



SUNBORN LONDON

HALF YEAR FINANCIAL REPORT H2/2023

1 July – 31 December 2023

29 February 2024



HALF YEAR REPORT 1 July – 31 December 2023

Key Figures – Sunborn London Oyj

	H2/2023	H2/2022	1 Jan – 31 Dec	1 Jan - 31 Dec
EUR thousand	1 Jul – 31 Dec	1 Jul – 31 Dec	1 Jan – 31 Dec	1 Jan - 31 Dec
	2023	2022	2023	2022
Rental income	1 627	2 564	3 223	3 969
EBITDA	1 481	2 430	2 930	3 648
Operating profit	725	1 677	1 421	2 143
Investment property (Yacht hotel)			32 026	33 393
Total Equity			25 873	26 998
Borrowings			24 185	24 273

Key Figures – Operator Sunborn International (UK) Ltd

	H2/2023	H2/2022	1 Jan – 31 Dec	1 Jan - 31 Dec
GBP thousand	1 Jul – 31 Dec	1 Jul – 31 Dec	1 Jan – 31 Dec	1 Jan - 31 Dec
	2023	2022	2023	2022
Revenue	5 266	5 284	10 548	10 048
EBITDAR	1 694	1 968	3 652	3 783

CEO Hans Niemi

“Charter income from the Operator, Sunborn International (UK) Ltd, was at budgeted level 1.627 MEUR (2.564 MEUR). Financial performance and debt service capacity of the Issuer is continuing at robust levels.

Hotel operations under Sunborn International (UK) Ltd met performance expectations with total revenue of 5.266 MGBP (5.284 MGBP) for the period and EBITDAR 1.694 MGBP (1.968 MGBP).”

Financial summary 1 July – 31 December 2023

Sunborn London Oyj (“The Company”) continued to be a SPV with no other purpose than owning and leasing out the Sunborn London yacht hotel. The yacht hotel is leased out to Sunborn International (UK) Ltd, a sister company to the Company. During the year to 31 December 2022, the monthly charter cost was GBP 195,000 per month, though an additional GBP 1.100 M was charged by the Sunborn London Oyj to account for updated capital cost, planned bond repayments, vessel insurance and classification costs. The monthly charter cost was increased with inflation to GBP 234,000 per month from 1.1.2023 onwards and to GBP 246,000 from 1.1.2024 onwards.

Rental Income for the reporting period was 1.627 MEUR (2.564 MEUR). Rental income in EUR was slightly affected by exchange rate fluctuations. Operating costs were in line with previous year.

During the period, the company made a planned repayment of 0.500 MEUR, and the outstanding nominal value of bond on 31 December 2023 was 24.500 MEUR.

Book value of the yacht hotel as of 31 December 2023 approximates the fair value of the yacht hotel based on income approach using discounted cash flow analyses.

Operator Financial summary 1 July – 31 December 2023

Following the robust post pandemic demand of 2022, revenue growth in 2023 was expected to be a difficult task.

Hotel occupancy remained consistent delivering even a slight increase during the period despite expected shifts in demand, challenges of industrial action, threat of a UK recession, cost-of-living crisis and geopolitical tensions played parts in determining H2 performance. Occupancy grew by +1.16 % and +3.46 % each quarter respectively and the hotel remained higher than our local branded comp-set.

Recognising and considering difficulty in growing the ADR for H2 2023, management focused on changing distribution of room rates increasingly including breakfast. This gave an immediate boost to the breakfast revenue figures increasing YoY by +68 %. Moreover, through up-sales and a familiarity of the restaurant by guests, dining revenue grew by 5 %.

The higher allocation of room revenue towards F&B combined with aim to drive occupancy with lower ADR meant a reduced RevPAR as a result. ADR by -6 % YoY but still compares favourably against our branded comp-set for the same period. RevPAR was higher than comp-set by +7 % illustrating that despite greater growth by our competitors they still lag behind in performance.

Total Food and Beverage revenue grew by 14 % from 1.587 MGBP to 1.802 MGBP and F&B profitability increased +8 % to 39 % through increased cost management.

Cost and profitability continue to be managed well through payroll shift patterns and holidays. EBITDA as a percentage of revenue remains solid at +36 % despite slightly under 2022 (H2 +38 %) levels and the increase in F&B business.

In conclusion, H2 was a challenging period with a predicted slow-down anticipated and actualized across the market. Reductions in ADR helped readjust to market conditions and our gains in F&B managed to plug the revenue hole from the market averages and all other business indicators remain consistently strong.

Q1 2024 looks promising and is expecting to exceed 2023 Q1 revenue by 0.123 MGBP, as well as a higher ADR + 4.89 GBP and occupancy rate +2 %. The hotel is well-positioned for continued growth and success. Management is confident to achieve the financial targets. In addition, the expansion of Excel (by +25 %) in October will increase demand for accommodation and events for the new exhibitions.

KPI's for H2 2023 vs. H2 2022

	Overall H2 2023	Overall H2 2022	Diff
Total Revenue M£	£ 5.28	£ 5.26	0 %
EBITDAR M£	£ 1.99	£ 1.81	-9 %
<i>Revenue split</i>			
Rooms Revenue	60 %	64 %	4 %
Food and Beverage	34 %	30 %	4 %
Other	6 %	6 %	0 %

Commentary:

Despite the challenges, our occupancy remained consistent delivering a slight increase during the period. Occupancy grew by +1.16 % and +3.46 % each quarter respectively and the hotel remained higher than the comp set.

Total Food and Beverage revenue grew by 14 % from 1.587 MGBP to 1.802 MGBP and F&B profitability increased +8 % to 39 % through increased cost management.

Cost and profitability continue to be managed well through payroll shift patterns and holidays. EBITDA as a percentage of revenue remains solid at +36 % despite slightly under 2022 (H2 +38 %) levels despite the increase in F&B business.

YoY change %	Overall H2 2023
ADR	-9 %
Occupancy %	+2 %
RevPAR	-6 %

Notable events during and after the end of the reporting period

Nothing to report.

Estimated future development

Management believes the property will continue successful operations under the current management and Sunborn London Oyj's financial performance and debt service capacity to remain stable.

Management expects the expansion of Excel, the continued positive impact from the opening of the Elizabeth Line and the development of Silvertown quays area to continue positive increases in hotel room demand and ADR development.

Short-term risks and uncertainties

Sunborn London's financial risks related to business are market risk (including interest rate risk), credit risk, liquidity risk and refinancing risk.

The Company's bond is maturing for repayment in September 2024. The Company has engaged advisors and is in progress of pursuing and negotiating refinancing in advance of maturity.

Floating interest rate risk has not been hedged and may negatively and materially impact Sunborn London Oyj liquidity.

The Company is exposed to foreign currency risk through rental receivables and future cash flows arising from the lease contract of the Yacht hotel that is denominated in GBP. The management of the company closely monitors the development of the GBP/EUR exchange rate and aims to protect the Company against unfavorable developments at the group level.

The Company's financial risk management aims to protect it against unfavorable developments in the financial markets and ensure the performance. The management reviews financial risks on regular basis to secure the financial risk position and decide on necessary actions.

Continued inflationary pressure may cause significant increases in cost of materials and labour, consequently requiring faster than expected price development for our sales and short-term fluctuations in profit margins as the business adapts to volatile market conditions.

Incidents relating to environmental or public health may cause the Operator potential business interruptions.

The war in Ukraine or Israel-Gaza is estimated to have limited direct impact on the company's operations.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR thousand	Note	1 Jul - 31 Dec 2023	1 Jul - 31 Dec 2022	1 Jan - 31 Dec 2023	1 Jan -31 Dec 2022
Rental income from group companies	3, 7	1 627	2 564	3 223	3 969
Depreciation	4	-756	-752	-1 508	-1 505
Other operating expenses		-146	-134	-293	-321
Operating profit		725	1 677	1 421	2 143
Finance income	7	1 410	723	2 169	1 445
Finance costs		-1 381	-1 066	-2 613	-2 078
Finance income and costs, net		29	-343	-445	-633
Profit before taxes		754	1 334	977	1 510
Income tax		118	107	0	0
Change in deferred tax		-269	-374	-195	-302
Profit for the period		603	1 067	781	1 208
Total comprehensive income for the period		603	1 067	781	1 208

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET (IFRS)

EUR thousand	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Investment property	4	32 026	33 393
Construction in process		-	95
Receivables from group companies	7	24 138	20 826
Total non-current assets		56 164	54 314
Current assets			
Trade receivables from group companies	7	1	3 579
Trade and other receivables		21	16
Cash and cash equivalents		234	1 162
Total current assets		255	4 758
Total assets		56 419	59 072
Equity and liabilities			
Share capital	5	80	80
Reserve for invested unrestricted equity		600	600
Retained earnings		25 193	26 318
Total equity		25 873	26 998
Liabilities			
Non-current liabilities			
Borrowings	6	-	23 773
Deferred income tax liabilities		6 276	6 557
Total non-current liabilities		6 276	30 330
Current liabilities			
Borrowings	6	24 185	500
Payables to group companies	7	-	1 195
Trade and other payables		26	2
Accrued expenses		58	47
Total current liabilities		24 270	1 745
Total liabilities		30 546	32 075
Total equity and liabilities		56 419	59 072

The above balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

EUR thousand	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
Equity at 1.1.2022	80	600	27 392	28 072
Profit for the period			140	140
Total comprehensive income	0	0	140	140
Equity at 30.6.2022	80	600	27 532	28 212
Equity at 1.7.2022	80	600	27 532	28 212
Profit for the period	0	0	1 067	1 067
Total comprehensive income	0	0	1 067	1 067
Transactions with owner:				
Group contribution net of tax			-2 282	-2 282
Total contributions by and distributions to owners of the parent, recognised directly in equity	0	0	-2 282	-2 282
Equity at 31.12.2022	80	600	26 318	26 998
Equity at 1.1.2023	80	600	26 317	26 998
Profit for the period			178	178
Total comprehensive income	0	0	178	178
Equity at 30.6.2023	80	600	26 495	27 176
Equity at 1.7.2023	80	600	26 495	27 176
Profit for the period	0	0	603	603
Total comprehensive income	0	0	603	603
Transactions with owner:				
Group contribution net of tax			-1 905	-1 905
Total contributions by and distributions to owners of the parent, recognised directly in equity	0	0	-1 905	-1 905
Equity at 31.12.2023	80	600	25 193	25 873

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR thousand	Note	1 Jan – 31 Dec 2023	1 Jan – 31 Dec 2022
Cash flows from operating activities			
Profit before tax		977	1 510
Adjustments for			
Depreciation	4	1 508	1 505
Finance income and costs, net		445	633
Change of working capital			
Change in trade and other receivables		3 574	-262
Change in trade and other payables		-1 171	-1 359
Net cash flows from operating activities		5 332	2 027
Cash used in investing activities			
Capital Expenditure	4	-46	-95
Net cash flows used in investing activities		-46	-95
Cash flows from financing activities			
Repayment of borrowings		-500	-500
Contribution from/to Sunborn group companies	6	-3 577	-
Transaction / loan agent costs		0	-13
Interest and finance costs paid		-2 175	-1 485
Net cash flows from financing activities		-6 252	-1 997
Cash and cash equivalents at the beginning of period		1 162	1 405
Effects of exchange rate changes on cash and cash equivalents		37	-177
Change in cash and cash equivalents		-929	-243
Cash and cash equivalents at the end of period		234	1 162

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Sunborn London Oyj is a public limited liability company (“the Company”) incorporated in Finland. Registered address of the Company is Juhana Herttuan puistokatu 23, Turku, Finland. Sunborn London Oyj was established on April 30, 2016. Sunborn London Oyj owns a luxury yacht hotel “Sunborn London” docked at Royal Victoria Dock in London (“Yacht hotel”), which it has leased to its sister company Sunborn International (UK) Limited (“Sunborn UK”).

The Yacht hotel is equipped with 138 cabins, including five suites, conference and auditorium facilities for up to 200 delegates, restaurant and two bars. The Company had no employees in 2023 and 2022. Sunborn London Oyj’s ultimate parent company Sunborn Oy provides management and administrative services to the Company. Sunborn UK’s sole operations consist of acting as the lessee and operator of the Yacht hotel.

Sunborn International Holding Oy is the parent company of Sunborn London Oyj owning 100 % of the shares of the Company, as well as Sunborn International UK. Sunborn International Holding Oy is a family-owned company based in Finland. Sunborn Group focuses on the development of luxury spa and yacht hotels, restaurants and other high-quality property, and has 50 years of experience in the hospitality sector.

2. Summary of significant accounting policies

Basis of preparation

This half year financial report for six months ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS), *IAS 34 interim Financial Reporting*, as adopted by the European Union. The half year financial report is based on the same accounting policies and calculation methods as used in the financial statements for the year 2022, as well as on the new and updated IFRS standards described in the financial statements for the year 2022. However, the half year financial report does not include all the information and notes that are presented in the annual financial statements. As such the half year financial report should be read in conjunction with the financial statements for the year ended 31 December 2022.

The preparation of the half year financial report in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The actual outcomes may differ from these estimates and judgments. The most significant estimates made by the management relating to the accounting policies and uncertainties are the same as applied in the financial statements for the year 2022.

The financial statements are presented in thousands of euros unless otherwise stated. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

The half year financial report is unaudited.

3. Rental income from related parties and other income

The Group’s rental income consists of rental income from Sunborn UK. Bareboat charter agreement is in force until terminated by either party subject to six months' prior notice. Rental income relates to investment property, see note 4 for detail.

The Bareboat charter agreement between the hotel operator, Sunborn International (UK) Ltd and the yacht hotel owner, Sunborn London Oyj is with a minimum sum of GBP 195,000 per month. During the year to 31 December 2022, an additional 1.100 MGBP was charged by the Sunborn London Oyj to account for updated capital cost, planned bond repayments, vessel insurance and classification costs. The monthly charter cost is updated with inflation to GBP 234,000 per month from 1.1.2023 onwards and to GBP 246,000 from 1.1.2024 onwards.

Future lease payments are translated at exchange rate prevailing on each balance sheet date as follows:

EUR thousand	31 Dec 2023	31 Dec 2022
Within 1 year	1 698	1 583
Between 1 and 2 years	-	-
Between 2 and 3 years	-	-
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
Total	1 698	1 583

4. Investment property

The Group presents as investment property its investment in a Yacht Hotel that is leased out under operating lease and it is operated as Yacht hotel Sunborn London Sunborn International (UK) Ltd. The investment property is carried at cost less any accumulated depreciation and any accumulated losses. Fair value of the yacht hotel as at 31 December 2023 has been estimated to be EUR 35 million (31.12.2022: EUR 37 million). The fair value has been determined based on income approach using discounted cash flow analyses. The fair value measurement is based on unobservable inputs and accordingly, is classified in Level 3 in the fair value hierarchy. The volatility in the fair value is due to the impact of estimated cash flows and from the fluctuation of the GBP/EUR exchange rate. Fair value of the yacht hotel as at 31 December 2023 approximates the book value of the yacht hotel.

The Yacht hotel is registered in Finland but located in London, United Kingdom, where it is leased under a Bareboat Charter agreement to Sunborn UK. Sunborn International (UK) Ltd is responsible for the management and costs of operation.

Investment property

EUR thousand	Yacht hotel
Cost at January 1, 2022	45 432
Cost at June 30, 2022	45 432
Accumulated depreciation at January 1, 2022	10 535
Depreciation	752
Accumulated depreciation and impairment at June 30, 2022	11 287
Net book value at January 1, 2022	34 898
Net book value at June 30, 2022	34 145

EUR thousand	Yacht hotel
Cost at July 1, 2022	45 432
Cost at December 31, 2022	45 432
Accumulated depreciation at July 1, 2022	11 287
Depreciation	752
Accumulated depreciation and impairment at December 31, 2022	12 040

Net book value at July 1, 2022	34 145
Net book value at December 31, 2022	33 393

EUR thousand	Yacht hotel
Cost at January 1, 2023	45 432
Additions	108
Cost at June 30, 2023	45 540
Accumulated depreciation at January 1, 2023	12 040
Depreciation	752
Accumulated depreciation and impairment at June 30, 2023	12 792

Net book value at January 1, 2023	33 393
Net book value at June 30, 2023	32 748

EUR thousand	Yacht hotel
Cost at July 1, 2023	45 540
Additions	34
Cost at December 31, 2023	45 574
Accumulated depreciation at July 1, 2023	12 792
Depreciation	756
Accumulated depreciation and impairment at December 31, 2023	13 548

Net book value at July 1, 2023	32 748
Net book value at December 31, 2023	32 026

Rental income and direct operating expenses related to Yacht hotel recognised in the comprehensive income statement are as follows:

EUR thousand	1 Jul – 31 Dec 2023	1 Jul – 31 Dec 2022	1 Jan – 31 Dec 2023	1 Jan – 31 Dec 2022
Rental income	1 596	1 405	3 223	3 969
Direct operating expenses from property that generated rental income	55	54	111	108

5. Equity

Number of the shares has been 200 shares since the establishment of the parent Company. Shares have no nominal value.

6. Borrowings

EUR thousand	31 Dec 2023	31 Dec 2022
Non-current:		
Senior secured bond	-	23 773
Current:		
Senior secured bond	24 185	500
Total	24 185	24 273

At 22 September 2021 the Company issued senior secured bonds with nominal amount of EUR 25.5 million to certain qualified institutional investors mainly to refinance the maturing bonds with equivalent terms and conditions. The bonds are denominated in euros and mature by 22 September 2024. The bonds shall be fully redeemed on maturity date at nominal amount in addition to 1 % call premium. The contractual interest is 5.5 % plus 3-month Euribor. The effective interest rate is 7.27 %.

Management estimates that the fair value of the bond payable approximates the carrying amount as credit standing of the Company has not changed significantly from the issue date.

A summary table with maturity of all financial liabilities is presented below. The amounts disclosed in the tables below are the contractual undiscounted cash flows including the interest payments. The interest payments are calculated based on the interest rate level on the balance sheet dates presented.

EUR thousand	< 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Payables to group companies	-	-	-	-	-
Trade and other payables	26	-	-	-	26
Senior secured bond	24 500	-	-	-	24 500
Senior secured bond, interest payments	1 762	-	-	-	1 762
Total	26 288	-	-	-	26 288

31 Dec 2022

EUR thousand	< 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Payables to group companies	1 195	-	-	-	1 195
Trade and other payables	2	-	-	-	2
Senior secured bond	500	24 500	-	-	25 000
Senior secured bond, interest payments	1 912	1 419	-	-	3 331
Total	3 609	25 919	-	-	29 528

Collaterals and guarantees given

The bonds are secured by a 1st lien mortgage in the Yacht hotel. In addition the security package includes a pledge over shares of Sunborn London Oyj and Sunborn International (UK) Ltd, a pledge granted on Subordinated Loans, Parent loan, intra-group loans, pledged Accounts and other bank accounts held by the Issuer, a floating charge over relevant assets, rights and revenues of the Issuer, an assignment by the Issuer of all rights, titles and interests, under the Bareboat Agreement, including step-in rights for the Trustee, a floating charge granted by the Guarantor creating security over all relevant assets, rights and revenues of the Guarantor and a pledge granted by the Guarantor of the Guarantor's Receivable and any Intra-Group Loans from time to time, an assignment by the Guarantor of any relevant insurances related to the Barge and an on demand guarantee (In Norwegian: "påkravsgaranti").

The bond terms include an asset cover ratio of minimum 120.0 % to maintain the market value to adjusted financial indebtedness, an interest cover ratio covenant of EBITDA to net finance charges of no less than 1.10:1.00 to maintain profitability and the covenant for maintain liquidity in an amount exceeding the aggregate amount of six months of interests. The financial covenants are measured semi-annually, and the Company has not breached the covenant.

7. Related parties

Transactions with related parties

Related parties are the ultimate parent company Sunborn Oy, the direct parent company Sunborn International Holding Oy, other Sunborn Group entities, the board of directors and key management of the Group and the Board

of Directors and management of the parent company, together with their close family members, and companies controlled by these individuals.

The following table summarises the Group's transactions and outstanding balances with related parties during or at the end of the years presented:

EUR thousand	1 Jul – 31 Dec 2023			1 Jul – 31 Dec 2022		
	Rental income from the operating lease	Management fee	Interest income	Rental income from the operating lease	Management fee	Interest income
Ultimate parent - Sunborn Oy	-	-28	-	-	-26	-
Parent - Sunborn International Holding Oy	-	-15	1 395	-	-20	722
Sunborn International Oy	-	-	-	-	-12	-
Sunborn UK	1 627	-	-	2 564	-	-
Total	1 627	-43	1 395	2 564	-58	722

EUR thousand	1 Jan – 31 Dec 2023			1 Jan – 31 Dec 2022		
	Rental income from the operating lease	Management fee	Interest income	Rental income from the operating lease	Management fee	Interest income
Ultimate parent - Sunborn Oy	-	-55	-	-	-53	-
Parent - Sunborn International Holding Oy	-	-25	2 116	-	-20	1 444
Sunborn International Oy	-	-10	-	-	-24	-
Sunborn UK	3 223	-	-	3 969	-	-
Total	3 223	-90	2 116	3 969	-97	1 444

EUR thousand	31 Dec 2023		31 Dec 2022	
	Receivables	Liabilities	Receivables	Liabilities
Ultimate parent - Sunborn Oy	-	-	-	1 170
Parent - Sunborn International Holding Oy	24 138	-	20 826	25
Sunborn International Oy	-	-	-	-
Sunborn UK	1	-	3 579	-
Total	24 139	-	24 405	1 195

The rental income arises from the Bareboat Charter agreement related to the Yacht hotel with Sunborn UK. This agreement is in force until terminated by either party subject to six months' prior notice.

The Group has paid management fee to Sunborn Oy, Sunborn International Holding Oy and Sunborn International Oy and received interest income from Sunborn International Holding Oy. The interest income arises from the receivable the parent as described below.

The intercompany receivable from the parent company Sunborn International Holding Oy matures in September 2026, however subject to the occurrence of certain events in the bond terms receivable mature and become immediately due. The loan receivable accumulates interest income, which is recognised as receivable from the parent company. The interest is in line with the interest of external financing and is at 9.4 % on 31 December 2023.

Fair value of the loan receivable approximates its carrying amount, as the management estimates that the credit standing of the debtor has not changed significantly from the issue date, and it carries interest rate based on market rate.

Sunborn UK and Sunborn International Holding Oy have guaranteed the senior secured bonds of the Company. Detailed information on the guarantee is described in note 6 Borrowings.

8. Events after the reporting date

Nothing to report.

Appendix 1 Sunborn International (UK) Ltd

Sunborn International (UK) Ltd
HALF-YEAR UNAUDITED REPORT 1 July – 31 December 2023

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STATEMENT OF COMPREHENSIVE INCOME (IFRS)

GBP thousand	Note	1 Jul – 31 Dec 2023	1 Jul – 31 Dec 2022	1 Jan -31 Dec 2023	1 Jan -31 Dec 2022
Revenue	3	5,266	5,284	10,548	10,048
Cost of sales		(1,296)	(1,245)	(2,528)	(2,278)
Depreciation	5	(202)	(141)	(365)	(259)
Bare Boat Charter	4	(1,404)	(2,270)	(2,808)	(3,440)
Administrative expenses		(2,276)	(2,071)	(4,368)	(3,988)
Operating profit/(loss)		88	(443)	479	84
Finance income		19	-	41	-
Finance cost		(13)	(15)	(28)	(29)
Profit before taxes		94	(458)	492	55
Income tax expense		-	-	-	-
Change in deferred tax		-	-	-	-
Profit for the period		94	(458)	492	55
Total comprehensive income for the period		94	(458)	492	55

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

BALANCE SHEET

GBP thousand	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Property, plant and equipment	4	392	367
Right-of-use assets	4	411	519
Total non-current assets		803	886
Current assets			
Inventories		115	112
Amounts due from group companies	6	-	1,226
Trade and other receivables		272	238
Cash and cash equivalents		2,040	3,409
Total current assets		2,427	4,987
Total assets		3,230	5,873
Equity and liabilities			
Share capital		150	150
Retained earnings		443	(49)
Total equity		593	101
Non-current liabilities			
Lease liability	5	330	434
Total non-current liabilities		330	434
Current liabilities			
Trade and other payables		1,832	1,694
Payables to group companies	6	69	3,204
Lease liability	5	96	99
Accrued expenses		310	339
Total current liabilities		2,307	5,336
Total liabilities		2,637	5,771
Total equity and liabilities		3,230	5,873

STATEMENT OF CHANGES IN EQUITY

GBP thousand	Share Capital	Retained Earnings	Total
Equity at 1.1.2022	150	(104)	46
Profit for the period	-	55	55
Total comprehensive income	150	(49)	101
Equity at 31.12.2022	150	(49)	101
Equity at 1.1.2023	150	(49)	101
Profit for the period	-	492	492
Total comprehensive income	150	443	593
Equity at 31.12.2023	150	443	593

STATEMENT OF CASH FLOW

GBP thousand	1 Jan to 31 Dec 2023	1 Jan to 31 Dec 2022
Cash flows from operating activities		
(Loss)/Profit	492	56
Finance income	(41)	(10)
Finance cost	28	29
Depreciation	365	259
(Increase)/decrease in inventories	(3)	(24)
(Increase)/decrease in receivables	1,092	(116)
(Decrease)/increase in payables	(2,925)	1,179
Interest paid in cash	41	10
Net cash utilised in operating activities	(951)	1,383
Cash flows from investing activities		
Acquisition	(282)	(175)
Disposal	-	-
Net cash from investing activities	(282)	(175)
Cash flows from financing activities		
Repayment of lease liabilities	(136)	(127)
Net cash utilised in financing activities	(136)	(127)
Net increase in cash and cash equivalents	(1,369)	1,081
Cash and cash equivalents at beginning of period	3,409	2,328
Cash and cash equivalents at end of period	2,040	3,409

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Sunborn International (UK) Limited ('the Company') is a private Company limited by share capital incorporated in England and Wales under the Companies Act. Its ultimate parent and holding Company is Sunborn Oy, an undertaking incorporated in Finland. Sunborn International (UK) Limited ("Sunborn UK") is acting as a charterer for a luxury yacht hotel "Sunborn London" docked at 'at Royal Victoria Dock in London, the UK ("Yacht hotel"), which it is own by its sister Company Sunborn London Oyj. The Yacht hotel is equipped with 138 cabins, including 5 suites, conference and auditorium facilities for up to 100 delegates, restaurant and two bars. Since 2021 operations consist of acting as the charterer and operator of the Yacht hotel.

2. Summary of significant accounting policies***Basis of preparation***

This half year financial report for six months ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 interim Financial Reporting, as adopted by the European Union. The half year financial report is based on the same accounting policies and calculation methods as used in the financial statements for the year 2023, except for as presented below. The half year financial report does not include all the information and notes that are presented in the annual financial statements. As such the half year financial report should be read in conjunction with the financial statements for the year ended 31 December 2023.

The preparation of the half year financial report in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The actual outcomes may differ from these estimates and judgments. The most significant estimates made by the management relating to the accounting policies and uncertainties are the same as applied in the financial statements for the year 2023. The financial statements are presented in thousands of pounds sterling unless otherwise stated. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure. The half year financial report is unaudited.

3. Revenue

During the reporting period the company generates revenue from hotel operations.

4. Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

- Improvements to property 3 to 10 years straight line
- Equipment 3 years straight line

GBP thousand	Improvements to property	Right to use asset	Equipment	Total
Cost at January 1, 2022	1,262	783	7	2,052
Addition	38`	138	137	313
Disposal	-	-	-	-
Cost at December 31, 2022	1,300	921	144	2,365
Accumulated depreciation at January 1, 2022	923	295	2	1,220
Depreciation	134	108	17	259
Accumulated depreciation and impairment at December 31, 2022	1,057	403	19	1,479
Net book value at January 1, 2022	339	488	5	832
Net book value at December 31, 2022	243	518	125	886
Cost at January 1, 2023	1,300	921	144	2,365
Addition	59	-	223	282
Disposal	-	-	-	-
Cost at December 31, 2023	1,359	921	367	2,647
Accumulated depreciation at January 1, 2023	1,057	403	19	1,479
Depreciation	165	107	93	365
Accumulated depreciation and impairment at December 31, 2023	1,222	510	112	1,844
Net book value at January 1, 2023	243	518	125	886
Net book value at December 31, 2023	137	411	255	803

5. Lease liabilities

At 31 December 2023 the company is committed to £425k (£2022: 533k) in future lease payments which relate to long-term. The carrying amount of the lease liabilities approximate the fair value.

GBP thousand	31 Dec 2023	31 Dec 2022
Within 1 year	127	127
Between 1 and 2 years	127	127
Between 2 and 3 years	127	127
Between 3 and 4 years	103	127
Between 4 and 5 years		103
Later than 5 years	-	-
Total	484	611
Less unearned interest cost	-59	-78
Lease liabilities	425	533

From 1 January 2023 the Bareboat charter agreement between the hotel operator, Sunborn International (UK) Ltd and the yacht hotel owner, Sunborn London Oyj was renewed with a fixed sum of GBP 234,000 per month.

Bareboat Charter agreement is in force until terminated by either party subject to six months' prior notice.

6. Transactions with related parties

The Company's related parties are its parent company Sunborn International Holding Oy, ultimate parent company Sunborn Oy, other Sunborn Group entities, the board of directors and key management of the Company and the Board of Directors and management of the parent company, together with their close family members, and companies controlled by these individuals.

The following table summarises the Company's transactions and outstanding balances with related parties during or at the end of the years presented:

GBP thousand	1 Jul - 31 Dec 2023 Interest cost related to lease liability	1 Jul – 31 Dec 2022 Interest cost related to lease liability	1 Jan -31 Dec 2023 Interest cost related to lease liability	1 Jan -31 Dec 2022 Interest cost related to lease liability
Sunborn London Oyj	-	-	-	-
Total	-	-	-	-

GBP thousand	31 Dec 2023		31 Dec 2022	
	Receivables	Liabilities	Receivables	Liabilities
Sunborn London Oyj	7	-	-	3,166
Sunborn International Oy	-	-	1,126	-
Sunborn International Holding Oy	-	87	100	37
Sunborn Saga Oy	11	-	-	1
Total	18	87	1,226	3,204

The lease expenses of the Company arise from a lease contract related to the Yacht hotel with its sister Company, Sunborn London Oyj. The Lease contract ("Bareboat charter agreement") is in force until terminated by either party subject to six months' prior notice. The lease expense charged to the income statement was as follows:

GBP thousand	1 Jul - 31 Dec 2023 Bareboat Charter	1 Jul – 31 Dec 2022 Bareboat Charter	1 Jan -31 Dec 2023 Bareboat Charter	1 Jan -31 Dec 2022 Bareboat Charter
Sunborn London Oyj	1,404	1,720	2,080	3,440
Total	1,404	1,720	2,080	3,440

During the year to 31 December 2022, an additional £1.1m was charged by the Yacht owner to account for dilapidation.

7. Events after the reporting date

There have been no significant events between the year end and the date of this report which would require a change to or disclosure in this report.