retrofitting equipment to the highest energy efficiency standard. Where practicable, retrofitting projects are being rolled out across the estate as a mitigation measure.

2) A higher carbon price will lead to increased fuel, energy, and waste disposal costs, thereby impacting overall operational costs. However, electrification of transport presents operational costs savings from the use of electricity instead of fossil fuels. The Group is actively reviewing and investing in projects which could mitigate such risks such as investing in energy-efficient technologies, renewable energy sources, and other initiatives aimed at achieving our sustainability objectives. For example, since October 2024, its UK based hotels have started using renewable sources for its electricity supply.

As for physical risks, extreme and more frequent heatwaves, leading to increasing cooling demand, could result in higher utilities costs. Flooding, windstorms and tropical cyclones could lead to loss of asset value from events such as physical damage to the buildings, and operational costs due to business disruptions. Rising sea levels could lead to loss of asset value and/or assets becoming uninsurable. The Group continues to assess potential mitigation strategies against such events. For example, during the Financial Year, CDL has engaged its insurance broker to embark on a Climate Change Risk Analysis Project, with the aim to assess and identify assets that may experience heightened risk from weather-related perils due to climate change and potential implications. This process includes exploring risk engineering, resilience, divestment, and alternative risk transfer options for identified high climate risk asset locations.

In terms of market risk, there is an increasing influence of climate-related matters on customer preferences and market demand. Businesses increasingly require green venues to meet their internal carbon reduction targets.

The Group’s key strategy to both meet customer demand and become more resilient is to obtain certifications for our buildings and operations. The Group has been actively pursuing such certifications in different regions and has since secured the following sustainable tourism certificates (as of 31 December 2024)

- GSTC – 6 hotels in Singapore
- Green Tourism – 17 hotels in the UK
- Green Key Global – 4 hotels in the US
- Qualmark Sustainable Tourism – 13 hotels in New Zealand
- Green Key – 1 hotel in France

The impact of climate-related risks and opportunities extends across various facets of the businesses, strategy, and financial planning. This is having an increasing effect and necessitates adaptation and mitigation activities to enhance resilience to climate change and related factors. An example of this is developing supply chains directed towards sustainable practices to decrease the effect of climate change and ensure resilient processes and projects. Specific focus is placed on using suppliers that reduce emissions and air pollution from transportation and our aim is to use suppliers with a demonstrable commitment to sustainable production methods.

Risk Management

Currently, the process for identifying, assessing, and managing climate-related risks and opportunities is a combination of bottom up and top-down processes, through regional and/or site-specific assessments, as guided by the MRC and the SC.

STRATEGIC REPORT (continued)**Non-financial and sustainability information statement (continued)**

Since early 2024, climate risk and its impact has been included as one of the items discussed during the quarterly MRC. Material climate-related risks and opportunities are also highlighted to CDL Group's Management Risk Committee, as and when necessary. As guided by the MRC, CDL's Enterprise Risk Management team presented the potential Property Damage and Business Interruption impact arising from natural disasters and extreme weather across CDL's portfolio. These are presented during the committee meetings to raise awareness on the need for level of preparedness at the respective region/hotel level. Where considered relevant, any such climate risks discussed during the MRC will also be shared during the SC and the SC will discuss any appropriate actions to be taken.

The Group looks to periodically review identified risks and include newly identified risks based on available qualitative and quantitative data. By consistently evaluating and ranking climate-related risks in comparison to other risks, we ensure that our risk management strategies are proportionate, adaptive, and aligned with the Group's related policies.

Such above-mentioned processes for identifying, assessing, and managing climate-related risks aim to form an integrated and holistic approach that aligns climate risk considerations with the Group's existing risk management strategy.

Metrics and Targets

The Group has developed targets to manage climate-related risks, capitalise on opportunities and mitigate risks. As this is a broad and complex area of assessment, the incipient approach to climate-related targets is broadly based around efficiency in consumption and waste, investment in green technologies and optimising processes for sustainability and efficiency.

The Group has selected an initial set of metrics which includes carbon emissions, energy and water usage, and waste management.

The Group has also been disclosing its Scope 1, 2 and 3 GHG emissions since 2010 and details of our total carbon footprint are summarised in the table below:

GLOBAL TONNES OF CO₂E

	2024	2023
Scope 1 ¹	40,067	36,684
Scope 2 Location-Based ²	113,892	99,935
Scope 2 Market-Based ³	120,469	109,373
Scope 3 excluding purchased goods and services ⁴	45,342	45,169 ⁵
Scope 3 including purchased goods and services	117,024 ⁵	-
No. of rooms	22,686	21,555
Carbon intensity excl. Franchises & purchased goods and services (tonnes of CO ₂ e/room)	8.79	8.43
Carbon intensity excl. Franchises & Incl. purchased goods and services (tonnes of CO ₂ e/room)	11.94	-
Franchise Hotels Emissions	274,345	182,029
Total gross emissions excl. Franchises (Location-Based) and excl. purchased goods and services	199,301	181,789
Total gross emissions excl. Franchises (Market-Based) and excl. purchased goods and services	205,878	191,226
Total gross emissions incl. Franchises (Location-Based)	545,328	363,818
Total gross emissions incl. Franchises (Market-Based)	551,905	373,255

¹ Direct emissions from activities owned or controlled by our organisation that release emissions into the atmosphere. In 2024, emissions from refrigerants were estimated for sites where there were no engineers reports to confirm zero leaks using tCO₂e/m² floor space as an intensity ratio. The increase in Direct (Scope 1) emissions is primarily due to such an estimation.

² Indirect emissions that are a consequence of our organisation's activities but which occur at sources we do not own or control (includes electricity, district heating, district cooling and imported steam).

³ Scope 2 market-based emissions reflect emissions from electricity that the Group has purposefully chosen.

⁴ Other indirect emissions that are a consequence of the Group's activities, but which occur at sources that are not owned or controlled by us and which are not classed as Scope 2 emissions (includes emissions associated with water use, energy consumed by third party laundry, waste, business travel, well-to-tank and transmission and distribution) Does not include purchased goods and services and franchises to allow for year-on-year comparison.

⁵ Total of Scope 3 emissions for 2024 includes purchased goods and services for the first time this year using a spend based approach.

For further increase transparency, we have included purchased goods and services for the first time this year using a spend based approach. To allow consistent year-on-year comparison, we have included total gross emissions excluding Franchises and excluding purchased goods and services. Moreover in 2019, the Group set a Science-Based Target ("SBT") to reduce its carbon emissions by 27% by 2030.

The Strategic Report was approved by the Board of Directors of the Group on 15 May 2025 and signed on its behalf by



Kwek Eik Sheng
Director

DIRECTORS' REPORT

The Directors present their annual report and financial statements for the Group and Company for the year ended 31 December 2024.

Strategic report

The Strategic Report is found on pages 1 to 5. Pursuant to the Companies Act 2006, that report must provide a fair review of the Group's business, together with a description of the principal risks and uncertainties facing the Group. It includes an analysis of the development and performance of the Group's business during the year and the position of its business at the end of the year, as well as a description of the Group's strategy and business model.

Board of Directors

The names of those who served as a Director of the Company during the course of the 2024 financial year, up to the date of this report, include:

Kwek Leng Beng	
Kwek Eik Sheng	
David Kien Hassan	
Jonathon Mackenzie Grech	
Alexander Richard Jason Wade	
Catherine Wu	(Resigned on 05 th January 2024)
Ali Hamad Ali Lakhraim Alzaabi	(resigned 14 th October 2024)
Jennifer Duong Young	(appointed on 25 th February 2025)
Daniel Desbaillets	(appointed on 25 th February 2025)
Wong Ai Ai	(appointed on 25 th February 2025)
Jonathan Asherson, OBE	(appointed on 25 th February 2025 and resigned on 14 th April 2025)
Caroline Besson Frankel	(appointed on 25 th February 2025)
Niccolo Barattieri di San Pietro	(appointed on 25 th February 2025)

Going Concern

The measures adopted by the Directors in 2024 in order to further reduce costs and optimise the Group's cash flow and liquidity have enabled the Group to offset the impact of rising inflation.

Having reviewed cash forecasts and the available committed debt facilities, the Directors have a reasonable expectation that the Group and Company have adequate resources including external credit facilities to continue in operational existence up to at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements of the Group and the Company. Please refer to Note 2.1 for further information.

Dividends

The Directors do not recommend the payment of a dividend in respect to the year ending 31 December 2024 (2023: £Nil).

Political contribution

No donations were made by the Group for political purposes and the Group did not incur any political expenditure during the year (2023: £Nil). The Group operates a politically neutral policy with regard to any political donations and expenditures it may elect to make.

Financial instruments

An indication of the Group's financial risk management objectives and policies with respect to the use of financial instruments and exposure of the Group to price risk, credit risk, liquidity risk and cash flow risk are set out below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

Exposure to credit risk is monitored on an ongoing basis, with credit checks performed on all clients requiring credit over certain amounts. Credit is not extended beyond authorised limits, established where appropriate through consultation with a professional credit vetting organisation. Credit granted is subject to regular review to ensure it remains consistent with the client's current creditworthiness and appropriate to the anticipated volume of business.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The primary objectives of the treasury function are to provide secure and competitively priced funding for the activities of the Group and to identify and manage financial risks.

DIRECTORS' REPORT (continued)**Foreign currency risk**

The Group is exposed to foreign currency risk on revenue, purchases, borrowings and cash deposits denominated in currencies other than the functional currencies of the respective Group entities. The Group's principal policy, wherever possible, is to maintain a natural hedge whereby liabilities are matched with assets denominated in the same currency. Foreign currency investment exposure is also minimised by borrowing in the currency of the investment. To mitigate foreign currency translation exposure, an appropriate proportion of net assets are designated as hedged against corresponding financial liabilities in the same currency.

Interest rate risk and interest rate swaps

The Group adopts a policy of ongoing review of its exposure to changes in interest rates on its borrowings, taking into account market expectations with regard to the perceived level of risk associated with each currency, the maturity profile and cash flows of the underlying debt, and the extent to which debt may potentially be either prepaid prior to its maturity or refinanced at reduced cost.

The Group's policy is to maintain a mixture of its financial liabilities on a fixed and floating-rate basis with a greater emphasis on floating rates presently as this flexibility is considered to be appropriate in the context of the Group's overall geographical diversity, investment and business cycle and the stability of the income streams, cash balances and loan covenants.

Employment of disabled persons

We highly value the rich diversity of our colleagues around the world. As of the end of 2024, the Group operated in over 25 countries and employed approximately 7,416 employees worldwide (2023: 7,182). The Group is an equal opportunity employer and has an objective to ensure that no employee or other worker or job applicant receives less favourable treatment, directly or indirectly, on the grounds of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

Engagement with suppliers, customers and others in a business relationship with the Group

As a Group operating in the hospitality industry, the Directors are aware of the need for the Group to remain competitive and for our hotels to address the wants and needs of our customers. To this end, the Group is continually looking for ways to engage with and better understand our guests. Indeed, several of the Group's principal risks-including the risks pertaining to hotel demand, operational efficiency and health and safety focus in part on the relationship of the Group with its customers and other stakeholders.

Employee involvement and engagement with employees

As a Group, we highly value our employees as the driving force behind every aspect of our business, including guest-facing roles, ancillary and supporting roles, and administrative roles. Our employees play a crucial role in delivering exceptional services to our guests, guaranteeing a memorable and consistently high standard of service. Moreover, they contribute to cultivating a professional, efficient, inclusive, and friendly environment for guests and colleagues alike.

The Group's aims are to maximise employee engagement by keeping employees informed about matters of concern to them, through management presentations, updates from regional and functional heads, regional intranet sites and other communication. Over the course of the year, these efforts included regular meetings at the regional, functional and hotel levels, as well as exit interviews with departing colleagues. These meetings allowed the management team to communicate important updates throughout the workforce, provide training on existing and new policies and procedures and hear from colleagues around the world.

We are fully committed to supporting our employees by providing them with the necessary resources, continuous training, and benefits to ensure their satisfaction and well-being. Through our employee benefit schemes and tailored training programs, the Group strives to enhance their skills and knowledge, allowing them to excel in their specific roles within our organisation and the broader Group community.

Central to our approach is the instillation of our core values, shown below, into every employee, guiding their actions and decision-making. By upholding these values, we foster a sense of unity, purpose, and integrity throughout our workforce, promoting a positive and productive work culture.

- Will to win - The will to be successful both personally and as a Group as a whole in the pursuit of targets and objectives.
- Guest focus - Unparalleled service and guest experience provided by our employees and services.
- Openness in communication - Clear and supportive communication between all levels of the Group.
- Teamwork - Collaborate and work coherently between all teams within the Group.
- Innovation and creativity - Tailor-made solutions and the ability to introduce new ideas, processes and methods into practice.
- Think blue ocean behaviour - Innovative, anticipative, and divergent thinking approach to targets, performance, growth and teamwork.

DIRECTORS' REPORT (continued)

Streamlined energy and carbon reporting

This section discloses our UK operational energy consumption, carbon footprint, and energy efficiency initiatives for the year ended 31 December 2024 in line with the UK Government's Streamlined Energy and Carbon Reporting ('SECR') legislation.

GHG Emissions and Energy Use	2024	2023
Energy consumption used to calculate emissions in Kilowatt-hours (kWh)	Gas: 46,829,909 kWh Diesel: 760,061 kWh Biofuel: 0 kWh Coal: 1,427 kWh Electricity: 27,485,678 kWh District Heating: 1,452,120 kWh Company-Owned Transport: 0.00 kWh Employee-Owned Transport: 29,991 kWh Total: 76,559,186 kWh	Gas: 49,482,108 kWh Diesel: 7,669 kWh Biofuel: 383 kWh Coal: 1,486 kWh Electricity: 30,952,343 kWh District Heating: 832,638 kWh Company-Owned Transport: Nil kWh Employee-Owned Transport: 29,230 kWh Total: 81,305,856 kWh
Emissions from combustion of gas in tCO ₂ e (Scope 1)	8,565.19 tCO₂e	9,051.7 tCO ₂ e
Emission from combustion of diesel in tCO ₂ e (Scope 1)	181.70 tCO₂e	1.83 tCO ₂ e
Emission from combustion of biofuel in tCO ₂ e (Scope 1)	0.00 tCO₂e	0.01 tCO ₂ e
Emission from combustion of coal in tCO ₂ e (Scope 1)	0.48 tCO₂e	0.48 tCO ₂ e
Emissions from refrigerants in tCO ₂ e (Scope 1)	894.72 tCO₂e	0.00 tCO ₂ e
Emissions from business travel in company owned vehicles in tCO ₂ e (Scope 1)	0.00 tCO₂e	0.00 tCO ₂ e
Emissions from purchased electricity in tCO ₂ e (Scope 2, location-based)	5,596.65 tCO₂e	6,409.43 tCO ₂ e
Emissions from purchased district heating in tCO ₂ e (Scope 2, location-based)	260.87 tCO₂e	149.58 tCO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel in tCO ₂ e (Scope 3)	12.97 tCO₂e	7.25 tCO ₂ e
Total gross tCO ₂ e based on above	15,512.58 tCO₂e	15,620.29 tCO ₂ e
Intensity ratio: gross tCO ₂ e / room	3.98 tCO₂e	3.77 tCO ₂ e

Methodology

Emissions have been quantified in compliance with ISO 14064-1:2019. Organisational boundaries were defined using the operational control approach. All UK sites where we have operational control over have been included within figures.

DEFRA 2024 conversion factors were used to convert activity data to tonnes carbon dioxide equivalent (tCO₂e) and kWh where relevant

The following sources are reported on:

- Scope 1 mobile combustion (*N/A for reporting period*)
- Scope 1 stationary combustion
 - Natural gas
 - Diesel
 - Biofuel
 - Coal
- Scope 2 purchased electricity
- Scope 2 purchased heating and cooling
- Scope 3 grey fleet business travel

DIRECTORS' REPORT (continued)**Streamlined energy and carbon reporting (continued)**

As the data was collected in October 2024, data for quarter 4 of 2024 was based on actual data for quarter 4 of 2023, it has been assumed that there were similar emissions in each quarter as there were no significant changes to hotel operations between quarter 4 2023 and quarter 4 2024. This enabled us to report verifiable data for the 2024 calendar year in advance of our reporting deadlines.

No estimates were required for gas and electricity as primary data, including invoices and meter readings, were available for the reporting period. Emissions from refrigerants were estimated for some sites using tCO₂e/m² where sites could not evidence zero leaks. However, a number of sites were able to provide maintenance records to confirm zero leaks from HVAC systems.

No company vehicle use occurred in the 2024 and 2023 financial years. Grey fleet transportation data was captured from staff expense claims.

Emissions have been independently verified in compliance with ISO 14064-3 to a limited level of assurance.

Intensity ratio

In-keeping with previous reporting periods a tCO₂e per room intensity ratio has been used. Total rooms are collated from hotels on an annual basis.

	2024	2023
Total Rooms	3,901	4,134
tCO₂e per room	3.98	3.78

Energy and carbon reduction initiatives

Energy and carbon reduction initiatives focus on maintaining or upgrading equipment to improve energy efficiency. Guests are also encouraged to be mindful of energy and emissions via signage in rooms and are provided with options to decrease their impact.

Energy efficient actions

This year we have continued efforts to reduce energy consumption across our UK estate. Progress in 2024 included:

- Verified ISO 14064-1 GHG Inventory
- High uptake of LED lighting, with some locations on 100% LED including back-of-house areas
- Inverters and motors at the Biltmore Mayfair hotel running under 35Hz to conserve energy
- Water booster pumps at the Copthorne Tara hotel upgraded to be more energy efficient
- Use of guest cards to supply electricity to rooms when in use, and avoid powering items when guests are not in rooms
- Motions sensitive lighting in use in some areas, including car parks
- Water heater system upgrades
- HVAC upgrades to be more energy efficient and regular maintenance to reduce the likelihood of f-gas leaks
- Virtual meetings and hybrid working used where possible to reduce business travel
- High uptake of public transport for business travel, particularly in London

The Group's greenhouse gas emissions and energy consumption will continue to be reported in its Corporate Responsibility Report, located at <https://investors.millenniumhotels.com/corporate-responsibility>.

The Group is implementing and developing a systematic process for identifying and assessing climate-related risks, prioritising risk significance in the broader risk landscape. The approach being developed will be a thorough analysis based on geographic region, local conditions and specific factors that consider the potential impacts of climate-related factors on all aspects of our operations. Risks and opportunities will be priorities based on the significance of the effect on operational and strategic areas, employing both quantitative and qualitative methods.

Risk analysis involves engaging with climate data such as temperature rises, sea level projections, metrological data, and scenario analysis. The Group will periodically review identified risks and include newly identified risks based on qualitative and quantitative data. By consistently evaluating and ranking climate-related risks in comparison to other risks, we ensure that our risk management strategies are proportionate, adaptive, and aligned with the Group's related policies.

The Group's development of comprehensive processes for identifying, assessing, and managing climate-related risks aims to form an integrated and holistic approach that aligns climate risk considerations with the Group's existing risk management strategy. Climate-related risk assessments are conducted using the same methodologies and tools employed for other types of risks, ensuring consistency and coherence in the evaluation process. An example of the process employed specifically would be a review of historical information and recent events on a local and global scale and a review of available meteorological and sea level data. The findings from climate risk assessments are intended to be incorporated into the existing risks and opportunities already identified so that the Group can develop a good understanding of all risks and their interactions.

Future developments

The Group will build upon its performance by increasing the efficiency of the internal processes and functions.

Research and development

While the management team continues to review ways to improve the Group's service, brand, and product offerings and regularly invests in our people and assets, the Group did not conduct significant research and development activities during the year.

Statement of corporate governance

The Group is indirectly wholly owned and controlled by CDL, through various CDL subsidiary companies. CDL, which is listed on the Singapore Exchange, is, in turn, considered to be controlled by Hong Leong Investment Holdings Pte. Ltd. The following sections of the Annual Report and the Financial Statements and the group's 2024 Corporate Responsibility Report, are published on this website (<http://investors.millenniumhotels.com/corporate-responsibility>) and describes how it plans to continue to engage with them in the future.

DIRECTORS' REPORT (continued)
Statement of corporate governance (continued)

Section	Location
Section 172 (1) Statement	Strategic report: pages 3
Employee Involvement and Engagement with Employees	Directors' report: Page 7
Engagement with suppliers, customers and others in a business relation with the Company	Directors' report: Page 7

As of 31 December 2024, the Board comprised of 5 directors, consisting of 3 executive directors and 2 non-executive directors. Mr. Kwek Leng Beng has served as the Chairman of the Group since it was initially listed in 1996 and as an executive director since 2020. Mr. Kwek Eik Sheng and Mr. David Hassan served as an executive director, while Mr. Jonathon Grech and Mr. Alexander Wade served as non-executive directors in 2024.

Ms. Catherine Wu resigned from Board on 05 January 2024
 Mr. Ali Alzaabi resigned from the Board on 14 October 2024.

The vision of the Directors is to be the leading global hospitality real estate ownership group for gateway cities, with effective, in-built and unique asset management skills. Our commitment is to hospitality and creating memorable experiences in distinctive environments. We strive to recognise not only the faces of our guests but also their individual needs and desires.

To do this, we will need to deliver outstanding service, quality, originality and value to our customers by employing and developing the best people and by having a challenging and forward-thinking business culture. Fundamentally, we treat our guests, employees and other stakeholders with respect and integrity.

In 2024, the Board intends to review the ways in which the purpose and values are embedded throughout the organisation. As part of this review, the Board will continue to examine the culture of the Group and will seek to reinforce a culture of accountability where employees consider the views of, and are responsible to, the Group's stakeholders, including our guests and customer, other employees, suppliers, the communities in which we operate.

When assessing a potential business opportunity, in addition to assessing whether it is aligned with the strategic priorities of the Group and its impact on the Group's stakeholders, the Board members and executive management team also consider the risks associated with the opportunity and whether it is likely to create and preserve value over the long term. The Directors understand that whilst the Group must remain nimble and entrepreneurial to tackle the challenges facing the Group and industry more generally, the Directors also are keenly aware that the Group must operate in a sustainable manner to be successful.

Company Branches

The Company did not have any branches operating outside of the UK during the year.

Statement of the Directors as to disclosure of information to the auditor

In accordance with Section 418 of the Companies Act 2006, each Director who held office at the date of approval of this Directors' Report confirms that:

- So far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and
- They have taken all the steps that they ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

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.

The Directors' Report was approved by the Board of Directors of the Company on 15 May 2025.

On behalf of the Board



Kwek Eik Sheng

Director

Scarsdale Place
 Kensington
 London W8 5SY
 United Kingdom

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company 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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent 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 Group or the parent 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine it 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 Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



Kwok Eik Sheng
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLENNIUM & COPTHORNE HOTELS LIMITED

Opinion

We have audited the financial statements of Millennium & Copthorne Hotels Limited ("the Company") for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity and related notes, including the accounting policies in note 2.2 of the Consolidated Financial Statements and Note B of the Company Financial Statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements 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 Group 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.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and 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 their 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 Group's business model and analysed how those risks might affect the Group and 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; and;
- 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 Group or 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 Group or the Company will continue in operation.

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, management and key personnel and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for Directors.
- 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. This included communication from the Group auditor to component auditors of relevant fraud risks identified at the Group level and requesting component auditors performing procedures at the component level to report to the Group auditor any identified fraud risk factors or identified or suspected instances of fraud.

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 and the risk of bias in accounting estimates and judgements such as impairment assumptions and significant unusual transactions. On this audit we do not believe there is a fraud risk related to revenue recognition because the opportunity for management to fraudulently recognise revenue using a revenue account at a transactional level is limited. The nature of the Group's operations provides limited opportunities to engage in fraudulent revenue recognition as no significant estimation or judgement is required to apply the Group's revenue accounting policies.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLENNIUM & COPTHORNE HOTELS LIMITED

Fraud and breaches of laws and regulations – ability to detect (continued)

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test at the Group level and selected components based on high-risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and those posted to seldomly used accounts.
- Evaluated the business purpose of significant unusual transactions.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to 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. This included communication from the Group auditor to component auditors of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

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

Firstly, the Group 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.

Secondly, the Group 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, data protection laws, anti-bribery, employment law, and certain aspects of company legislation recognising the nature of the Group'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 fraud 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.

Strategic Report and Directors' Report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and 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 Strategic Report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLENNIUM & COPTHORNE HOTELS LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 11, 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 Group and parent 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 Group or the parent 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.

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.

G AURAV PESWANI

Gaurav Kumar Lalchand Peswani (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
15 May 2025

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Revenue	5	961	906
Cost of sales		(384)	(366)
Gross profit		577	540
Administrative expenses	6	(434)	(410)
Other operating income	7	82	159
Other operating expense	7	(4)	(24)
Operating profit		221	265
Share of profit of joint ventures and associates	13	27	28
Finance income		78	48
Finance expense		(60)	(59)
Net finance income/(expense)	9	18	(11)
Profit before tax		266	282
Income tax expense	10	(75)	(27)
Profit for the year		191	255
Attributable to:			
Equity holders of the parent		174	233
Non-controlling interests		17	22
		191	255

The financial results above derive from continuing activities.
The notes on pages 21 - 74 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Profit for the year		191	255
Other comprehensive income, net of tax:			
Items that are not reclassified subsequently to income statement:			
Net change in fair value of equity investments at FVOCI		2	–
Remeasurement of defined benefit plan actuarial net gains, net of tax	22	2	3
		4	3
Items that may be reclassified subsequently to income statement:			
Effective portion of changes in fair value of cash flow hedges		(1)	–
Foreign currency translation differences - foreign operations		(119)	(134)
Foreign currency translation differences - equity accounted investees		(14)	(38)
Net (loss)/gain on hedge of net investments in foreign operations		(1)	7
		(135)	(165)
Other comprehensive expense for the year, net of tax		(131)	(162)
Total comprehensive income for the year, net of tax		60	93
Total comprehensive income attributable to:			
Equity holders of the parent		60	85
Non-controlling interests		–	8
Total comprehensive income for the year, net of tax		60	93

The notes on pages 21 - 74 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment	11	2,841	2,640
Investment properties	12	731	703
Investment in joint ventures and associates	13	826	829
Other financial assets	14	455	400
Prepayments	15	18	16
		4,871	4,588
Current assets			
Inventories		4	4
Development properties	16	120	121
Derivative financial asset	17	1	–
Trade and other receivables	18	113	143
Cash and cash equivalents	19	521	677
		759	945
Assets held for sale	35	6	–
		765	945
Total assets		5,636	5,533
Non-current liabilities			
Interest-bearing loans, bonds and borrowings	20	(411)	(232)
Employee benefits	22	(1)	–
Provisions	23	–	(10)
Other non-current liabilities		(14)	(14)
Lease liabilities	36	(371)	(383)
Derivative financial liabilities	17	(1)	–
Deferred tax liabilities	24	(226)	(201)
		(1,024)	(840)
Current liabilities			
Interest-bearing loans, bonds and borrowings	20	(377)	(500)
Trade and other payables	25	(216)	(225)
Provisions	23	(15)	(13)
Lease liabilities	36	(11)	(11)
Income taxes payable		(8)	(8)
		(627)	(757)
Total liabilities		(1,651)	(1,597)
Net assets		3,985	3,936
Equity			
Share capital	27	97	97
Share premium	27	843	843
Translation reserve	28	388	504
Treasury share reserve	28	(4)	(4)
Fair value reserve	28	2	–
Retained earnings		2,448	2,265
Total equity attributable to equity holders of the parent		3,774	3,705
Non-controlling interests		211	231
Total equity		3,985	3,936

The notes on pages 21 - 74 are an integral part of these consolidated financial statements.
These financial statements were approved by the Board of Directors on 15 May 2025 and were signed on its behalf by:



Kwek Eik Sheng
Director
Registered No: 03004377

MILLENNIUM & COPTHORNE HOTELS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	SHARE CAPITAL	SHARE PREMIUM	TRANSLATION RESERVE	TREASURY SHARE RESERVE	FAIR VALUE RESERVE	RETAINED EARNINGS	TOTAL EXCLUDING NON-CONTROLLING INTERESTS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2024	97	843	504	(4)	–	2,265	3,705	231	3,936
Profit	–	–	–	–	–	174	174	17	191
Other comprehensive income	–	–	(116)	–	2	–	(114)	(17)	(131)
Total comprehensive income for the year	–	–	(116)	–	2	174	60	–	60
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Change in interests in subsidiaries without loss of control	–	–	–	–	–	9	9	(15)	(6)
Dividends - non-controlling interests	–	–	–	–	–	–	–	(5)	(5)
Total transactions with owners	–	–	–	–	–	9	9	(20)	(11)
Balance at 31 December 2024	97	843	388	(4)	2	2,448	3,774	211	3,985
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Dividends - non-controlling interests	–	–	–	–	–	–	–	(2)	(2)
Total transactions with owners	–	–	–	–	–	–	–	(2)	(2)
Balance at 31 December 2023	97	843	504	(4)	–	2,265	3,705	231	3,936

The notes on pages 21 - 74 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	NOTES	2024 £m	2023 £m
Cash flows from operating activities			
Profit for the year		191	255
Adjustments for:			
Depreciation	11	59	59
Share of profit of joint ventures and associates	13	(27)	(28)
Dilution of interest in an associates	7	1	(2)
Property, plant and equipment written off		3	4
Gain on disposal of property, plant and equipment	7	-	(48)
Gain on disposal of investment property	7	-	(10)
Fair value loss from financial assets	7	8	3
Net reversal of impairment losses of property, plant & equipment	7	(8)	(35)
Revaluation gain of investment properties	7	(62)	(47)
Impairment on doubtful debts	6	9	1
Reversal of provision	7	(10)	-
Finance income	9	(78)	(48)
Finance expense	9	60	59
Management fee income received/receivable in form of units in an associate		(6)	(7)
Income tax expense	10	75	27
Operating profit before changes in working capital and provisions		215	183
Development properties		(11)	(7)
Prepayments		(2)	(16)
Trade and other receivables		5	41
Trade and other payables		(2)	8
Other non-current liabilities		-	(1)
Provisions		3	(39)
Cash generated from operations		208	169
Income tax paid		(34)	(59)
Net cash from operating activities		174	110
Cash flows from investing activities			
Interest received		28	32
Dividends received from joint ventures and associates	13	20	18
Capital reduction from joint venture and associates		2	1
Increase in investment in an associate		-	(54)
Purchase of other financial assets	14	(50)	-
Proceeds from sale of property, plant and equipment and investment properties (net of expenses)		-	66
Acquisition of subsidiaries	34	(201)	-
Acquisition and additions of property, plant and equipment and investment properties		(87)	(285)
Net cash used in investing activities		(288)	(222)
Cash flows from financing activities			
Interest paid		(54)	(36)
Repayment from intermediate holding company		-	58
Repayment of borrowings	37	(297)	(194)
Drawdown of borrowings	37	387	249
Payment of lease liabilities	37	(25)	(26)
Dividends paid to non-controlling interests		(5)	(2)
Acquisition of non-controlling interests	33	(6)	-
Net cash from financing activities		-	49

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the year ended 31 December 2024

	NOTES	2024 £m	2023 £m
Net decrease in cash and cash equivalents		(114)	(63)
Cash and cash equivalents at beginning of the year*	19	483	561
Effect of exchange rate fluctuations on cash held		(11)	(15)
Cash and cash equivalents at end of the year*		358	483
Reconciliation of cash and cash equivalents			
Cash and cash equivalents shown in the consolidated statement of financial position	19	521	677
Bank overdrafts included in borrowings		(163)	(194)
Cash and cash equivalents for consolidated statement of cash flows	19	358	483

*Cash and cash equivalents includes overdrafts that are repayable on demand and form an integral part of the Group's cash management which is in line with the accounting policy for cash and cash equivalents on page 28.

The notes on pages 21 - 74 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Reporting entity

Millennium & Copthorne Hotels Limited (the “Company”) is a private company incorporated in England and Wales in the UK. The registered number is 03004377 and the registered office is located at Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY, United Kingdom.

The principal activities of the Company and its subsidiaries is to invest in diversified portfolio of real estate or real estate related assets, which are used or primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the “Group”). The consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 15 May 2025.

The directors consider the intermediate holding company to be City Developments Limited (“CDL”) and ultimate holding company to be Hong Leong Investment Holdings Pte. Ltd. (“Hong Leong”), both of which are incorporated in the Republic of Singapore.

2.1 Basis of preparation

The consolidated financial statements are prepared on the historical cost basis except for investment properties, derivative financial instruments, equity investments at fair value through other comprehensive income (“FVOCI”) and equity investments at fair value through profit and loss (“FVTPL”) which are stated at their fair values. Hotel properties are stated at cost or deemed cost. Deemed cost is calculated based on the hotel’s valuation as at 1 January 2004. Assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. The Group’s income statement identifies operating profit and other operating income and expense. This is in accordance with IAS 1 ‘Presentation of Financial Statements’ and is consistent with the way that financial performance is measured by management and assists in providing a meaningful analysis of the trading results of the Group. The financial statements are presented in the Company’s functional currency of sterling, rounded to the nearest million.

The Company has elected to prepare its parent company’s financial statements in accordance with Financial Reporting Standard 101 ‘Reduced Disclosure Framework’; and these are presented on pages 75 to 78.

Basis of accounting

The Group’s financial statements have been prepared and approved by the directors in accordance with international accounting standards and in accordance with UK-adopted international accounting standards (“UK-adopted IFRS”).

Adoption of new and revised standards

The Group has adopted the following in these financial statements:

- Amendments to IAS 1 (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants) from 1 January 2024. The amendments apply retrospectively. The Amendments clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. There is no material effect of adopting this amendment.
- Amendments to IFRS 16 (Lease Liability in a Sale and Leaseback) from 1 January 2024. The amendments apply retrospectively. The Amendments require a seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. Subsequent to initial recognition, the seller-lessee is required to apply the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. There is no material effect of adopting this amendment.
- Amendments to IAS 7 and IFRS 7 (Supplier Finance Arrangements) from 1 January 2024. The amendments introduce new disclosures to help users of the financial statements to assess the effects of supplier finance arrangements on an entity’s liabilities, cash flows and liquidity risk. There is no material effect of adopting this amendment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**Basis of consolidation****Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(i) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in joint ventures and associates.

An associate is an entity in which the Group has significant influence but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group has joint control, and where the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures and associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transactions gains or losses), arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1 to 5. Note 21 of the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

The measures adopted by the directors in 2024 in order to further reduce costs and optimise the group's cash flow and liquidity have enabled the group to offset the impact of rising operating costs. These mitigating actions include reducing capital expenditure through postponing or pausing refurbishment and property development activities, tight monitoring of manpower planning, monitoring of controllable variable expenses and negotiation of discounts with suppliers. These initiatives will continue to support the Group's recovery.

It is noted that the Group has a limited fixed cost based due to owning the majority of its hotel properties which is a major advantage in this industry.

The Directors have assessed that the Group has adequate resources and access to liquidity facilities to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements. Cashflow forecasts have been prepared for a period of 12 months from the date of approval of these financial statements. The directors continue to review and adapt these cashflow forecasts in the light of the changing circumstances associated with the high levels of inflation and other business risks. These forecasts include downside scenario assumptions such as restrictions on the renewal of loan facilities during the period or failure to dispose of assets held for sale whilst still incurring significant capital improvement costs

Having reviewed the forecasts and the available committed debt facilities, the Directors have a reasonable expectation that the Group and Company have adequate resources including external credit facilities to continue in operational existence up to at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements of the Group and the Company.

2.2 Summary of material accounting policies

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

A Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

For business combinations with acquisition dates on or after 1 January 2024, the Group has determined whether a particular set of activities and assets is a business by assessing whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This election can be applied on a transaction by transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Acquisition costs incurred are expensed and identifiable net assets acquired are measured at the acquisition date fair value.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at that date through the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**2.2 Summary of material accounting policies (continued)****A Business combinations and goodwill (continued)**

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the Group's net identifiable assets acquired and liabilities assumed and is allocated to each of the Group's cash-generating units that are expected to benefit from the combination. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of annual impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

B Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities 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 translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement except for differences arising on the translation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in other comprehensive income. 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 translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the FCTR, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign currency differences arising on the translation of a hedge of a net investment in a foreign operation are recognised directly in equity, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is recycled to profit or loss as an adjustment to the profit or loss on disposal.

The Group has taken advantage of the relief available in IFRS 1 to deem the cumulative translation differences for all foreign operations to be zero at the date of transition to UK-adopted IFRSs on 1 January 2004.

C Financial instruments*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 Group 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 fair value through profit or loss ("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.

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 Group 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 and is not designated as at FVTPL:

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**C Financial instruments (continued)**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- 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 Group 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. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

(i) Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(ii) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the equity. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial item, the associated cumulative gain or loss is removed from the equity and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is reclassified to the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

(iii) Hedge of monetary assets and liabilities

When a derivative financial instrument is used as an economic hedge of the foreign exchange exposure of a recognised monetary asset or liability, hedge accounting is not applied and any gain or loss on the hedging instrument is recognised in the income statement.

(iv) Hedge of net investment in foreign operations

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in equity within the translation reserve. The ineffective portion is recognised immediately in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**D Property, plant and equipment****(i) Recognition and measurement**

Land and buildings (other than investment properties) are stated at cost, except as allowed under IFRS 1 transition rules, less depreciation and any provision for impairment. All other property, plant and equipment is stated at cost less depreciation and any provision for impairment. Any impairment of such properties below depreciated historical cost is charged to the income statement.

Under the transition provisions of IFRS 1, land and buildings which were previously revalued under UK GAAP were measured on the basis of their deemed cost, being their UK GAAP carrying value, including revaluations, as at 1 January 2004 being the effective date of the Group's conversion to IFRS.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Depreciation

Freehold land is not depreciated. All other assets are depreciated to their residual values on a straight-line basis over their estimated useful lives as follows:

Building core	50 years or lease term if shorter
Building surface, finishes and services	30 years or lease term if shorter
Plant and machinery	10 – 20 years
Furniture and equipment	10 years
Soft furnishings	5 – 7 years
Computer equipment	5 years
Software	up to 8 years
Motor vehicles	4 years

No residual values are ascribed to building surface finishes and services. Residual values ascribed to building core depend on the nature, location and tenure of each property.

(iii) Subsequent costs

Capital expenditure on major projects is recorded separately within property, plant and equipment as capital work in progress. Once the project is complete the balance is transferred to the appropriate fixed asset categories. Capital work in progress is not depreciated.

Interest attributable to funds used to finance the construction or acquisition of new hotels or major extensions to existing hotels is capitalised net of tax relief and added to the cost of the building core.

Operating supplies, which include China, linen, glass and silverware, were stated at their deemed costs as at 1 January 2008 and subsumed into the costs of the hotel buildings. Subsequent renewals and replacements of such stocks and new supplies upon initial hotel opening are written off as incurred to the income statement.

E Leases

At the inception of a contract, the Group 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.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Group accounts for each lease component separately from the non-lease components. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Group 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 Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group 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 those of property 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**E Leases (continued)****(i) As a lessee (continued)**

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 Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise,
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to £Nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets (£5,000 or less) and short-term leases (less than 12 months). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For contracts where the Group has chosen to apply the practical expedient, rent waivers granted have been treated as variable lease payments, and therefore a credit has been recognised in the profit and loss account.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group 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.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 2.2(C)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Lease acquired in a business combination

For leases acquired in a business combination, the Group measures the acquired lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at acquisition at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Lease liability and associated right-of-use assets acquired in a business combination for which the lease term ends within 12 months of the acquisition date or, leases for which the underlying asset value is low, are not recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**F Impairment**

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, employee benefit assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of assets is the greater of fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Impairment is recognised in the income statement whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. Where permissible under IFRS, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

In the case of equity investments, a significant or prolonged decline in fair value of the asset below its cost is considered in determining whether the asset is impaired. If any such evidence exists for these assets, the cumulative loss – measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement.

The Group recognises loss allowances for expected credit losses ("ECL") on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI or FVTPL; and
- contract assets.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECL for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

General approach

The Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition. At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is 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 Group 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 Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at 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 Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI or FVTPL 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**G Investment properties**

Investment properties held by the Group are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at fair value. Any gain or loss in the fair value on annual revaluation is recognised in the income statement. In limited circumstances, the determination of fair value is uncertain, and these properties are carried at cost. Impairment analysis over these properties is carried out annually.

H Development properties

Development properties are stated at the lower of cost and net realisable value. They are held for sale in the short term and are therefore classified as current assets. The cost of development properties includes interest and other related expenditure incurred in order to get the asset ready for its intended use. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development. Payments received from purchasers arising from pre-sales of the property units prior to the completion are included as deferred income under other financial liabilities in the statement of financial position.

I Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts are included in the cash and cash equivalents only when there is a legal right of offset and an intention to settle net. Otherwise, these are classified as borrowings. Although the Group's current bank overdrafts form part of the cash pooling arrangements and the Group monitors cash net of overdrafts, these do not meet the definition of cash under accounting standards and have therefore been classified as borrowings. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

J Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost: any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

K Taxation

Income tax on profit or loss comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income 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 for using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: (i) the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and (ii) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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.

Deferred tax assets and liabilities are offset only to the extent that: (i) the Group has a legally enforceable right to offset current tax assets against current tax liabilities; (ii) the Group intends to settle net if legislation permits; and (iii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Global minimum top-up tax

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group operates in several jurisdictions which intend to or have enacted new legislation to implement the global minimum top-up tax from 1 January 2024. Based on the assessment, the Group does not expect material top-up tax in these jurisdictions. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**L Employee benefits****(i) Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement.

(ii) Defined benefit plans

The Group operates a number of defined benefit pension plans. As set out in Note 22, the calculation of the present value of the Group's defined benefit obligations at each period end is subject to significant estimation. An appropriately qualified, independent actuary is used to undertake this calculation. The assumptions made by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered may not necessarily be borne out in practice. The valuation of scheme assets is based on their fair value at the balance sheet date. As these assets are not intended to be sold in the short term, their values may be subject to significant change before they are realised. In reviewing the work of the independent actuary, management is required to exercise judgement to satisfy themselves that appropriate weight has been afforded to macro-economic factors. Details of the assumptions used are set out in Note 22.

The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in the income statement.

The Group recognises rereasurement gains and losses within the consolidated statement of comprehensive income in the period in which they occur.

The Group determines the net interest expense (income) on the net defined benefit liabilities (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the income statement.

(iii) Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than post-employment plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any plan assets is deducted.

(iv) Share-based payment transactions

The share-based incentive schemes previously allowed the Group's employees to acquire shares of Millennium & Copthorne Hotels plc (now Millennium & Copthorne Hotels Limited).

The cost of equity-settled transactions with employees for awards granted after 7 November 2002 is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model, further details of which are given in Note 22.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

M Provisions

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**N Revenue and its recognition**

Revenue comprises:

- Income from the ownership and operation of hotels – Revenue from hotel operations comprises mainly room revenue and revenue from food and beverages sales. Room revenue is recognised over the period of stay of the hotel guests. Revenue from food and beverages sales is recognised when food and beverages are delivered to the customer;
- Management fees – earned from hotels managed by the Group, usually under long-term contracts with the hotel owner. Management fees include a base fee, which is generally a percentage of hotel revenue, and/or an incentive fee, which is generally based on the hotel's profitability; recognised when earned on an accrual basis under the terms of the contract;
- Franchise fees – received in connection with licensing of the Group's brand names, usually under long-term contracts with the hotel owner. The Group charges franchise royalty fees as a percentage of room revenue; recognised when earned on an accrual basis under the terms of the agreement;
- Income from property rental – recognised on a straight-line basis over the lease term, lease incentives granted are recognised as an integral part of the total rental income; and
- Development property sales – recognised when the transfer of control of the property has passed to the buyer, which is usually when legal title transfers depending on jurisdictions. The trigger for revenue recognition depends on the laws within each jurisdiction.

Measurement and recognition of refunds and other obligations - This is recognised at the point at which a complaint is made. The obligation is measured based on the severity of the complaint received and the discretion of management to determine the amount. This can be up to the full amount of the accommodation and/or services provided.

O Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are appropriately authorised and approved for payment and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

P Assets held-for-sale

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year. On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. Any impairment loss on a disposal group is first allocated to property, plant and equipment and lease premium prepayment, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Q Other financial assets and liabilities

Trade investments are classified as either equity instruments at FVOCI or fair value through profit and loss ("FVTPL") and are included under non-current assets within 'other financial assets'. They are recorded at market value with movements in value taken to equity. Any impairment to value is recorded in the income statement.

Trade and other receivables are stated at their nominal amount (discounted if material) less any impairment. Trade and other payables are stated at their nominal amount (discounted if material).

R Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

S Share capital**(i) Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**T Finance income and costs**

The Group's finance income and finance costs include:

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

Interest income or expense is recognised under the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3 Accounting Estimates and Judgements

The preparation of financial statements under IFRS requires the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingencies and the reported amount of revenue and expenses during the year. The Group evaluates its estimates and assumptions on an ongoing basis. Such estimates and judgements are based upon historical experience and other factors it believes to be reasonable under the circumstances, which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

Certain critical accounting policies, among others, affect the Group's more significant estimates and assumptions used in preparing the consolidated financial statements. Actual results could differ from the Group's estimates and assumptions.

3.1 Judgements

The key judgements are:

Classification of investment properties

The Group holds a number of investment properties and accounts for such properties in accordance with the accounting policy set out in Note 2.2G. The Group owns assets which are leased to external third parties with lease rentals and related charges varying according to the agreement involved. The Group accounts for such assets in its financial statements in accordance with the accounting policy set out in Note 2.2G.

Where the indicators are such that on balance the Group is shown to be a passive investor, the relevant property is accounted for in accordance with IAS 40 and the Group accounts for the fair value change through the income statement as other operating income or expense. Indicators considered include (1) party that has the power to make the significant operating and financing decisions regarding the operations of the property in a management contract, (2) calculation of the lessor's return, (3) lessor's power of intervention under the management contract, and (4) duration of the contract.

Business combination

For each acquisition, the Group has to make a judgement whether to account the transaction as an asset purchase or a business combination, which results in a different accounting treatment. In particular, under business combination accounting, goodwill and additional intangible assets may arise and the valuation of acquired assets is complex. In addition, transaction costs can be capitalised in an asset acquisition, but have to be charged through the income statement for a business combination. The classification of each acquisition and related accounting is highly judgmental. For more information on acquisition undertaken by the group, see Note 11, Note 12 and Note 34.

Land leases classification

The Group holds a number of hotels with leases of land that are determined to have an indefinite economic life. The judgement prior to 1 January 2019 was that these were classified as a finance lease even if at the end of the lease term title does not pass to the lessee. Subsequent to 1 January 2019 and the adoption of IFRS 16 'Leases', these assets have been reclassified as right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**3 Accounting Estimates and Judgements (continued)****3.2 Estimates**

The key estimates are:

Impairment of tangible assets

The Group determines whether tangible fixed assets are impaired when indicators of impairments exist or based on the annual impairment assessment. The annual assessment requires an estimate of the recoverable value of the cash generating units to which the tangible fixed assets are allocated, which is predominantly at the individual hotel site level. Where appropriate, external valuations are also undertaken. Estimation of the recoverable value of the hotel assets is done with the reference to fair value less cost to sell, using income approach, which requires estimation of future cash flows of a third-party efficient operator, the time period over which they will occur, an appropriate discount rates, terminal capitalization rates and growth rates. The Directors consider that the underlying assumptions, such as discount rates and terminal capitalisation rate used, represent their best estimate, given the risks associated with the specific cash flows. A sensitivity analysis has been performed over the estimates (see Note 11).

4 New standards and interpretations not yet adopted

The following UK-adopted IFRS have been issued but have not been applied by the Group in these consolidated financial statements. The adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IAS 21: Lack of exchangeability (effective 1 January 2025)
- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (Effective 1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11 (Effective 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (Effective 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Effective 1 January 2027)

The Group is in the process of assessing the impact of these new standards, amendments and interpretations on the financial statements.

5 Revenue from contract with customer

Revenue of the Group consists of hotel operations and property operations. Hotel operation relates to income from owning and operating hotels. Property operations income mainly relates to income from property rental and development property sales .

	2024	2023
	£m	£m
Hotel operations	899	858
Property operations	62	48
Total revenue	961	906
Timing of revenue recognition		
Products and services transferred at a point in time	267	248
Products and services transferred over time	694	658
Total revenue	961	906
	2024	2023
	£m	£m
Primary geographical markets		
United States	284	297
United Kingdom	221	217
Singapore	161	160
Taiwan	75	75
New Zealand	75	65
France	38	16
Australia	33	8
China	18	19
Malaysia	13	13
Japan	14	10
Italy	7	7
Philippines	7	7
South Korea	6	3
Indonesia	5	5
Other	4	4
Total revenue	961	906

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Administrative expenses

	2024 £m	2023 £m
Included in administrative expenses is the auditor's remuneration, for audit and non-audit services as follows:		
Auditor's remuneration		
Statutory audit services:		
– Annual audit of the Company and consolidated financial statements	1	1
– Audit of subsidiary companies	2	2
	3	3
Non-audit related services:		
– Tax advisory	– *	– *
Total	3	3

	2024 £m	2023 £m
Repairs and maintenance	57	54
Depreciation		
– property, plant and equipment	42	41
– right-of-use assets	17	18
Rental paid/payable under operating leases		
– land and buildings	25	25
– plant and machinery	1	1
Impairment loss on		
– trade receivables	6	1
– other receivables	3	–

* less than £1m

7 Other operating income and expense

	Notes	2024 £m	2023 £m
Revaluation gain/(loss) of investment properties	(A)		
– Biltmore Court & Tower		(1)	(28)
– Lakeside Apartments, Sunnysvale		6	(23)
– Prestons Road, New Zealand		–	(1)
– Roscommon Road, New Zealand		1	1
– Millennium Mitsui Garden Hotel Tokyo		40	36
– Bespoke Hotel Shinsaibashi, Osaka		4	5
– Nine Tree by Parnas Seoul Myeongdong II		7	10
– Reversionary interest on freehold land		5	47
Net reversal of impairment losses of property, plant & equipment	(B)	8	35
		70	82
Gain on disposal of property, plant and equipment	(C)	–	48
Gain on disposal of investment property	(D)	–	10
Fair value loss from FSGL's warrant	(E)	(8)	(3)
Other operating income/(expense)	(F)	16	(2)
		78	135

(A) Revaluation gain/(loss) of investment properties

At the end of the financial year, in accordance with the Group's policy, its investment properties were subject to external professional valuation on an open-market existing use basis. Based on these valuations, the revaluation gain or loss was recorded as considered appropriate by the Directors. Further details on these valuations are provided in Note 12.

(B) Net reversal of impairment losses of property, plant and equipment

The Directors undertook their annual review of the carrying value of hotels and property assets for indication of impairment and where appropriate, external professional valuations were also obtained. As a result of this review, the total reversal of impairment for the year was £8m consisting of £16m in New York, £1m in regional US and £2m in London. A net impairment charge of (£2m) in the rest of UK/EU and (£9m) in the rest of Asia.

For 2023, total reversal of impairment for the year was £35m consisting of £18m in New York, £10m in the regional US, £5m in the rest of UK/EU and £2m in the rest of Asia.

(C) Gain on disposal of property, plant and equipment

For the year ended 31 December 2023, there was a gain of £48m and net proceeds of £57m on the disposal of Millennium Harvest House Boulder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**7 Other operating income and expense (continued)****(D) Gain on disposal of investment property**

For the year ended 31 December 2023, there was a gain of £10m and net proceeds of £10m on the disposal of the investment property relating to the collective sale of Tanglin Shopping Centre.

(E) Fair value loss from FSGL's warrant

For the year ended 31 December 2024, a fair value loss of £8m (2023: £3m) was recorded by the Group from the holding of FSGL's warrants.

(F) Other operating income/(expense)

For the year ended 31 December 2024, release of provision for Beijing tax indemnity of £10m and insurance claims of £7m. This is offset by the net loss of £1m arising from dilution of interest in associates.

For the year ended 31 December 2023, the lease of Millennium Hotel Minneapolis was early terminated and group recognised a loss of £4m. This was offset by the gain of £2m arising from conversion of warrant from investment in FSGL.

8 Personnel expenses

	2024	2023
	£m	£m
Wages and salaries	283	265
Compulsory social security contributions	44	42
Contributions to defined contribution schemes	18	15
Defined benefit pension (gain) – recorded in the statement of comprehensive income	(2)	(3)
Defined benefit pension cost – recorded in the income statement	1	1
	344	320

The average number of employees employed by the Group during the year analysed by category was as follows:

	2024	2023
	NUMBER	NUMBER
Hotel operating staff	5,673	5,270
Management/administration	1,155	1,051
Sales and marketing	293	252
Repairs and maintenance	475	443
	7,596	7,016

Directors' remuneration

	2024	2023
	£m	£m
Directors' remuneration	– *	– *

* less than £1m

The above table shows directors' remuneration for directors remunerated by the Group. No allocation has been made for directors remunerated through a related company, not part of the Group, as it is impractical to allocate their time for services to the Group.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £Nil (2023: £Nil), and Company pension contributions of £Nil (2023: £Nil) were made to a money purchase scheme on his/her behalf. They are a member of a defined benefit scheme, under which their accrued pension at the year-end was £Nil (2023: £Nil), and their accrued lump sum was £Nil (2023: £Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Net finance income/(expense)

	2024	2023
	£m	£m
Interest income	31	32
Fair value gains on financial derivatives	2	–
Foreign exchange gain	45	16
Finance income	78	48
Interest expense		
– Overdrafts, bank and other loans	(40)	(37)
– Lease liabilities	(14)	(15)
Foreign exchange loss	(6)	(7)
Finance expense	(60)	(59)
Net finance income/(expense)	18	(11)

10 Income tax expense

	2024	2023
	£m	£m
Current tax		
Corporation tax charge for the year	40	36
Adjustment in respect of prior years	3	(20)
Total current tax charge	43	16
Deferred tax (Note 24)		
Origination and reversal of timing differences	20	5
Benefits of tax (profits)/losses recognised	3	(2)
Change in treatment of building depreciation	12	–
Over provision in respect of prior years	(3)	8
Total deferred tax charge	32	11
Total income tax charge in the consolidated income statement	75	27
UK	22	(6)
Overseas	53	33
Total income tax charge in the consolidated income statement	75	27

The effective tax rate relating to the tax charge of £75m is 28% (2023: £27m, 10%). The effective tax rate has been affected primarily by the mix of Group's regional profits and tax adjustments in respect of previous years and change in New Zealand tax legislation which removed the ability to claim tax depreciation on commercial building, that come into effect in current year.

For the year ended 31 December 2024, a charge of £6m (2023: £6m) relating to joint ventures and associates is included in the profit before tax.

Adjustments in respect of settlement of prior years' tax liabilities

The Group's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profit and loss and/or cash flow variances.

The geographical complexity of the Group's structure makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and it is often dependent on the efficacy of the legal processes in the relevant tax jurisdictions in which the Group operates.

Income tax reconciliation

	2024	2023
	£m	£m
Profit before income tax in consolidated income statement	266	282
Less share of profits of joint ventures and associates	(27)	(28)
Profit on ordinary activities excluding share of joint ventures and associates	239	254
Income tax on ordinary activities at the standard rate of UK tax of 25% (2023: 23.5%)	60	60
Tax exempt income	(7)	(19)
Non-deductible expenses	6	5
Movement in unrecognised deferred tax assets	19	10
Other differences	18	(14)
Other effect of tax rates in foreign jurisdictions	(21)	(3)
Other adjustments to tax charge in respect of prior years	–	(12)
Income tax charge per consolidated income statement	75	27

The Group has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and will account for it as a current tax when it is incurred (see Note 2.2K).

For the year ended 31 December 2024, the Group does not expect material top-up tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11 Property, plant and equipment

	LAND AND BUILDINGS £m	CAPITAL WORK IN PROGRESS £m	PLANT AND MACHINERY £m	FIXTURES, FITTINGS, EQUIPMENT AND VEHICLES £m	RIGHT OF USE ASSETS £m	TOTAL £m
Cost						
Balance at 1 January 2023	2,545	45	190	262	476	3,518
Additions	84	23	25	9	7	148
Reclassification between asset categories	5	(7)	3	(1)	–	–
Disposals	–	–	–	–	(2)	(2)
Written off	(13)	(1)	(8)	(13)	(8)	(43)
Foreign exchange adjustments	(87)	(2)	(11)	(13)	(18)	(131)
Balance at 31 December 2023	2,534	58	199	244	455	3,490
Balance at 1 January 2024	2,534	58	199	244	455	3,490
Additions	8	40	3	33	5	89
Acquisition of subsidiaries	249	–	–	10	–	259
Reclassification between asset categories	11	(17)	(1)	7	–	–
Transfer to assets held for sale	(44)	–	(2)	(2)	–	(48)
Disposals	–	–	–	(1)	(1)	(2)
Written off	(2)	(2)	(6)	(12)	–	(22)
Foreign exchange adjustments	(29)	–	(5)	(5)	(6)	(45)
Balance at 31 December 2024	2,727	79	188	274	453	3,721
Accumulated depreciation and impairment losses						
Balance at 1 January 2023	568	–	76	222	28	894
Charge for the year	16	–	7	18	18	59
Reversal of impairment	(35)	–	–	–	–	(35)
Reclassification between asset categories	–	–	1	(1)	–	–
Disposals	–	–	–	–	(1)	(1)
Written off	(7)	–	(6)	(13)	(3)	(29)
Foreign exchange adjustments	(22)	–	(2)	(12)	(2)	(38)
Balance at 31 December 2023	520	–	76	214	40	850
Balance at 1 January 2024	520	–	76	214	40	850
Acquisition of subsidiaries	45	–	–	8	–	53
Charge for the year	18	–	7	17	17	59
Reversal of impairment	(8)	–	–	–	–	(8)
Transfer to assets held for sale	(38)	–	(2)	(2)	–	(42)
Disposals	–	–	–	(1)	(1)	(2)
Written off	(1)	(2)	(4)	(12)	–	(19)
Foreign exchange adjustments	(5)	–	(1)	(5)	–	(11)
Balance at 31 December 2024	531	(2)	76	219	56	880
Carrying amounts						
At 31 December 2024	2,196	81	112	55	397	2,841
At 31 December 2023	2,014	58	123	30	415	2,640

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**11 Property, plant and equipment (continued)****Impairment**

The Group undertook its annual review of the carrying amounts of Property, plant and equipment for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken by the Group. The cash generating units (CGU) are individual hotels.

The recoverable amounts of the individual hotels, being the higher of the fair value less costs to sell and its value-in-use, were predominantly determined using the fair value less costs to sell approach and were estimated using the discounted cash flow method (2023: discounted cash flow method). Under this methodology, the fair value measurement reflects current market expectations about an efficient third-party operator's future cash flows. The discounted cash flows method involves estimating each hotel's future cash flows and discounting the cash flows with an internal rate of return to arrive at the market value, taking into consideration the assumptions in respect of revenue growth (principally factoring in room rate and occupancy growth) and major expense items for each hotel. The future cash flows are based on assumptions about competitive growth rates for hotels in that area, as well as the internal business plan for the hotel in the relevant market. These plans and forecasts include management's most recent view of trading prospects for the hotel in the relevant market.

Where appropriate, the Group sought guidance on the fair values of the hotels from independent external valuers with appropriate professional qualifications and recent experience in the location and category of the properties being valued. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation method and estimates are reflective of current market conditions. Certain valuation reports obtained from the external valuers have highlighted that a combination of rising interest rates, geopolitical tensions and tightened lending conditions, has heightened the potential for greater volatility in property markets over the short to medium term.

The fair value measurement was categorised as a Level 3 fair value based on the inputs to the valuation technique used.

In 2024, based on external valuations, the Group recorded an impairment charge of £31m (2023: £Nil) and an impairment reversal of £39m (2023: £35m), resulting in a net impairment reversal of £8m (2023: £35m) on individual hotels across all operating regions. This consists of a net impairment reversal of £16m in New York, £1m in the regional US, £2m in London. This was offset by net impairment charge of (£2m) in the rest of the UK/EU and (£9m) in the rest of Asia.

For 2023, the Group recorded a net impairment reversal of £35m consisting of £18m in New York, £10m in regional US, £5m in rest of UK/EU and £2m in the rest of Asia.

Circumstances and events that led to reversal of impairment are largely due to the performance of the hotels as a result of current macro economic conditions. The fair values assumed through the impairment assessment are considered to fall within level 3 of the fair value hierarchy. Refer to Note 21(d) for more detail.

Key assumptions used by the external appraisers

The key assumptions used were as follows:

The discount rate used is based on the country in which the hotel is located and is adjusted for risks associated with the hotel. Discount rates ranged from 9.0% in the US (2023: 8.5% to 11.5%), 9.0% to 12.5% in rest of UK/EU (2023: 9.3%), 7.8% to 10.6% in rest of Asia (2023: 11.2%).

Terminal capitalisation rates ranged from 6.8% in the US (2023: 6.5% to 9.5%), 6.5% to 10.0% in rest of UK/EU (2023: 4.5%), 5.5% to 10.0% in rest of Asia (2023: 10.0%).

Occupancy rates ranged from 73.0% to 95.0% in the US (2023: 68.0% to 95.0%), 68.0% to 80.0% in rest of UK/EU (2023: 75.0%), 52.7% to 83.0% in rest of Asia (2023: 49.0% to 57.0%).

Average room rate ranged from £183 to £347 in the US (2023: £128 to £296), £59 to £315 in rest of UK/EU (2023: £334), £42 to £81 in rest of Asia (2023: £44 to £46).

The cash flow forecasts under the discounted cash flow method cover four to ten years (2023: ten years) period, and cash flows beyond this period are extrapolated using a growth rate ranging between 2.0% to 3.0% (2023: 0.0% to 3.0%), which is based upon the expected trading growth for each hotel and inflation in the country in which the hotel is located.

Sensitivities

The Group's impairment review is sensitive to changes in the key assumptions used. An increase in occupancy rate and/or average room rate growth in isolation would result in a higher recoverable amount. An increase in discount rate, terminal rate or capitalisation rate in isolation would result in a lower recoverable amount.

Pledged assets

At year-end, the net book value of assets pledged as collateral for secured loans was £278m (2023: £256m). The security for the loans is by way of charges on the properties of the Group companies concerned.

Acquisition of new hotel

In 2024, the Group acquired a 5-star Hilton Paris Opera Hotel in May 2024. The acquisition was accounted for as an acquisition of assets. Refer to Note 34 for more information.

In 2023, The Group acquired a 5-star Sofitel Brisbane Central Hotel in December 2023. The acquisition was accounted for as an acquisition of assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12 Investment properties

In 2023, the Group acquired Nine Tree by Parnas Seoul Myeongdong II, Seoul in July 2023 and Bespoke Hotel Shinsaibashi, Osaka in August 2023. The acquisitions were accounted for as an acquisition of assets.

Movements in the year analysed as:

	COMPLETED INVESTMENT PROPERTIES	RIGHT OF USE ASSETS	TOTAL
	£m	£m	£m
Balance at 1 January 2023	550	1	551
Additions	144	–	144
Net revaluation gain	47	–	47
Foreign exchange adjustments	(39)	–	(39)
Balance at 31 December 2023	702	1	703
Balance at 1 January 2024	702	1	703
Additions	2	–	2
Net revaluation gain	62	–	62
Foreign exchange adjustments	(36)	–	(36)
Balance at 31 December 2024	730	1	731

In general, the carrying amount of investment property is the fair value of the property as determined by a registered independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Where appropriate, the Group sought guidance on the fair values of the investment properties from independent external valuers with appropriate professional qualifications and recent experience in the location and category of the properties being valued. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation method and estimates are reflective of current market conditions.

As at 31 December 2024, investment property of the Group with a total carrying value of £97m (2023: £101m) was mortgaged to a lessee as collateral for security deposit held of £2m (2023: £2m) which will be discharged on termination of lease.

The Group's investment properties were subject to external professional valuation on an open market existing use basis by the following accredited independent valuers:

PROPERTIES	VALUERS 2024	REVALUATION	
		LOSS £m	GAIN £m
Biltmore Court & Tower, Los Angeles	Colliers International Valuation & Advisory Services	(1)	–
Lakeside Apartments, Sunnyvale, California	Colliers International Valuation & Advisory Services	–	6
Millennium Mitsui Garden Hotel, Tokyo	JLL Morii Valuation & Advisory K.K.	–	40
Bespoke Hotel Shinsaibashi, Osaka	HVS	–	4
Nine Tree by Parnas Seoul Myeongdong II (formerly known as Nine Tree Premier Hotel Myeongdong II)	HVS	–	7
Rolleston, New Zealand	Extensor Advisory Limited	–	–
Prestons road, New Zealand	Extensor Advisory Limited	–	–
Roscommon Road, New Zealand	Extensor Advisory Limited	–	1
M Hotel reversionary interest, Singapore	Knight Frank Pte Ltd	–	1
Orchard Hotel reversionary interest, Singapore	Knight Frank Pte Ltd	–	3
Claymore Connect reversionary interest, Singapore	Knight Frank Pte Ltd	–	1
		(1)	63

PROPERTIES	VALUERS 2023	REVALUATION	
		LOSS £m	GAIN £m
Biltmore Court & Tower, Los Angeles	Colliers International Valuation & Advisory Services	(28)	–
Lakeside Apartments, Sunnyvale, California	Colliers International Valuation & Advisory Services	(23)	–
Millennium Mitsui Garden Hotel, Tokyo	JLL Morii Valuation & Advisory K.K.	–	36
Bespoke Hotel Shinsaibashi, Osaka	HVS	–	5
Nine Tree Premier Hotel Myeongdong II	HVS	–	10
Rolleston, New Zealand	Extensor Advisory Limited	–	–
Prestons road, New Zealand	Extensor Advisory Limited	(1)	–
Roscommon road, New Zealand	Extensor Advisory Limited	–	1
M Hotel reversionary interest, Singapore	Knight Frank Pte Ltd	–	14
Orchard Hotel reversionary interest, Singapore	Knight Frank Pte Ltd	–	28
Claymore Connect reversionary interest, Singapore	Knight Frank Pte Ltd	–	5
		(52)	99

Based on these valuations together with such considerations as the Directors consider appropriate, there was a recorded revaluation gain of £63m and a revaluation loss of £1m, resulting in a net revaluation gain of £62m during 2024 (2023: net revaluation gain of £47m).

Fair value hierarchy

The fair value measurement for investment properties of £731m (2023: £703m) has been categorised as a Level 3 fair value based on inputs to the valuation technique used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12 Investment properties (continued)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as significant unobservable inputs used.

VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	INTER-RELATIONSHIP BETWEEN KEY UNOBSERVABLES INPUTS AND FAIR VALUE MEASUREMENT
		The estimated fair value would increase/(decrease) if:
<p>Biltmore Court & Tower, Los Angeles The property was valued using the income approach which is based on the potential income a property can produce. The methods used by the valuers was the discounted cash flow method which analyses a property's performance over an investment horizon. Net cash flows from property operations are discounted at a rate reflective of the property's economic and physical risk profile.</p>	<p>Biltmore Court & Tower, Los Angeles Discount rate of 11.50% (2023: 12.00%) and terminal capitalisation rate of 8.00% (2023: 8.00%).</p>	Expected market rental growth were higher/(lower) and
<p>Lakeside Apartments, Sunnyvale, California The property was valued using the income approach which is based on the potential income a property can produce. The methods used by the valuers was the income capitalisation method This estimates the value of a property by analysing the relationship between its stabilised net operating income and total property value. The net operating income is capitalised at a rate that considers expected growth in cash flow and property value over the investor's investment horizon.</p>	<p>Lakeside Apartments, Sunnyvale, California Capitalisation rate of 4.50% (2023: 4.75%).</p>	Risk adjusted discount rate was lower/ (higher), capitalisation rate was higher/ (lower) and terminal yield was lower/ (higher).
<p>Millennium Mitsui Garden Hotel, Tokyo The property was valued using a discounted cash flow technique based on expected rental income and discount rate appropriate for the property.</p>	<p>Millennium Mitsui Garden Hotel, Tokyo Discount rate of 3.80% (2023: 3.70%) and capitalisation rate of 4.00% (2023: 3.90%).</p>	See page 40 for sensitivity analysis
<p>Bespoke Hotel Shinsaibashi, Osaka The property was valued using a discounted cash flow technique based on expected rental income and discount rate appropriate for the property.</p>	<p>Bespoke Hotel Shinsaibashi, Osaka Discount rate of 5.75% (2023: 5.75%) and terminal capitalisation rate of 4.25% (2023: 4.50%).</p>	
<p>Nine Tree by Parnas Seoul Myeongdong II The property was valued using a discounted cash flow technique based on expected rental income and discount rate appropriate for the property.</p>	<p>Nine Tree by Parnas Seoul Myeongdong II Discount rate of 6.50% (2023: 6.50%) and terminal capitalisation rate of 4.75% (2023: 4.75%).</p>	
<p>Rolleston, New Zealand The property was valued using income capitalisation method whereby the estimated gross passing income has been adjusted against anticipated operating costs to produce a net income. The net income is subsequently capitalised at an appropriate capitalisation rate.</p>	<p>Rolleston, New Zealand Capitalisation rate of 6.25% - 6.75% (2023: 6.75% - 7.00%).</p>	
<p>Prestons road, New Zealand The property was valued using income capitalisation method whereby the estimated gross passing income has been adjusted against anticipated operating costs to produce a net income. The net income is subsequently capitalised at an appropriate capitalisation rate.</p>	<p>Prestons road, New Zealand Capitalisation rate of 7.00% - 7.25% (2023: 7.00%).</p>	
<p>Roscommon road, New Zealand The property was valued using income capitalisation method whereby the estimated gross passing income has been adjusted against anticipated operating costs to produce a net income. The net income is subsequently capitalised at an appropriate capitalisation rate.</p>	<p>Roscommon road ,New Zealand Capitalisation rate of 5.00% - 5.50% (2023: 5.25% - 5.50%)</p>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12 Investment properties (continued)

Valuation technique and significant unobservable inputs (continued)

VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	INTER-RELATIONSHIP BETWEEN KEY UNOBSERVABLES INPUTS AND FAIR VALUE MEASUREMENT
<p>M Hotel reversionary interest, Singapore The property was valued using a weighted average of both discounted cash flows and income capitalisation methods.</p> <p>The discounted cash flow method considers the present value of net cash flows to be generated from the property based on expected rental income. The expected net cash flows are discounted using risk-adjusted discount rates.</p> <p>The property was valued using income capitalisation method whereby the estimated gross passing income has been adjusted against anticipated operating costs to produce a net income. The net income is subsequently capitalised at an appropriate capitalisation rate.</p>	<p>M Hotel reversionary interest, Singapore Discount rate of 6.25% (2023: 6.25%), terminal capitalisation rate of 3.50% (2023: 3.50%) and capitalisation rate 3.50% (2023: 3.50%)</p>	
<p>Orchard Hotel reversionary interest, Singapore The property was valued using a weighted average of both discounted cash flows and income capitalisation methods.</p> <p>The discounted cash flow method considers the present value of net cash flows to be generated from the property based on expected rental income. The expected net cash flows are discounted using risk-adjusted discount rates.</p> <p>The property was valued using income capitalisation method whereby the estimated gross passing income has been adjusted against anticipated operating costs to produce a net income. The net income is subsequently capitalised at an appropriate capitalisation rate.</p>	<p>Orchard Hotel reversionary interest, Singapore Discount rate of 6.25% (2023: 6.25%), terminal capitalisation rate of 3.25% (2023: 3.25%) and capitalisation rate 3.25% (2023: 3.25%)</p>	
<p>Claymore Connect reversionary interest, Singapore The property was valued using a weighted average of both discounted cash flows and income capitalisation methods.</p> <p>The discounted cash flow method considers the present value of net cash flows to be generated from the property based on expected rental income. The expected net cash flows are discounted using risk-adjusted discount rates.</p> <p>The property was valued using income capitalisation method whereby the estimated gross passing income has been adjusted against anticipated operating costs to produce a net income. The net income is subsequently capitalised at an appropriate capitalisation rate.</p>	<p>Claymore Connect reversionary interest, Singapore Discount rate of 6.25% (2023: 6.25%), terminal capitalisation rate of 4.00% (2023: 4.00%) and capitalisation rate 4.00% (2023: 4.00%).</p>	

Sensitivity to changes in assumptions

The level of revaluation gain/(loss) is predominantly dependent upon estimates used in arriving at terminal capitalisation rates and the discount rates applied to cash flow projections. The potential impact on the net revaluation gain of applying a reasonably possible change in key assumptions such as discount rates and terminal capitalisation rates used in the cash flow projections is as follows:

	Total £m
<i>Incremental increase/(decrease) to the net revaluation gain</i>	
Increase to revaluation gain if discount rate decreased by 1%	17 to 19
Decrease to revaluation gain if discount rate increased by 1%	(16) to (18)
Increase to revaluation gain if terminal capitalisation rate decreased by 1%	44 to 46
Decrease to revaluation gain if terminal capitalisation rate increased by 1%	(27) to (29)

The above sensitivity analyses are based on a reasonably possible change in an assumption (in line with disclosure requirements) whilst holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13 Investment in joint ventures and associates

The Group has the following investments in joint ventures and associates:

	PRINCIPAL PLACE OF BUSINESS	FAIR VALUE OF OWNERSHIP INTEREST	EFFECTIVE GROUP INTEREST	
			£m	2024
Joint ventures				
New Unity Holdings Limited ("New Unity")	Hong Kong	–	50%	50%
Ferguson Hotel Management Limited	Hong Kong	–	50%	50%
New York Sign LLC	New York	–	50%	50%
Associate				
First Sponsor Group Limited ("FSGL")	Singapore	256	35%	36%
Prestons Road Limited	New Zealand	–	18%	17%
CDL Hospitality Trust ("CDLHT")	Singapore	181	28%	28%
CDL Hotels Japan Pte. Ltd.	Singapore	–	40%	40%

The Group has 50% in New Unity which operates the Group's hotel business in Hong Kong. FSGL is a property company which is listed on the Singapore Exchange and has interests in China, the Netherlands, Germany, Italy and Australia. It is also involved in the Chinese property financing business which carries additional risk of recoverability of certain assets. For entity details of CDLHT, see Note 32.

	JOINT VENTURES	ASSOCIATES	TOTAL
	£m	£m	£m
Share of net assets/cost			
Balance at 1 January 2023	105	692	797
Additions	–	61	61
Share of profit for the year	4	24	28
Disposals	–	(1)	(1)
Dividends received	–	(18)	(18)
Foreign exchange adjustments	(5)	(33)	(38)
Balance at 31 December 2023	104	725	829
Balance at 1 January 2024	104	725	829
Additions	–	6	6
Share of profit for the year	3	24	27
Disposals	–	(2)	(2)
Dividends received	–	(20)	(20)
Foreign exchange adjustments	2	(16)	(14)
Balance at 31 December 2024	109	717	826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**13 Investment in joint ventures and associates (continued)**

The following is summarised financial information for CDLHT, FSGL and New Unity based on their respective financial statements prepared in accordance with IFRS. These are considered to be the individually material joint ventures and associates.

	CDLHT		ASSOCIATES		JOINT VENTURES	
			FSGL		NEW UNITY	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Non-current assets	1,930	1,868	1,543	1,508	375	372
Current assets	67	65	1,341	1,254	73	64
Non-current liabilities	(635)	(592)	(886)	(702)	(123)	(124)
Current liabilities	(316)	(253)	(748)	(818)	(32)	(35)
Total assets less total liabilities	1,046	1,088	1,250	1,242	293	277
Less: Non-controlling interest	(5)	(5)	(62)	(69)	(76)	(70)
Net assets (100%)	1,041	1,083	1,188	1,173	217	207
Group's share	297	302	420	423	109	104
Revenue	152	154	186	170	128	131
Operating profit/(loss)	61	129	58	(4)	12	13
Interest (expense)/income	(41)	(40)	8	21	(2)	(3)
Income tax (expense)/credit	(4)	(12)	(14)	(9)	–	2
Profit for the year	16	77	52	8	10	12
Non-controlling interests	–	–	2	–	(4)	(4)
Profit for the year after non-controlling interests	16	77	54	8	6	8
Other comprehensive income/(expense)	–	20	(11)	(32)	–	–
Profit/(loss) and total comprehensive income/(expense) (100%)	16	97	43	(24)	6	8
Group's share of profit/(loss) and total comprehensive income/(expense)	4	27	15	(9)	3	4
Dividends received by the Group	10	11	10	7	–	–

At 31 December 2024, the Group's share of the total capital commitments of joint ventures and associates amounted to £33m (2023: £50m) and the Group's share of the non-cancellable operating leases receivable was £95m (2023: £101m).

14 Other financial assets

	2024	2023
	£m	£m
Equity investments	52	9
Deposits receivable	21	7
Amounts due from intermediate holding company	379	384
Pension Asset	3	–
	455	400

The amounts due from the intermediate holding company are non-trade in nature, unsecured and bear interest at 4.6% (2023: 2.8%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15 Prepayments

	2024	2023
	£m	£m
Prepayments	18	16

Under the terms of the master lease agreements entered into by the Group, the Group is required to set aside an amount equivalent to a certain percentage of the Company's annual hotels' revenue for capital expenditure purposes. The provision is utilised as and when capital expenditure is incurred. Where the total capital expenditure incurred exceeds the unutilised balance in the provision account, the amount may be set off against future provisions to be made.

16 Development properties

	2024	2023
	£m	£m
Development properties comprise:		
Development land for resale		
– New Zealand residential sections	114	112
Development properties		
– Zenith Residences	6	9
	120	121

17 Derivative financial asset/(liabilities)

	2024	2023
	£m	£m
Derivative financial asset		
Cross currency swap	1	–
Current	1	–
Non-current	–	–
	1	–
Derivative financial liabilities		
Interest rate swaps	(1)	–
Current	–	–
Non-current	(1)	–
	(1)	–

As at the reporting date, the Group have cross-currency swaps and interest rate swaps with a total notional amount of £71m (2023: £Nil) and £58m (2023: £Nil) respectively.

18 Trade and other receivables

	2024	2023
	£m	£m
Trade receivables	46	56
Other receivables	27	38
Prepayments and accrued income	28	41
Amounts due from intermediate holding and associate companies	12	8
	113	143

Trade receivables are shown net of an impairment allowance of £9m (2023: £6m) relating to the likely insolvencies of certain customers and non-recoverability of debts.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**19 Cash and cash equivalents**

	2024	2023
	£m	£m
Cash at bank and in hand	361	406
Short-term deposits	160	271
Cash and cash equivalents on the statement of financial position	521	677
Overdrafts included in borrowings	(163)	(194)
Cash and cash equivalents shown in the cash flow statement	358	483

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets are disclosed in Note 21. As at 31 December 2024, £3m (2023: £8m) of the cash balance was restricted.

20 Interest-bearing loans, bonds and borrowings

	2024	2023
	£m	£m
Included within non-current liabilities:		
Bank loans	396	160
Bonds payable	15	72
	411	232
Included within current liabilities:		
Bank loans and overdrafts	326	500
Bonds payable	51	–
	377	500

Net debt of £267m (2023: £55m) is the total of the cash and cash equivalents of £521m (2023: £677m) less the interest-bearing loans, bonds and borrowings of £788m (2023: £732m). Further details in respect of financial liabilities are given in Note 21.

Certain subsidiaries of the Group are subject to fulfilment of covenants relating to certain subsidiaries' balance sheet ratios on an on-going basis in connection with their banking facilities undertaken. The Group regularly monitors its compliance with these covenants. The Group has complied with the covenants throughout the period and expects to comply with the covenants for at least 12 months after the reporting date. Accordingly, the loans are classified as non-current liabilities as at 31 December 2024. Any failure to comply with the covenants may result in the loans becoming payable on demand.

21 Financial instruments**Overview**

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies, and processes for measuring and managing risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Exposure to credit risk is monitored on an ongoing basis, with credit checks performed on all clients requiring credit over certain amounts. Credit is not extended beyond authorised limits, established where appropriate through consultation with a professional credit vetting organisation. Credit granted is subject to regular review, to ensure it remains consistent with the client's current creditworthiness and appropriate to the anticipated volume of business.

Investments are allowed only in liquid short-term instruments within approved limits, with investment counterparties approved by the Board, such that the exposure to a single counterparty is minimised.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet, these being spread across the various currencies and jurisdictions in which the Group operates.

Except as disclosed, there is no significant concentration of credit risk for the Group. The carrying amounts of financial assets and contract assets represent the Group's maximum exposures to credit risk, before taking into account any collateral held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 Financial instruments (continued)

(a) Credit risk (continued)

The maximum exposure to credit risk at the reporting date was:

	CARRYING VALUE	
	2024 £m	2023 £m
Amounts due from holding and associate companies (see Note 14 and Note 18)	391	392
Short-term deposits (see Note 19)	160	271
Cash at bank and in hand (see Note 19)	361	406
Other receivables (see Note 18)	27	38
Trade receivables (see Note 18)	46	56
Equity investments (see Note 14)	52	9
Pension Asset (see Note 14)	3	–
Deposits receivable (see Note 14)	21	7
	1,061	1,179

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	CARRYING VALUE	
	2024 £m	2023 £m
New York	9	14
Singapore	9	12
Rest of Asia	9	11
Regional US	8	10
Rest of UK/EU	6	4
Australasia	5	5
	46	56

Expected credit loss assessment on trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

The ageing of trade receivables at the reporting date was:

	GROSS RECEIVABLE		IMPAIRMENT ALLOWANCE		CARRYING VALUE	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Not past due	22	27	–	–	22	27
Past due 0 – 30 days	14	17	–	(2)	14	15
Past due 31 – 60 days	3	5	–	(1)	3	4
Past due 61 – 90 days	1	2	–	(1)	1	1
More than 90 days	15	11	(9)	(2)	6	9
	55	62	(9)	(6)	46	56

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2024 £m	2023 £m
Balance at 1 January	6	6
Impairment losses recognised	6	1
Bad debts written off	(3)	(1)
Balance at 31 December	9	6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 Financial instruments (continued)

(a) Credit risk (continued)

31 December 2024	CONTRACTUAL MATURITIES OF FINANCIAL ASSETS			
	TOTAL £m	WITHIN 1 YEAR £m	1 - 5 YEARS £m	MORE THAN 5 YEARS £m
Financial Assets				
Fixed Rate				
US dollar	5	5	-	-
Sterling	10	7	-	3
Korean won	29	29	-	-
Singapore dollar	477	40	385	52
Australian dollar	10	10	-	-
New Zealand dollar	1	1	-	-
Malaysian Ringgit	5	5	-	-
Euro	3	2	-	1
Chinese Renminbi	2	2	-	-
Philippine Peso	2	2	-	-
Taiwan Dollar	52	51	1	-
Indonesian Rupiah	6	6	-	-
Floating Rate				
US dollar	70	70	-	-
New Zealand dollar	15	15	-	-
Philippine Peso	1	1	-	-
Singapore dollar	1	1	-	-
Non-Interest Bearing				
US dollar	4	4	-	-
Sterling	3	3	-	-
Korean won	16	3	13	-
Singapore dollar	26	26	-	-
Chinese Renminbi	2	2	-	-
Australian dollar	2	2	-	-
New Zealand Dollar	1	1	-	-
Malaysian Ringgit	3	3	-	-
Euro	27	27	-	-
Japanese Yen	27	27	-	-
Indonesian Rupiah	3	3	-	-
Taiwan Dollar	1	1	-	-
Interest Bearing Cash Pool deposits				
Singapore dollar	122	122	-	-
Non-Interest Bearing Cash Pool deposits				
Sterling	50	50	-	-
Total cash and other financial assets	976	521	399	56
Represented by:				
Cash and cash equivalents (Note 19)	521			
Other financial assets (Note 14)	455			
	976			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 Financial instruments (continued)

(a) Credit risk (continued)

CONTRACTUAL MATURITIES OF FINANCIAL ASSETS

31 DECEMBER 2023	TOTAL	WITHIN 1 YEAR	1 - 5 YEARS	MORE THAN 5 YEARS
	£m	£m	£m	£m
Financial Assets				
Fixed Rate				
US dollar	4	4	–	–
Sterling	50	50	–	–
Korean won	17	17	–	–
Singapore dollar	498	108	389	1
Australian dollar	1	1	–	–
New Zealand dollar	36	36	–	–
Malaysian Ringgit	7	7	–	–
Euro	1	1	–	–
Philippine Peso	5	5	–	–
Taiwan Dollar	42	41	1	–
Floating Rate				
US dollar	1	1	–	–
Australian dollar	14	14	–	–
New Zealand dollar	2	2	–	–
Non-Interest Bearing				
US dollar	116	116	–	–
Sterling	11	11	–	–
Korean won	1	1	–	–
Singapore dollar	37	28	9	–
Chinese Renminbi	3	3	–	–
New Zealand Dollar	1	1	–	–
Malaysian Ringgit	2	2	–	–
Euro	9	9	–	–
Japanese Yen	17	17	–	–
Philippine Peso	1	1	–	–
Indonesian Rupiah	3	3	–	–
Others	1	1	–	–
Interest Bearing Cash Pool deposits				
Japanese Yen	1	1	–	–
Singapore dollar	139	139	–	–
Non-Interest Bearing Cash Pool deposits				
Sterling	57	57	–	–
Total cash and other financial assets	1,077	677	399	1
Represented by:				
Cash and cash equivalents (Note 19)	677			
Other financial assets (Note 14)	400			
	1,077			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
21 Financial instruments (continued)
(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments using the interest rates prevailing as at the reporting date.

	CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES					
	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	WITHIN 1 YEAR	1 - 2 YEARS	2 - 5 YEARS	MORE THAN 5 YEARS
	£m	£m	£m	£m	£m	£m
31 DECEMBER 2024						
Floating rate financial liabilities						
Secured loans and overdrafts	15	16	–	–	16	–
Unsecured loans and overdrafts	706	757	352	80	325	–
Secured bonds	14	14	14	–	–	–
Fixed rate financial liabilities						
Secured loans	1	1	–	1	–	–
Secured bonds	52	53	37	–	16	–
Trade and other payables						
Trade payables	36	36	36	–	–	–
Other creditors ¹	143	143	143	–	–	–
Lease liabilities						
Lease liabilities	382	712	25	24	71	592
Non-current liabilities						
Other non-current liabilities	14	14	–	1	2	11
	1,363	1,746	607	106	430	603
31 DECEMBER 2023						
Floating rate financial liabilities						
Secured loans and overdrafts	10	11	1	–	10	–
Unsecured loans and overdrafts	645	677	507	132	38	–
Secured bonds	15	15	–	15	–	–
Fixed rate financial liabilities						
Secured loans	5	5	5	–	–	–
Secured bonds	57	58	–	41	17	–
Trade and other payables						
Trade payables	29	29	29	–	–	–
Other creditors ¹	158	158	158	–	–	–
Lease liabilities						
Lease liabilities	394	735	25	25	72	613
Non-current liabilities						
Other non-current liabilities	14	14	–	1	–	13
	1,327	1,702	725	214	137	626

¹ Exclude social security and other taxes, deferred income, and contract liabilities

Undrawn committed borrowing facilities

At 31 December 2024, the Group had £191m (2023: £133m) of undrawn and committed facilities available, comprising of committed revolving credit facilities which provide the Group with financial flexibility.

Maturity of these facilities are set out in the following table.

	2024	2023
	£m	£m
Expiring in one year or less	–	–
Expiring after more than one year but not more than two years	44	–
Expiring after more than two years but not more than five years	147	133
Expiring after more than five years	–	–
Total undrawn committed borrowing facilities	191	133
Total undrawn uncommitted borrowing facilities	256	146
Total undrawn borrowing facilities	447	279

The conditions precedent to the availability of these facilities are all satisfied at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 Financial instruments (continued)

(b) Liquidity risk (continued)

Security

Included within the Group's total bank loans and overdrafts of £722m (2023: £660m) are £16m (2023: £15m) of secured loans and overdrafts, and secured bonds of £66m (2023: £72m).

Loans, bonds and notes are secured on land and buildings with a carrying value of £278m (2023: £256m) and an assignment of insurance proceeds in respect of insurances over the mortgaged properties and secured by a guarantee from its intermediate holding company.

Of the Group's total facilities of £1,074m, £471m matures within 12 months comprising of £300m uncommitted facilities and overdrafts subject to annual renewal, £120m unsecured term loans and £51m secured bond.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The primary objectives of the treasury function are to provide secure and competitively priced funding for the activities of the Group and to identify and manage financial risks, including exposure to movements in interest and foreign exchange rates arising from those activities. If appropriate, the Group uses financial instruments and derivatives to manage these risks, as set out below.

(i) Foreign currency risk

The Group is exposed to foreign currency risk mainly on revenue, purchases, borrowings and cash deposits denominated in currencies other than the functional currencies of the respective Group entities. The currencies giving rise to this risk are primarily US dollars, Australian dollars, Singapore dollars, New Taiwan dollars, New Zealand dollars, Euro, Chinese renminbi, Hong Kong dollar, Korean won and Japanese yen.

The Group's principal policy, wherever possible, is to maintain a natural hedge whereby liabilities are matched with assets denominated in the same currency. Foreign currency investment exposure is also minimised by borrowing in the currency of the investment.

To mitigate foreign currency translation exposure, an appropriate proportion of net assets are designated as hedged against corresponding financial liabilities in the same currency.

Net investment hedging

The Group has US\$230m (2023: US\$247m) US dollar loans and €211m (2023: €45m) Euro loans designated as hedges of corresponding respective proportions of its net investment in foreign operations whose functional currencies are US dollars and Euros. The risk being hedged is the foreign currency exposure on the carrying amount of the net assets of the foreign operation upon consolidation. The fair value of the hedging instruments as at 31 December 2024 was £357m (2023: £233m).

Exchange differences arising on foreign currency loans during each accounting period are recognised as a component of equity, to the extent that the hedge is effective. The foreign exchange exposure arising on the Group's net investment in its subsidiaries is expected to be highly effective in offsetting the exposure arising on the Group's foreign currency borrowings. However, during the year an immaterial amount (2023: immaterial) was recognised in the consolidated income statement that arose from hedges of net investments in foreign operations that were considered to be ineffective.

An analysis of borrowings by currency and their fair values as at 31 December 2024 is given below:

	31 DECEMBER 2024		31 DECEMBER 2023	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
	£m	£m	£m	£m
Sterling	35	35	105	105
US dollar	479	479	486	486
New Zealand dollar	3	3	6	6
Japanese yen	81	81	81	81
Euro	177	177	39	39
Hong Kong dollar	13	13	15	15
	788	788	732	732

Foreign currency transaction exposure is primarily managed through funding of purchases from operating income streams arising in the same currency.

Hedging of transaction exposure is undertaken with approved counterparties and within designated limits, using spot or short-term forward contracts to buy or sell the currency concerned, once the timing and the underlying amount of exposure have been determined. Foreign exchange derivatives may also be used to hedge specific transaction exposure where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 Financial instruments (continued)

(c) Market risk (continued)

(i) Foreign currency risk (continued)

The following significant exchange rates applied during the year:

	AVERAGE RATE		CLOSING RATE	
	2024	2023	2024	2023
US dollar	1.278	1.242	1.253	1.270
Australian dollar	1.935	1.867	2.010	1.866
Singapore dollar	1.708	1.667	1.702	1.681
New Taiwan dollar	40.952	38.595	41.032	39.340
New Zealand dollar	2.110	2.021	2.220	2.012
Korean won	1740.775	1620.311	1838.445	1644.423
Chinese renminbi	9.196	8.794	9.148	9.075
Hong Kong dollar	9.969	9.716	9.728	9.921
Euro	1.181	1.148	1.205	1.152
Japanese yen	194.057	173.677	197.265	180.710

Sensitivity analysis

With respect to the Group's foreign currency exposure, and assuming that all other variables, in particular interest rates, remain constant, it is estimated that a 10% strengthening of sterling against the following currencies at 31 December 2024 (31 December 2023: 10%) would have increased/(decreased) equity and profit before tax by the amounts shown below:

	31 DECEMBER 2024		31 DECEMBER 2023	
	EQUITY	PROFIT BEFORE TAX	EQUITY	PROFIT BEFORE TAX
	£m	£m	£m	£m
US dollar	12	1	42	1
Australian dollar	(4)	(1)	(5)	–
Singapore dollar	(17)	(2)	(31)	(10)
New Taiwan dollar	–	(2)	–	(1)
New Zealand dollar	–	(2)	–	(1)
Euro	25	(3)	3	–
Chinese renminbi	(4)	(1)	(4)	(1)
Korean won	–	(6)	–	(4)
Japanese yen	(1)	(5)	–	(5)
	11	(21)	5	(21)

A 10% weakening of sterling against the above currencies at 31 December 2024 (31 December 2023: 10%) would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

The Group adopts a policy of ongoing review of its exposure to changes in interest rates on its borrowings, taking into account market expectations with regard to the perceived level of risk associated with each currency, the maturity profile and cash flows of the underlying debt, and the extent to which debt may potentially be either prepaid prior to its maturity or refinanced at reduced cost.

The Group's policy is to maintain a mixture of its financial liabilities on a fixed and floating-rate basis with a greater emphasis on floating rates presently as this flexibility is considered to be appropriate in the context of the Group's overall geographical diversity, investment and business cycle and the stability of the income streams, cash balances and loan covenants.

Interest rate derivatives are used to manage interest rate risk, to the extent that the perceived cost is considered to outweigh the benefit from the flexibility of variable rate borrowings, and the Group actively monitors the need and timing for such derivatives. Where used, interest rate derivatives are classified as cash flow hedges and stated at fair value within the Group's consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 Financial instruments (continued)

(d) Fair value

Set out below is a comparison of the fair and book values of all the Group's financial instruments by category. Fair values are determined by reference to market values, where available, or calculated by discounting cash flows at prevailing interest rates.

	2024 BOOK VALUE £m	2024 FAIR VALUE £m	2023 BOOK VALUE £m	2023 FAIR VALUE £m
Financial assets not measured at fair value				
Cash and cash equivalents				
Cash at bank and in hand	361	361	406	406
Short-term deposits	160	160	271	271
Loans and receivables				
Trade receivables	46	46	56	56
Amounts due from holding and associate companies	391	391	392	392
Other receivables	27	27	38	38
Pension Asset	3	3	–	–
Deposits receivable	21	21	7	7
Financial assets measured at fair value				
Derivative financial asset	1	1	–	–
Equity investments	52	52	9	9
	1,062	1,062	1,179	1,179
Financial liabilities not measured at fair value				
Interest-bearing loans, bonds and borrowings				
Interest-bearing loans, bonds and borrowings	(788)	(788)	(732)	(732)
Trade payables	(36)	(36)	(29)	(29)
Other creditors ¹	(143)	(143)	(158)	(158)
Other non-current liabilities	(14)	(14)	(14)	(14)
Financial liabilities measured at fair value				
Derivative financial liabilities	(1)	(1)	–	–
	(982)	(982)	(933)	(933)

¹ Excludes social security and other taxes, deferred income and contract liabilities

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Derivatives

Forward exchange contracts are either marked to market using listed market prices or by discounting the contractual forward price and deducting the current forward rate. For interest rate swaps and cross currency swaps, bank valuations are used.

Interest-bearing loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Trade and other receivables/payables

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

Interest rates used for determining fair value

Prevailing market interest rates are used to discount cash flows to determine the fair value of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**21 Financial instruments (continued)****(d) Fair value (continued)****Fair value hierarchy**

As at 31 December 2024, the Group held certain financial instruments measured at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2	Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3	Techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The table below provides a hierarchy analysis of financial instruments carried at fair value:

	2024				2023			
	LEVEL 1 £m	LEVEL 2 £m	LEVEL 3 £m	TOTAL £m	LEVEL 1 £m	LEVEL 2 £m	LEVEL 3 £m	TOTAL £m
Equity investment at FVOCI	52	-	-	52	-	-	-	-
Equity investment at FVTPL	-*	-	-	-*	9	-	-	9
Derivative financial asset	-	1	-	1	-	-	-	-
Assets	52	1	-	53	9	-	-	9

	2024				2023			
	LEVEL 1 £m	LEVEL 2 £m	LEVEL 3 £m	TOTAL £m	LEVEL 1 £m	LEVEL 2 £m	LEVEL 3 £m	TOTAL £m
Derivative financial liabilities	-	1	-	1	-	-	-	-
Liabilities	-	1	-	1	-	-	-	-

*less than £1m

During the year ended 31 December 2024 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measures.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's objective for managing its capital is to ensure that Group entities will be able to continue as a going concern while maximising the return to shareholders, as well as sustaining the future development of its business. In order to maintain or adjust the capital structure, the Group may alter the total amount of dividends paid to shareholders, return capital to shareholders, issue new shares, draw down additional debt or reduce debt.

The Group's capital structure consists of debt, which includes the loans and borrowings disclosed in Note 20, cash and cash equivalents disclosed in Note 19 and the equity attributable to the parent, comprising share capital, share premium, reserves and retained earnings, as disclosed in the consolidated statement of changes in equity. The Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

22 Employee benefits**Pension arrangements**

The Group operates various funded pension schemes which are established in accordance with local conditions and practices within the countries concerned. The most significant funds are described below.

United Kingdom

The pension arrangements in the United Kingdom operate under the 'Millennium & Copthorne Pension Plan', which was set up in 1993. The plan operates a funded defined benefit arrangement together with a defined contribution plan, both with different categories of membership. The defined benefit section of the plan was closed to new entrants in 2001 and at the same time rights to a Guaranteed Minimum Pension ("GMPs") under the defined contribution scheme also ceased. The plan entitles a retired employee to receive an annual pension payment. The Trust Deed gives the Group an unconditional right to a refund of surplus assets, assuming the full settlement of plan liabilities in the event of a plan wind-up. Pension assets are deemed to be recoverable and there are no adjustments in respect of minimum funding requirements as economic benefits are available to the Group either in the form of future refunds or, for plans still open to benefit accrual, in the form of possible reductions in future contributions. The contributions required are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 5 April 2023 and this has been updated on an approximate basis to 31 December 2024. The contributions of the Group during the year were about 28.90% (2023: 36.30%) of pensionable salary.

As the defined benefit section is closed to new entrants, the current service cost, as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll. The assumptions which have the most significant effect on the results of the valuation are those relating to the discount rate and the rates of increase in salaries and pensions.

The total pension obligation for the UK pension plan has decreased from the prior year to £43m (2023: £48m). This has been driven mainly by a fall in the value of the defined benefit underpinned for certain members compared to their defined contribution funds and benefits paid out of the scheme. The assets have declined over the year and positive returns partly offset by the benefit outgo to £46m (2023: £49m).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22 Employee benefits (continued)

Nature of the benefits provided by the plan include pension payable, death and lump sum payments to the members of the plan. The plan is not part of a specific regulatory body but operates within the jurisdiction of UK corporate and tax laws and accounting standards. This is the responsibility of the Board of Trustees of the Plan who are responsible for the adherence with all applicable legal and financial reporting parameters as well as the correct function of the plan. Due to the maturity of the plan their risks faced are mainly centred around macroeconomic factors such as inflation and factors that affect the underlying value to the plan's assets.

Due to the ongoing challenges of elevated inflation in the global economy, inflation has been recognised as a critical actuarial assumption in financial calculations for the plan. The sharp rise in inflation rates, coupled with heightened volatility, has made it a particularly significant factor. As of 31 December 2024, UK inflation remained above the Bank of England's target, reflecting persistent cost pressures despite monetary policy interventions. However, it is assumed that inflationary impacts will moderate over time, with inflation expected to gradually return towards the Bank of England's long-term target of approximately 2% per annum.

The plan's assets comprise a diversified mix of equities, bonds, and liability-driven investments (LDI), providing a natural hedge against interest rate and bond market volatility. The plan does not engage in more complex hedging strategies for specific instruments. Given the maturity of the UK scheme and the absence of new admissions, the investment approach remains relatively straightforward. The primary objective is to maintain sufficient liquidity to meet remaining obligations by aligning assets with liabilities, ensuring the plan can meet future cash flows and commitments. The board of trustees, in consultation with the Group, oversees and reviews the investment strategy. Key risks to the strategy include interest rate fluctuations affecting LDI assets and liquidity risks arising from changes in asset and liability values. However, due to the stability of the investment approach, the current surplus remains largely insulated from these risks. The Group continuously monitors the plan's surplus and considers any associated risks to be mitigated by its strong balance sheet position.

The above plan in UK was substantially funded by the Group's subsidiaries with £5m of cash being ring fenced specifically for funding of the scheme. However, the actuarial triennial valuation report resulted in a surplus of £2.4m, comprising technical provision of £48m and scheme asset of £50m. As a result of this, the scheme actuary has confirmed that no recovery plan is required and £5m funds has been released on 17th July'24. The funding requirements are based on the pension funds' actuarial measurement framework set out in the funding policies of the plans.

Taiwan

The Group operates a defined benefit pension plan for its employees in Taiwan. The contributions required are determined by an external qualified actuary using the projected unit credit method. The most recent valuation was carried out on 31 December 2024. The contributions of the Group were no less than 6% (2023: 6%) of the employees' earnings. The assumptions which have the most significant effect on the results of the valuations are those relating to the discount rate and rate of increase in salaries.

The defined benefit plans are administered by pension funds that are legally separated from the Group. The boards of the pension funds are required by law to act in the best interests of the plan participants.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market investment risk.

The assets of each scheme have been taken at market value and the liabilities have been calculated using the following principal assumptions:

	2024 UK	2024 TAIWAN	2023 UK	2023 TAIWAN
Inflation rate	3.30%	–	3.20%	–
Discount rate	5.40%	1.75%	4.70%	1.38%
Rate of salary increase	3.80%	3.00%	3.70%	3.00%
Rate of pension increases	3.00%	–	3.00%	–
Rate of revaluation	2.80%	–	2.80%	–

The methodology for computing the discount rate is the yield range method.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not necessarily be borne out in practice. The present values of the schemes' liabilities are derived from cash flow projections over long periods and are inherently uncertain.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions consistent, would have altered the defined benefit obligation by the amounts shown below:

	DEFINED BENEFIT OBLIGATIONS			
	2024 INCREASE	2024 DECREASE	2023 INCREASE	2023 DECREASE
	£m	£m	£m	£m
Discount rate (25 bps movement)	(1)	1	(1)	1
Rate of salary increase (25 bps movement)	–	–	–	–
Price inflation rate (25 bps movement)	–	–	1	(1)
Post retirement mortality assumption (± 1 year age rating movement)	(2)	2	(2)	2

Although the analysis does not take account of the full distribution of cash flows expected under the plans, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
22 Employee benefits (continued)

Amounts recognised on the balance sheet are as follows:

	2024 UK £m	2024 TAIWAN £m	2024 OTHER £m	2024 TOTAL £m	2023 UK £m	2023 TAIWAN £m	2023 OTHER £m	2023 TOTAL £m
Present value of funded obligations	43	4	1	48	48	4	1	53
Fair value of plan assets	(46)	(4)	–	(50)	(49)	(3)	(1)	(53)
Plan deficit/(Surplus)	(3)	–	1	(2)	(1)	1	–	–

Changes in the present value of defined benefit obligations are as follows:

	2024 UK £m	2024 TAIWAN £m	2024 OTHER £m	2024 TOTAL £m	2023 UK £m	2023 TAIWAN £m	2023 OTHER £m	2023 TOTAL £m
Balance at 1 January	48	4	1	53	50	5	1	56
Current service cost	–	–	–	–	–	–	–	–
Past service cost	–	–	–	–	–	–	–	–
Interest cost	2	–	–	2	3	–	–	3
Benefits paid, death in service insurance premiums and expenses	(2)	–	–	(2)	(2)	(1)	–	(3)
Remeasurement losses/ (gains) arising from:								
– Financial assumptions	(3)	–	–	(3)	1	–	–	1
– Experience adjustment	(2)	–	–	(2)	(3)	–	–	(3)
– Demographic assumptions	–	–	–	–	(1)	–	–	(1)
Balance at 31 December	43	4	1	48	48	4	1	53

Changes in the fair value of plan assets are as follows:

	2024 UK £m	2024 TAIWAN £m	2024 OTHER £m	2024 TOTAL £m	2023 UK £m	2023 TAIWAN £m	2023 OTHER £m	2023 TOTAL £m
Balance at 1 January	49	3	1	53	48	4	–	52
Interest income	2	–	–	2	3	–	–	3
Group contributions	–	–	–	–	–	–	–	–
Benefits paid	(2)	–	–	(2)	(2)	(1)	–	(3)
Remeasurement gains arising from:								
– Return/(loss) on plan assets excluding interest income	(3)	1	(1)	(3)	–	–	1	1
Balance at 31 December	46	4	–	50	49	3	1	53
Actual return/(loss) on plan assets	(1)	1	(1)	(1)	3	–	1	4

	2024 UK £m	2024 TAIWAN £m	2024 OTHER £m	2024 TOTAL £m	2023 UK £m	2023 TAIWAN £m	2023 OTHER £m	2023 TOTAL £m
Quoted equities	28	–	–	28	26	–	–	26
Bonds	7	–	–	7	7	–	–	7
Liability driven investment	9	–	–	9	13	–	–	13
Liquidity fund	2	–	–	2	3	–	–	3
Cash and cash equivalents	–	4	–	4	–	3	1	4
	46	4	–	50	49	3	1	53

The Group values plan assets in accordance with IAS 19 as follows:

- Quoted equities listed on recognised stock exchanges are valued at closing bid prices;
- Bonds are measured using pricing models making assumptions for credit risk, market risk and market yield curves;
- Properties are valued on the basis of the open market value; and
- Liability driven investments are measured based on the present value of the fixed liability

The expense recognised in the income statement is as follows:

	2024 UK £m	2024 TAIWAN £m	2024 OTHER £m	2024 TOTAL £m	2023 UK £m	2023 TAIWAN £m	2023 OTHER £m	2023 TOTAL £m
Current service cost	–	–	–	–	–	–	–	–
Interest cost	2	–	–	2	3	–	–	3
Interest income	(2)	–	–	(2)	(3)	–	–	(3)
	–	–	–	–	–	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22 Employee benefits (continued)

Total cost is recognised within the following items in the income statement:

	2024 £m	2023 £m
Administrative expenses	-	-

The gains or losses recognised in the consolidated statement of comprehensive income are as follows:

	2024 UK £m	2024 TAIWAN £m	2024 OTHER £m	2024 TOTAL £m	2023 UK £m	2023 TAIWAN £m	2023 OTHER £m	2023 TOTAL £m
Actual return less expected return on plan assets	(3)	1	(1)	(3)	-	-	1	1
Remeasurement (losses)/ gains arising from:								
- Financial assumptions	3	-	-	3	(1)	-	-	(1)
- Experience adjustment	2	-	-	2	3	-	-	3
- Demographic assumptions	-	-	-	-	1	-	-	1
Defined benefit plan remeasurement gains	2	1	(1)	2	3	-	1	4

Actuarial losses recognised directly in equity are as follows:

	2024 £m	2023 £m
Cumulative as at 1 January	7	10
Remeasurement gains recognised during the year	(2)	(3)
Cumulative as at 31 December	5	7

The life expectancies underlying the value of the accrued liabilities for the UK Plan, based on retirement age of 65, are as follows:

	2024 Years	2023 Years
Males	21	22
Females	23	24

The mortality assumption is derived from standard UK tables based on postcode analysis and occupation, location, salary of members base tables weightings has been adjusted to be consistent with the CMI_2023 mortality projection. The use of the latest CMI_2023 model is recommended with core-parameters, whereas a non-core smoothing parameter was previously used, the CMI considers that mortality rates in 2023 are more likely to provide useful and reliable data. CMI_2023 with a long-term rate of improvement of 1.25% p.a. with core parameters i.e. smoothing parameters (s-kappa) of 7.0, initial addition parameter of zero, no weight to 2020 and 2021 data as mortality rates were heavily affected by the COVID-19 pandemic and 15% weight to 2022 and 2023 data results in a level of smoothing of recent and historic data.

Mortality - base table assumptions as are follows:

	2024 %	2023 %
Males (S3PMA*)	100%	100%
Females (S3PFA_M**)	100%	100%

* - S3PMA – Series 3 mortality tables for males

** - S3PFA – Series 3 Mortality tables for females

The weighted-average duration of the defined benefit obligations as at 31 December 2024 was 11 years (2023: 12 years). The Group has paid £6k (2023: £8k) in contributions to the defined benefit plans in 2024. The £5.2 million cash contribution made in 2022 was ring-fenced by the Group and held in an escrow bank account to ensure liquidity for the pension plan. However, following the triennial schedule of contributions signed on 5 April 2023, the ring-fenced funds were released in 2024, as the pension plan was in surplus as of 31 December 2024. No further contributions are expected to be required in the next financial year. The weighted-average duration has decreased compared to the previous year due to market conditions, higher bond yields, and the ageing of plan members. This has influenced movements in key actuarial assumptions, including the discount rate, which increased to 5.40% (2023: 4.70%), and the inflation rate, which rose to 3.30% (2023: 3.20%).

The Group monitors the surplus of the fund and believes any risk associated with the surplus is mitigated by the Group's strong balance sheet position.

In June 2023, the High Court ruled on Virgin Media Limited v NTL Pension Trustees II Limited and others, addressing the validity of certain historical pension changes due to the absence of the legally required actuarial confirmation. In July 2024, the Court of Appeal dismissed Virgin Media Ltd's appeal against aspects of the June 2023 decision.

This ruling could have broader implications for other UK defined benefit pension schemes. The Company and pension trustees are currently assessing its impact on the scheme, with Pinsents conducting a 'RAG' review of the Plan deeds in response to the case. The industry also expects further involvement from the Department for Work and Pensions (DWP), which is reviewing the case, though additional information has been requested.

The defined benefit obligation continues to be calculated based on the pension benefits currently administered, and at this stage, the directors do not consider any adjustments necessary as a result of the Virgin Media ruling.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**22 Employee benefits (continued)****Share-based payments**

The Group used to operate a number of share option schemes; a majority being designed to link remuneration to the future performance of the Group. In accordance with the Group's accounting policy 2.2L(iv) on share-based payment transactions, the fair value of share options and long-term incentive awards is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the share options and long-term incentive awards. The charge to the income statement for the year was £Nil (2023: £Nil).

The Group has applied IFRS 2 to its active employee share-based payment arrangements from 1 January 2005 except for arrangements granted before 7 November 2002.

There were no options granted during 2024. As at 31 December 2024 there were no active share based payment plans in operation.

(i) Millennium & Copthorne Hotels Limited 2006 Long-Term Incentive Plan ("LTIP")

There were no options outstanding at the end of the current or previous year in line with the Final Offer executed by CDL in 2019.

(ii) MILLENNIUM & COPTHORNE HOTEL LIMITED 2006 and 2016 SHARES AVE SCHEMES

There were no options outstanding at the end of the current or previous year in line with the Final Offer executed by CDL in 2019.

(iii) ANNUAL BONUS PLAN ("ABP")

Under the ABP, deferred share awards were granted annually to selected employees of the Group. Shares in Millennium & Copthorne Hotels plc (now a cash settlement made by Millennium & Copthorne Hotels Limited subsequent to delisting) are transferred to participants as follows if they continue to be employed by the Group:

- 25% after years one and two; and
- 50% after three years.
- There were no deferred share awards granted during 2024 and as at 31 December 2024 there were no active ABP in operation.

The last activity occurred in the year ending 31 December 2022, when options for 10,040 ordinary shares under ABP were settled in cash. Option holders received a fixed cash payment of £6.85 per share, in accordance with the Final Offer executed by CDL on the exercise date. However, no new shares were awarded in 2022.

(iv) Executive Share Plan ("ESP")

The ESP was approved by the Company on 18 February 2016 to replace participation in the LTIP by senior executive management. These awards will vest over a three-year period (25% after years one and two, 50% after three years), subject to the rules of the ESP.

There were no awards granted during 2024 and as at 31 December 2024 there were no active ESP in operation.

The last activity occurred in year ended 31 December 2022, where the options of 2,080 ordinary shares under ESP were settled with cash. Holders of these options received a cash payment for a fixed price of £6.85 in line with the Final Offer executed by CDL on the date of exercise, however no such shares were awarded in 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23 Provisions

	LEGAL £m	BEIJING INDEMNITY £m	CAPITAL EXPENDITURE £m	TOTAL £m
Balance at 1 January 2024	12	10	1	23
Provisions made/(reversed)	3	(10)	4	(3)
Provisions utilised	–	–	(6)	(6)
Reclassification	–	–	2	2
Foreign exchange adjustments	(1)	–	–	(1)
Balance at 31 December 2024	14	–	1	15
Analysed as:				
Non-current provision	–	–	–	–
Current provision	14	–	1	15
Total provision	14	–	1	15

Provision for legal fees as at 31 December 2024 of £14m (2023: £12m) relates to disputes in several hotels.

In 2023, the Beijing indemnity of £10m relates to the tax indemnity to the former shareholders of Grand Millennium Hotel Beijing in which the Group acquired an additional 40% interest in 2010. During the year ended 31 December 2024, such provision was reversed and a gain of £10m was recognised in profit or loss as management considered it is no longer probable that the Group would be required to pay this amount to the former shareholders.

The provision for capital expenditure relates to the Group's obligations to incur capital expenditures under the terms of the certain hotel operating agreements.

24 Deferred taxation

Movements in deferred tax liabilities and assets (prior to offsetting balances) during the year are as follows:

	AT 1 JANUARY 2024 £m	CHANGE IN TAX RATE £m	ACQUISITION /DISPOSAL OF SUBSIDIARIES £m	CURRENT YEAR MOVEMENT £m	EXCHANGE ON TRANSLATION £m	AT 31 DECEMBER 2024 £m
Deferred tax liabilities						
Property assets ¹	289	–	–	23	(5)	307
Unremitted earnings	95	–	–	(12)	(1)	82
Others	9	–	–	15	(1)	23
	393	–	–	26	(7)	412
Deferred tax assets						
Tax losses	(115)	–	–	1	(1)	(115)
Lease liabilities	(73)	–	–	1	1	(71)
Others	(4)	–	–	4	–	–
	(192)	–	–	6	–	(186)
Net deferred tax liabilities	201	–	–	32	(7)	226

¹ Property assets comprise plant, property and equipment and investment properties.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting, are as follows:

	2024 £m	2023 £m
Deferred tax assets	–	–
Deferred tax liabilities	(226)	(201)
	(226)	(201)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**24 Deferred taxation (continued)**

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

	2024	2023
	£m	£m
Tax losses	44	20
Adjustments due to:		
– Deductible temporary differences in respect of prior year	8	5
	52	25

The deductible temporary differences do not expire under current tax legislation. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

The gross tax losses with expiry dates are as follows:

	2024	2023
	£m	£m
Expiry dates:		
– within 1 to 5 years	20	16
– after 5 years	1	4
– no expiry date	125	42
	146	62

At 31 December 2024, a deferred tax liability of £26m (2023: £18m) relating to undistributed reserves of overseas subsidiaries and joint ventures of £1,355m (2023: £1,352m) has not been recognised because the Group determined that the distributions will not be made and the liability will not be incurred in the foreseeable future.

25 Trade and other payables

	2024	2023
	£m	£m
Trade payables	36	29
Other creditors including taxation and social security:		
– Social security and other taxes	15	16
– Value added tax and similar sales taxes	13	12
– Other creditors	12	17
Accruals	110	122
Deferred income	2	4
Contract liabilities	20	18
Rental and other deposits	3	2
Amounts owing to holding and associates companies	5	5
	216	225

The Group's exposure to currency and liquidity risks related to trade and other payables are disclosed in Note 21.

The amounts owing to holding and associates companies are mainly trade in nature and payable within normal credit period.

Significant changes in the contract liabilities balances during the year are as follows:

	2024	2023
	£m	£m
Contract liabilities at the beginning of the year recognised as revenue during the year	(18)	(15)
Increase due to cash received, excluding amounts recognised as revenue during the year	20	18

26 Dividends

No dividend was paid during 2024 (2023: £Nil). Subsequent to 31 December 2024, the Directors have not declared any dividends that have been provided for previous periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**27 Share capital and share premium**

	2024	Ordinary shares 2023
On issue at 1 January	324,950,812	324,950,812
Issued for cash	–	–
On issue at 31 December - fully paid	324,950,812	324,950,812
	2024	2023
	£m	£m
Allotted, called up and fully paid		
Ordinary shares of 30p each	97	97

All of the share capital is equity share capital. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Share premium represents the amount received by the company over and above the nominal value of the shares issued.

28 Reserves**Translation reserve**

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in foreign operations (net of tax).

Treasury share reserve

The treasury shares comprise the cost of the Company's shares held by the Group. No shares were held by the employee benefit trust at 31 December 2024 and 31 December 2023.

Fair value reserve

The fair value reserve includes the cumulative change in the fair value of equity investments at FVOCI.

29 Financial commitments

	2024	2023
	£m	£m
Capital commitments at the end of the financial year which are contracted but not provided for	137	40

The Group's share of capital commitments and non-cancellable lease commitments of joint ventures and associates is shown in Note 13.

30 Contingencies and subsequent events

In the course of its operations the Group is routinely exposed to potential liabilities for claims made by employees and contractual or tortious claims made by third parties. No material losses are anticipated from such exposures. There were no contingent liabilities or guarantees other than those arising in the ordinary course of business and on these no material losses are anticipated. The Group has insurance cover up to certain limits for major risks on property and major claims in connection with legal liabilities arising in the course of its operations. Otherwise the Group generally carries its own risk. The Group believes that the accruals and provisions carried on the balance sheet are sufficient to cover these risks.

There have been no significant post balance sheet events affecting the company since the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 Related parties

Identity of related parties

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below. All transactions with related parties were entered into in the normal course of business and at arm's length. The Group has a related party relationship with its joint ventures, associates and with its directors and executive officers.

Transactions with ultimate holding company and other related companies

The Group has a related party relationship with certain subsidiaries of Hong Leong Investment Holdings Pte. Ltd ("Hong Leong") which is the ultimate holding and controlling company of Millennium & Copthorne Hotels Limited and holds 100% (2023: 100%) of the Company's shares via CDL, the intermediate holding company of the Group.

Transactions with related companies of shared directorship

A related party relationship exists between Millennium & Copthorne International Limited ("MCIL"), a subsidiary company, and Millennium & Copthorne Middle East Holdings Limited ("MCMEHL"), a related party. This relationship is defined by the shared directorship of the Company's director, Mr. Ali Alzaabi. During the current financial year, Mr. Ali Alzaabi resigned from the board on 14 October 2024. Fees were payable under a License and Services Agreement between MCIL and MCMEHL, which has been in place since 31 December 2016 and was renewed on 20 April 2021. For the year ended 31 December 2024, the Group had the following transactions with these subsidiaries and related companies.

	2024	2023
	£m	£m
Interest income received and receivable from:		
- Intermediate holding company	(16)	(12)
Management services fee received and receivable from:		
- fellow subsidiaries	(1)	(1)
- associates and joint venture	(11)	(9)
	(12)	(10)
Licence fees received and receivable from:		
-companies of shared directorship	5	–
Outstanding licence fees from:		
-companies of shared directorship	–*	7
Maintenance services fees paid and payable to:		
- fellow subsidiaries	3	3
Rental expenses paid and payable to:		
- associates	44	43
The key management personnel compensation is as follows:		
Short-term employee benefits	2	2
Directors	–**	–
Executives	2	2
	2	2

* £11m of outstanding license fee from MCMEHL as on 31 December 2024 entity is no longer considered a related party w.e.f 14 October 2024.

**less than £1m

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings

The full list of the Company's related undertakings as at 31 December 2024 are set out below:

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
Aircoa Equity Interests Inc.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding Company
Aircoa GP Corporation	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
Aircoa, LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding Company
All Seasons Hotels & Resorts Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Dormant
Anchorage-Lakefront Limited Partnership	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner
Archyield Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
ATOS Holding GmbH	100%	Direct subsidiary	Austria	Schulhof 6/1st fl , 1010 Vienna, Austria	Investment holding
Aurora Inn Operating Partnership L.P.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
Avon Wynfield Inn, Ltd.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
Avon Wynfield LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner
Beijing Fortune Hotel Co. Ltd.	70%	Indirect subsidiary	People's Republic of China	Building No. 5, 7 DongSanHuan Middle Road, Chaoyang District, Beijing, P.R.China 100020	Hotel owner and operator
Biltmore Place Operations Corp.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Liquor licence holder
Bostonian Hotel Limited Partnership	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner
Buffalo Operating Partnership L.P.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Previously hotel owner
Buffalo RHM Operating LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Previously Hotel owner
CDL (New York) LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner
CDL (NYL) Limited	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Investment holding
CDL Entertainment & Leisure Pte Ltd	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Provision of management services and investment holding
CDL Hospitality Trusts ¹	28%	Associated undertakings	Republic of Singapore	See note below ¹	See note below ¹
CDL Hotels Australia Holdings Pty. Ltd.	100%	Indirect subsidiary	Australia	C/o TMF Corporate Services (Aust) Pty Limited, Suite 1 Level 11, 66 Goulburn Street, Sydney NSW 2000	Investment holding
CDL Hotels Australia Holdings (SG) Pte. Ltd.	100%	Direct subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
CDL Hotels (Chelsea) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
CDL Hotels (Korea) Ltd.	100%	Indirect subsidiary	Republic of Korea	21F, Seoul Finance Centre, 136 Sejongdae-ro, Jung-gu, Seoul, Korea 04520	Hotel owner and operator
CDL Hotels (Malaysia) Sdn. Bhd.	100%	Indirect subsidiary	Malaysia	12th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Hotel owner and operator
CDL Hotels (U.K.) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
CDL Hotels Holdings Japan Limited	100%	Indirect subsidiary	Hong Kong	2803 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	Investment holding
CDL Hotels Holdings New Zealand Limited	100%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Investment holding
CDL Hotels Japan Pte. Ltd.	40%	Associated undertakings	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
CDL Hotels USA, Inc.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel investment holding Company
CDL Investments New Zealand Limited	53%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Investment and property management company
CDL Land New Zealand Limited	53%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Property investment and Development
CDL Sakura Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment Holding
CDL West 45th Street LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner
Chalon Heritage Hotel Holdings SAS	100%	Indirect subsidiary	France	108 Rue Saint Lazare 75008 Paris, France	Holding company
Chalon Heritage Hotel Operations SAS	100%	Indirect subsidiary	France	108 Rue Saint Lazare 75008 Paris, France	Hotel operator
Chalon Heritage Hotel SNC	100%	Indirect subsidiary	France	108 Rue Saint Lazare 75008 Paris, France	Property owner
Chicago Hotel Holdings, Inc.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
Cincinnati S.I. Co.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Previously hotel owner
City Century Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Restaurateur
City Elite Pte Ltd	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Restaurateur
City Hotels Pte Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Hotel operator and investment holding
Context Securities Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Investment holding
Copthorne (Nominees) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
Copthorne Aberdeen Limited	83%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel management
Copthorne Hotel (Birmingham) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Cardiff) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Effingham Park) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Gatwick) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Manchester) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Merry Hill) Construction Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Merry Hill) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Newcastle) Limited	96%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Plymouth) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel (Slough) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Copthorne Hotel Holdings Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
Copthorne Hotels Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel investment holding
Copthorne Orchid Hotel Singapore Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Property owner and Developer
Copthorne Orchid Penang Sdn. Bhd.	100%	Indirect subsidiary	Malaysia	12th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Hotel owner
Diplomat Hotel Holding Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
Durham Operating Partnership L.P.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
Elite Hotel Management Services Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Hotel management consultancy services
Ferguson Hotel Management Limited	50%	Associated undertakings	Hong Kong	Unit 606, 6th Floor, Alliance Building, 133 Connaught Road Central, Hong Kong	Investment holding
First 2000 Limited	100%	Indirect subsidiary	Hong Kong	2803 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	Investment holding
First Sponsor Group Limited	35%	Associated undertakings	Cayman Islands	P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1- 1205 Cayman Islands.	Investment Holding
Five Star Assurance, Inc	100%	Indirect subsidiary	USA	1401 Eye St., NW, Suite 600, Washington D.C. 20005	Captive insurance company
Four Peaks Management Company	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Arizona condominium Management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
Gateway Holdings Corporation I	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Gateway Hotel Holdings, Inc	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
Gateway Regal Holdings LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner and operator
Grand Plaza Hotel Corporation	66%	Indirect subsidiary	Philippines	10 Floor, Heritage Hotel Manila, EDSA corner Roxas Boulevard, Pasay City, Philippines 1300	Hotel owner and operator and investment holding company
Harbour Land Corporation	41%	Associated undertakings	Philippines	10 Floor, Heritage Hotel Manila, EDSA corner Roxas Boulevard, Pasay City, Philippines 1300	Land owner
Harbour View Hotel Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Hotel operator
Harrow Entertainment Pte Ltd	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
Hong Leong Ginza TMK	70%	Indirect subsidiary	Japan	4-1 Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan	Property owner
Hong Leong Hotel Development Limited	84%	Indirect subsidiary	Taiwan	2 Song Shou Road, Xinyi District, Taipei 11051, Taiwan	Hotel owner and operator
Hong Leong Hotels Pte Ltd.	100%	Indirect subsidiary	Cayman Islands	P.O.Box 309 ugland House, Grand Cayman, KY1- 1104 Cayman Islands	Investment holding
Hong Leong International Hotel (Singapore) Pte. Ltd.	97%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
Hospitality Group Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Holding company and property owner
Hospitality Holdings Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
Hospitality Leases Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Lessee company
Hospitality Services Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Hotel operation/ Management Investment holding
Hospitality Ventures Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
Hotel Liverpool Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Property letting
Hotel Liverpool Management Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Operating company
Hotelcorp New Zealand Pty. Ltd.	81%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences, 82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Holding company
KIN Holdings Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Holding company
King's Tanglin Shopping Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Property owner
Kingsgate Holdings Pty. Ltd.	81%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences, 82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Holding company
Kingsgate Hotel Pty. Ltd.	81%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences, 82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Dormant
Kingsgate Hotels and Resorts Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Franchise holder (Kingsgate)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
Kingsgate Hotels Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Dormant
Kingsgate International Corporation Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Investment holding
Kingsgate Investments Pty. Ltd.	81%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences, 82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Investment company
Lakeside Operating Partnership L.P.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
London Britannia Hotel Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner
London Tara Hotel Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel owner and operator
Marquee Brisbane Hotel Pty Ltd.	90%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences,82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Trustee company
Marquee Brisbane Hotel Trust	90%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences,82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Hotel owner
Marquee Brisbane Hotel 2 Pty Ltd.	90%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences,82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Trustee company
Marquee Brisbane Hotel 2 Trust	90%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences,82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Hotel owner
Marquee Hotel Holdings Pty Ltd.	90%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences,82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Investment holding
Marquee Hotel Operations Pty Ltd.	90%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences,82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Trustee company
Marquee Hotel Operations Trust	90%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences,82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Hotel owner
M&C Asia Finance (UK) Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Finance company
M&C Asia Holdings (UK) Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
M & C (CB) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment company
M & C (CD) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
M & C Management Services (USA) Inc.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Management services company
M & C NZ Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Holding company
M & C Reservations Services Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Provider of reservation services to hotel owners and operators

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
M Social Hotel Paris SAS (formerly known as Millennium Opera Paris SAS)	100%	Indirect subsidiary	France	12 Boulevard Haussmann, 75009 Paris, France	Hotel operator
M&C Business Trust Management Limited	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Provision of property fund management services
M&C Capital Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
M&C Colorado Hotel Corporation	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Investment Holding
M&C Crescent Interests, LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Property owner
M&C Finance (1) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Finance company
M&C Galiant Holdings Limited(formerly known as CDL Hotels (Labuan) Limited	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment Holding
M&C Holdings (Thailand) Ltd.	100%	Indirect subsidiary	Thailand	99/1, 11th Floor, BJC2 Tower, Soi Saeng Chan-Rubia, Phrakanong, Sub-district, Klongtoey District, Bangkok 10110, Thailand	Hotel Management Services
M&C Holdings Delaware Partnership	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Property investment
M&C Hotel Enterprises (Asia) Limited	100%	Indirect subsidiary	Hong Kong	2803 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	Investment holding
M&C Hotel Interests, Inc.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel management services company
M&C Hotel Investments Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
M&C Hotels France Management SARL	100%	Indirect subsidiary	France	12 Boulevard Haussmann, 75009 Paris, France	Management company
M&C Hotels France SAS	100%	Indirect subsidiary	France	12 Boulevard Haussmann, 75009 Paris, France	Hotel owner
M&C Hotels Holdings Japan Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
M&C Hotels Holdings Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
M&C Hotels Holdings USA Limited	100%	Direct subsidiary	Cayman Islands	P.O.Box 309 Ugland House, Grand Cayman, KY1- 1104 Cayman Islands	Investment holding
M&C Hotels Japan Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
M&C Hotels Partnership France SNC	100%	Indirect subsidiary	France	12 Boulevard Haussmann, 75009 Paris, France	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
M&C Hospitality Holdings (Asia) Limited	100%	Indirect subsidiary	Hong Kong	2803 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	Investment holding
M&C Hospitality International Limited	100%	Indirect subsidiary	Hong Kong	2803 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	Investment holding
M&C REIT Management Limited	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	REIT investment management services
M&C Management Holdings Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Holding company
M&C New York (Times Square), LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Investment holding
M&C New York Finance (UK) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Finance company
M&C New York (Times Square) EAT II LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner
M&C Restaurants (London) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Restaurant management
M&C Sakura Hotel Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
M&C Sakura Operations G.K.	100%	Indirect subsidiary	Japan	Toshida Building 3F, 1-6-11 Ginza, Chuo-ko, Japan	Hotel operator
M&C Sakura TMK	100%	Indirect Subsidiary	Japan	Toshida Building 3F, 1-6-11 Ginza, Chuo-ko, Japan	Property owner
M&C Singapore Finance (UK) Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Finance company
M&C Singapore Holdings (UK) Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
M&C Sponsorship Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Other service activities
McCormick Ranch Operating Partnership L.P.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
Millennium Bostonian, Inc.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Millennium & Copthorne (Austrian Holdings) Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
Millennium & Copthorne (Jersey Holdings) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Holding company
Millennium & Copthorne Hotel Holdings (Hong Kong) Limited	100%	Indirect subsidiary	Hong Kong	2803 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	Investment and development of hotels and hotel management
Millennium & Copthorne Hotels (Hong Kong) Limited	100%	Indirect subsidiary	Hong Kong	2803 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	Provision of hotel management and consultancy services
Millennium & Copthorne NZ Limited	81%	Indirect subsidiary	New Zealand	Level 7, 23 Customs Street East, Auckland 1010, New Zealand	Name-holding
Millennium & Copthorne Hotels Management (Shanghai) Limited	100%	Indirect subsidiary	People's Republic of China	#1205, No. 511 Wei Hoi Road, Shanghai 200041, P.R. China	Hotel management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
Millennium & Copthorne Hotels New Zealand Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Hotel investment holding Company
Millennium & Copthorne Hotels Pty. Ltd.	81%	Indirect subsidiary	Australia	Suite 7B, Zenith Residences, 82-94 Darlinghurst Road, Potts Point, Sydney 2011, Australia	Name holding
Millennium & Copthorne International Limited	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Hotels and resorts Management
Millennium & Copthorne Pension Trustee Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Pension trust acting on behalf of Company trustees
Millennium & Copthorne Share Trustees Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Share trustee company
Millennium CDG Paris SAS	100%	Indirect subsidiary	France	2 Allée du Verger, 95700 Roissy, France	Hotel operator
Millennium Hotel Holdings EMEA Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
Millennium Hotels & Resorts Services Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Management contract holding company
Millennium Hotels Europe Holdings Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
Millennium Hotels Italy Holdings S.r.l.	100%	Indirect subsidiary	Italy	Via Vittorio Veneto, n.70, Roma 00187, Italy	Holding company
Millennium Hotels Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
Millennium Hotels Palace Management S.r.l.	100%	Indirect subsidiary	Italy	Via Vittorio Veneto, n.70, Roma 00187, Italy	Hotel operator
Millennium Hotels Property S.r.l.	100%	Indirect subsidiary	Italy	Via Vittorio Veneto, n.70, Roma 00187, Italy	Property owner
Millennium Hotels (West London) Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Property letting
Millennium Hotels (West London) Management Limited	100%	Indirect subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Hotel operator
Millennium Hotels London Limited	100%	Direct subsidiary	United Kingdom	Corporate Headquarters, Scarsdale Place, Kensington, London W8 5SY	Investment holding
New Unity Holdings Ltd	50%	Associated undertakings	BVI	Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investment holding
New York Sign LLC	50%	Associated undertakings	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	To lease, manage, and otherwise deal with certain advertising signage space at the Novotel hotel
Newbury Investments Pte Ltd	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
Park Plaza Hotel Corporation	100%	Indirect Subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Prestons Road Limited	18%	Associated undertakings	New Zealand	167 Main North Road, Christchurch 8140, New Zealand	Service provider
PT. Millennium Sirih Jakarta Hotel	100%	Indirect subsidiary	Indonesia	Jalan Fachrudin 3, Jakarta 10250, Indonesia	Hotel owner

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
QINZ (Anzac Avenue) Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Hotel owner
QINZ Holdings (New Zealand) Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Holding company
Quantum Limited	81%	Indirect subsidiary	New Zealand	Level 7,23 Customs Street East, Auckland 1010, New Zealand	Holding company
Regal Grand Holdings Corporation I	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Regal Harvest House LP	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Previously hotel owner
Regal Hotel Management Inc.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Republic Hotels & Resorts Limited	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Hotel operator and investment holding company
Republic Iconic Hotel Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Hotel operator
RHH Operating LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Previously hotel owner
RHI Boston Holdings Corporation I	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
RHI Boston Holdings Corporation II	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
RHM Aurora LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
RHM Holdings Corporation I	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
RHM Management LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
RHM Ranch LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner
RHM Wynfield LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
RHM-88, LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner and operator
Richfield Holdings Corporation I	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Richfield Holdings, Inc	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Rogo Investments Pte. Ltd.	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
Rogo Realty Corporation	24%	Associated undertakings	Philippines	10 Floor, Heritage Hotel Manila, EDSA corner Roxas Boulevard, Pasay City, Philippines 1300	Real estate owner
S.S. Restaurant Corporation	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Liquor license holder
Sunnyvale Partners, Ltd.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 Related undertakings (continued)

Full Name	Shareholding percentage	Type	Country of incorporation	Registered office address	Principal Activities
The Philippine Fund Limited	60%	Indirect subsidiary	Bermuda	C/o Coson Corporate Services Limited, Cumberland House 9th Floor, 1 Victoria Street Hamilton HM 11, Bermuda	Investment holding
TOSCAP Limited	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
Trimark Hotel Corporation	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Previously hotel owner
WHB Biltmore LLC	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel owner and operator
WHB Corporation	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Wynfield GP Corporation	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Hotel ownership
Wynfield One, Ltd.	100%	Indirect subsidiary	USA	7900 East Union Avenue, Suite 500, Denver, Colorado, 80237	Holding company
Zatrio Pte Ltd	100%	Indirect subsidiary	Republic of Singapore	9 Raffles Place, #12-01 Republic Plaza, Singapore 048619	Investment holding
Zillion Holdings Limited	100%	Indirect subsidiary	Barbados	Suite1, Ground Floor, The Financial Services Centre, Bishops Court Hill, St Michael, Barbados, BB14004	Investment holding

1 CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (H-REIT), a real estate investment trust, and CDL Hospitality Business Trust (HBT), a business trust. H-REIT has an investment strategy of investing directly or indirectly, in a diversified portfolio of income producing real estate which is primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes, whether wholly or partially, and real estate related assets in relation to the foregoing.

HBT is a business trust which currently acts as master lessee, asset owner and hotel operator. HBT may also undertake certain hospitality, hospitality related and other accommodation and/or lodging development projects, acquisition and investments which may not be suitable for H-REIT.

The registered office address of M&C REIT Management Limited, Manager of H-REIT and M&C Business Trust Management Limited, Trustee-Manager of HBT, is 9 Raffles Place, #12-01 Republic Plaza Singapore 048619.

2 The Group has assessed the classification of its investments in FSGL, CDLHT and New Unity in accordance with IFRS10 and concluded that it does not have control.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**32 Related undertakings (continued)****Exemption from statutory audit**

Certain subsidiaries of the Group can take an exemption from having an audit completed. Strict criteria must be met for this exemption

Listed below are subsidiaries controlled and consolidated by the Group, where the Directors have elected to take the exemption from having an audit of their financial statements for the year ended 31 December 2024. This exemption is taken in accordance with Companies Act s479A.

Archyfield Limited (1747079)
 CDL Hotels (Chelsea) Limited (2845022)
 CDL Hotels (U.K.) Limited (2729520)
 Copthorne Hotel (Birmingham) Limited (1816493)
 Copthorne Hotel (Cardiff) Limited (2411296)
 Copthorne Hotel (Effingham Park) Limited (1423861)
 Copthorne Hotel (Gatwick) Limited (994968)
 Copthorne Hotel Holdings Limited (627049)
 Copthorne Hotels Limited (759611)
 Copthorne Hotel (Manchester) Limited (1855800)
 Copthorne Hotel (Merry Hill) Construction Limited (2649367)
 Copthorne Hotel (Merry Hill) Limited (2590620)
 Copthorne Hotel (Plymouth) Limited (3253120)
 Copthorne Hotel (Slough) Limited (2300992)
 Copthorne (Nominees) Limited (2574042)
 Diplomat Hotel Holding Limited (1927463)
 Hotel Liverpool Limited (9636541)
 Hotel Liverpool Management Limited (9638688)
 London Britannia Hotel Limited (0744379)
 London Tara Hotel Limited (1005559)
 M&C Asia Finance (UK) Limited (8391037)
 M&C Asia Holdings (UK) Limited (8382946)
 M&C (CB) Limited (3846711)
 M&C (CD) Limited (3846704)
 M&C Finance (1) Limited (6783896)
 M&C Hotels Holdings Limited (4407581)
 M&C Management Holdings Limited (5832248)
 M&C New York Finance (UK) Limited (9060415)
 M&C NZ Limited (5159722)
 M&C Reservation Services Limited (6754684)
 M&C Restaurants (London) Limited (14630592)
 M&C Singapore Finance (UK) Limited (8391052)
 M&C Singapore Holdings (UK) Limited (8382985)
 M&C Sponsorship Limited (11349185)
 Millennium & Copthorne (Austrian Holdings) Limited (3757378)
 Millennium & Copthorne (Jersey Holdings) Limited (5846574)
 Millennium & Copthorne Pension Trustee Limited (6662791)
 Millennium & Copthorne Share Trustees Limited (3320990)
 Millennium Hotel Holdings EMEA Limited (4592877)
 Millennium Hotels Limited (3141048)
 Millennium Hotels Europe Holdings Limited (8844747)
 Millennium Hotels London Limited (3691885)
 Millennium Hotels (West London) Limited (8599282)
 Millennium Hotels (West London) Management Limited (8891908)
 Millennium Hotels & Resorts Services Limited (4601112)

Each company's registered number is shown in brackets after its name.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**33 Non-controlling interests ("NCI")**

The following subsidiaries have material NCI.

NAME	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY	OWNERSHIP INTERESTS HELD BY NCI	
			2024	2023
Millennium & Copthorne Hotels New Zealand Limited ("MCHNZ")	New Zealand	Hotel investment holding company	19%	24%

On 29 October 2024, CDL Hotels Holdings New Zealand Limited, an indirect wholly-owned subsidiary, acquired 5,273,937 ordinary shares and 2,945,671 redeemable preference shares in Millennium & Copthorne Hotels New Zealand Limited (MCHNZ) from an unrelated third party for a consideration of £6m (NZD 14m).

The following is summarised financial information for MCHNZ, prepared in accordance with local accounting standards.

	MCHNZ Subgroup	
	2024	2023
	£m	£m
Revenue	83	72
Profit after tax	4	13
Profit attributable to NCI	3	5
Other comprehensive income	1	–
Total comprehensive income	5	14
Total comprehensive income attributable to NCI	3	5
Current assets	75	93
Non-current assets	268	278
Current liabilities	(16)	(25)
Non-current liabilities	(28)	(17)
Net assets	299	329
Net assets attributable to NCI	100	123
Cash inflow from operating activities	6	10
Cash inflow/(outflow) from investing activities	16	(36)
Cash inflow/(outflow) from financing activities	(10)	–
Net increase/(decrease) in cash and cash equivalents	12	(26)
Dividends paid to NCI during the year	(2)	(2)

The information is before inter-company eliminations with other companies in the Group.

34 Acquisition of subsidiaries

On 13 May 2024, the Group through its wholly-owned subsidiary, Copthorne Hotel Holdings Limited, (i) acquired 100% of the shares and voting interests in Chalon Bidco SAS (Chalon) (subsequently renamed as Chalon Heritage Hotel Holdings SAS) which via its direct wholly-owned subsidiaries, holds the Hilton Paris Opéra hotel in France; and (ii) settled existing indebtedness amounts, for a total consideration of approximately € 250m (£213m).

The acquisition was accounted for as an acquisition of assets.

	€m	£m
Property, plant and equipment	240	204
Trade & other receivables	5	4
Cash & cash equivalents	16	14
Trade & other payables	(22)	(18)
Deferred Income	(1)	(1)
Rental & Other deposits	(4)	(3)
Interest-bearing loans - Bank loans	(110)	(94)
Shareholder loans	(91)	(77)
Total identifiable assets	33	29
Consideration for equity stake	33	29
Shareholder loans assumed	105	89
Repayment of bank loans on behalf of acquired entity	112	95
Total consideration	250	213
Add: Acquisition-related costs	2	2
Less: Cash acquired	(16)	(14)
Net cash outflow on acquisition	236	201

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35 Assets held for sale

In 2024, assets held for sale relates to the proposed disposal of Millennium Hotel St. Louis. The Group has entered into a sale and purchase agreement to sell the hotel to a third party for a sale consideration of US\$8m (£6m). The sale is expected to be completed within the next one year.

36 Leases

The Group as a lessee

The Group's leases consist primarily of land & buildings and plant & machinery. Information about leases for which the Group is a lessee is presented below.

	NOTES	2024 £m	2023 £m
Amounts recognised in the income statement			
Depreciation	6, 11		
- Land and buildings		17	18
- Interest on lease liabilities	9	14	15
Total		31	33

	NOTES	LAND AND BUILDINGS £m	INVESTMENT PROPERTIES £m	TOTAL £m
Right-of-use assets				
Carrying amount on 1 January 2023		448	1	449
Additions		7	-	7
Depreciation		(18)	-	(18)
Disposals		(1)	-	(1)
Written off		(5)	-	(5)
Foreign exchange adjustments		(16)	-	(16)
Carrying amount on 31 December 2023	11, 12	415	1	416
Additions		5	-	5
Depreciation		(17)	-	(17)
Foreign exchange adjustments		(6)	-	(6)
Carrying amount on 31 December 2024		397	1	398

	2024 £m	2023 £m
Lease liabilities		
Current	11	11
Non-current	371	383
Total	382	394

The total cash outflow for leases during the current year was £25m (2023: £26m).

Lease liabilities were determined by discounting the relevant lease payments at the Group's incremental borrowing rate of between 0.9% and 14.6% in Asia, 1.9% to 3.5% in UK/EU and 3.2% to 7.9% in the US.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36 Leases (continued)

The Group as a lessor

The Group leases out its investment properties consisting of its owned properties as well as leased properties (see Note 12). All leases are classified as operating leases from a lessor perspective.

The Group lease out some of their investment properties and development properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 12 sets out information about the operating leases of investment properties.

During the year ended 31 December 2024, £33m (2023: £27m) was recognised as rental income in the income statement and £9m (2023: £8m) in respect of repairs and maintenance was recognised as an expense in the income statement relating to investment properties.

Contingent rents generally determined based on a percentage of tenants' revenue, of £11m (2023: £7m) has been recognised as revenue by the Group, in profit or loss during the year.

The following table sets out a maturity analysis of lease rental receivables, showing the undiscounted lease payments to be received after the reporting date.

	2024 £m	2023 £m
Less than one year	16	15
One to two years	14	14
Two to three years	14	13
Three to four years	14	13
Four to five years	13	12
More than five years	39	44
Total	110	111

Future minimum lease rentals receivable under non-cancellable leases includes all future rentals receivable up to the period when those leases expire or become cancellable.

37 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Interest bearing borrowing* £m	Lease liabilities £m	TOTAL £m
Balance at 1 January 2023	511	422	933
Changes from financing cash flows			
Drawdown of borrowings	249	–	249
Repayment of borrowings	(194)	–	(194)
Payment of lease liabilities	–	(26)	(26)
Total changes from financing cash flows	55	(26)	29
The effect of changes in foreign exchange rates	(28)	(14)	(42)
Other changes			
New leases	–	6	6
Interest expense	–	15	15
Disposal	–	(9)	(9)
Total other changes	–	12	12
Balance at 31 December 2023	538	394	932
Balance at 1 January 2024	538	394	932
Changes from financing cash flows			
Drawdown of borrowings	387	–	387
Repayment of borrowings	(297)	–	(297)
Payment of lease liabilities	–	(25)	(25)
Total changes from financing cash flows	90	(25)	65
The effect of changes in foreign exchange rates	(3)	(6)	(9)
Other changes			
New leases	–	5	5
Interest expense	–	14	14
Total other changes	–	19	19
Balance at 31 December 2024	625	382	1,007

* excluding bank overdrafts

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Investments and other financial assets	(E)	2,536	2,349
Pension Asset	(F)	3	1
Debtors due after more than one year	(G)	–	3
		2,539	2,353
Current assets			
Debtors due within one year	(G)	189	139
Cash and cash equivalents		14	56
		203	195
Creditor: amounts falling due within one year	(H)	(475)	(558)
Net current liabilities		(272)	(363)
Total assets less current liabilities		2,267	1,990
Creditors: amount falling due after more than one year	(I)	(794)	(544)
Net assets		1,473	1,446
Equity			
Share capital	(J)	97	97
Share premium	(J)	843	843
Treasury share reserve		(4)	(4)
Retained earnings		537	510
Total equity		1,473	1,446

The notes on pages 77 to 78 are an integral part of these Company's financial statements.

These financial statements were approved by the Board of Directors on 15 May 2025 and were signed on its behalf by:



Kwek Eik Sheng
Director

Registered No: 03004377

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARE RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	£m	£m	£m	£m	£m
Balance at 1 January 2023	97	843	(4)	492	1,428
Profit	–	–	–	13	13
Other comprehensive income	–	–	–	5	5
Total comprehensive income	–	–	–	18	18
Balance at 31 December 2023	97	843	(4)	510	1,446
Balance at 1 January 2024	97	843	(4)	510	1,446
Profit	–	–	–	27	27
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	27	27
Balance at 31 December 2024	97	843	(4)	537	1,473

The notes on pages 77 – 78 are an integral part of these Company's financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

A. Authorisation of financial statements and statement of compliance with FRS 101

The parent company financial statements of Millennium and Copthorne Hotels Limited ("the Company") for the year ended 31 December 2024 were authorised for issue by the board of Directors and signed on its behalf on 15 May 2025. The Company is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements are prepared under the historical cost convention.

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of the financial statements.

The Company's results are included in the consolidated financial statements of Millennium and Copthorne Hotels Limited which are available from the Group's website www.millenniumhotels.com.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024. The financial statements are prepared in Sterling and are rounded to the nearest million except when otherwise indicated.

B. Accounting policies

In preparing these financial statements of the parent company financial statements of Millennium and Copthorne Hotels Limited, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in accordance with UK-adopted international accounting standards ("UK-adopted IFRS"). Making 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.

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

- Cash Flow Statement and related notes;
- Disclosures in respect of the compensation of Key Management Personnel;
- Equity settled share-based payments
- Financial instruments

The Company early adopted FRS 101 amendments before the effective date of 1 January 2016 regarding the presentation of financial statements in compliance with the IAS 1 format.

The accounting policies adopted for the parent company been applied consistently to all periods presented and with those used for the Group.

Hedge Accounting

The Company uses a fair value hedging model to designate bank loans held in overseas currencies as hedging instruments against designated overseas investments held in the same currency. Under such fair value hedges, both the hedged item and the hedging instrument are retranslated with the exchange differences in both cases being recorded in the profit and loss account as they arise at each period end.

The Directors have reviewed the accounting treatment of the unhedged part of the investment and decided it is appropriate to recognise this at historical cost.

C. Dividends

Details of dividends paid and proposed in the current and prior year are given in Note 26 to the consolidated financial statements.

D. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the Company is £27m (2023: profit of £13m).

E. Investments and other financial assets

	SHARES IN SUBSIDIARY UNDERTAKINGS	LOANS TO SUBSIDIARY UNDERTAKINGS	GROUP SETTLED ARRANGEMENTS	TOTAL
	£m	£m	£m	£m
Cost and net book value at 1 January 2023	1,901	470	7	2,378
Additions	–	–	–	–
Foreign exchange adjustments	(7)	(22)	–	(29)
Cost and net book value at 31 December 2023	1,894	448	7	2,349
Cost and net book value at 1 January 2024	1,894	448	7	2,349
Additions	–	184	–	184
Foreign exchange adjustments	1	2	–	3
Cost and net book value at 31 December 2024	1,895	634	7	2,536

F. Pension asset

	2024	2023
	£m	£m
Net employee defined benefit asset	3	1
	3	1

NOTES TO THE COMPANY FINANCIAL STATEMENTS

G. Debtors

	2024	2023
	£m	£m
Amounts owed by group undertakings	151	103
Other debtors	37	36
Deferred tax assets	–	3
Other financial assets	1	–
	189	142
Due within one year	189	139
Due after more than one year	–	3
	189	142

Debtors include deferred tax assets of £Nil (2023: £3m) due after more than one year.

H. Creditors: amounts falling due within one year

	2024	2023
	£m	£m
Bank loans and overdrafts	292	439
Amounts owed to subsidiary undertakings	178	108
Other creditors	1	8
Accruals and deferred income	3	3
Financial liability – Hedging instrument	1	–
	475	558

I. Creditors: amounts falling due after more than one year

	2024	2023
	£m	£m
Bank loans	380	151
Amounts owed to subsidiary undertakings	411	393
Deferred tax liability	3	–
	794	544

Creditors: amounts falling due after more than one year are repayable as follows: -

	2024	2023
	£m	£m
Due after more than one year but less than two years	64	118
Due after more than two years but less than five years	730	426
	794	544

J. Share capital and share premium

Details of the Company's share capital are given in Note 27 to the consolidated financial statements.

K. Ultimate holding and controlling company

The Directors consider the ultimate holding and controlling company to be Hong Leong Investment Holdings Pte. Ltd. which is incorporated in the Republic of Singapore. The accounts of the ultimate holding company are available to the public at the Accounting and Corporate Regulatory Authority, 55 Newton Road, #03-02 Revenue House, Singapore 307987.

The intermediate holding company is City Developments Limited, a company incorporated in the Republic of Singapore. The consolidated accounts are available to the public and may be obtained from 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619.

L. Related parties

For the year ended 31 December 2024, fees paid/payable by the Company to Hong Leong Management Services, a subsidiary of Hong Leong Investment Holdings Pte. Ltd. amounted to £Nil (2023: £Nil). At 31 December 2024, £Nil (2023: £Nil) of fees payable was outstanding.