

# SUNBORN GIBRALTAR



**QUARTERLY FINANCIAL REPORT**  
**1 October – 31 December 2021**  
**SUNBORN (GIBRALTAR) LIMITED**

**sunborn**

CONTENTS

CONTENTS .....	2
PERIOD ENDED 31 DECEMBER 2021 REPORT .....	3
STATEMENT OF COMPREHENSIVE INCOME .....	6
STATEMENT OF FINANCIAL POSITION .....	7
STATEMENT OF CHANGES IN EQUITY .....	8
STATEMENT OF CASH FLOWS .....	9
NOTES TO THE FINANCIAL STATEMENTS .....	10
1. General information .....	10
2. Summary of significant accounting policies .....	10
3. Rental income from related parties .....	11
4. Investment property .....	12
5. Equity & Capital Reserve .....	13
6. Borrowings non-current liabilities .....	13
7. Related parties .....	14
8. Events after the balance sheet date .....	15
Appendix 1 .....	16
Sunborn (Gibraltar) Resort Limited .....	16
Unaudited Income Statement .....	16
Unaudited Balance Sheet .....	17
Unaudited Statement of Cash Flows .....	18

**PERIOD ENDED 31 DECEMBER 2021 REPORT**

**Key Figures Issuer Sunborn (Gibraltar) Limited**

GBP thousand	1 Oct-31 Dec 2021	1 Oct -31 Dec 2020	1 Jan- 31 Dec 2021	1 Jan-31 Dec 2020
Rental income	795	795	3,180	2,404
EBITDA	721	743	2,929	2,180
Investment property (yacht hotel)			80,142	82,623
Total Equity			6,255	5,781
Bond			48,694	51,727

**Key Figures Operator Sunborn (Gibraltar) Resort Limited**

GBP thousand	1 Oct-31 Dec 2021	1 Oct -31 Dec 2020	1 Jan- 31 Dec 2021	1 Jan-31 Dec 2020
Turnover	2,132	1,152	8,438	3,899
EBITDAR	363	324	3,094	239

**Chief Executive Director, Hans Niemi**

“The Issuer Sunborn Gibraltar Ltd lease income in Q4 2021 from the Operator was as per budget £795 K (£795K in Q4 2020) and costs were also in line with expectations.

Operations performance in Q4 was on solid ground with peak performance in two out of the three months. Excellent October and November performance was followed by UK travel restrictions in December caused by Omicron variant and major cancellations impacting a well booked December. Despite this setback, total Revenue for the period ended at +85 % YoY 2020 and EBITDA at +12 % YoY 2020. Comparing 2021 Q4 results to pre-covid 2019, performance is excellent ADR and RevPar +18 % and + 3% respectively compared to 2019. Payroll, expense controls and management adaptations over the past year combined with an outstanding level of business contributed to the Operator’s overall financial success during the period. Appropriately, the hotel won the prestigious title of Gibraltar’s Leading Hotel at the 2021 WTA.”

**General**

Sunborn (Gibraltar) Limited owns a luxury yacht hotel “Sunborn Gibraltar” docked at Ocean Village in Gibraltar, which it has leased to its sister company Sunborn (Gibraltar) Resort Ltd. The hotel operations of the yacht hotel Sunborn Gibraltar are run by management company Sunborn (Gibraltar) Resort Ltd in accordance with the lease contract. The yacht hotel is equipped with 189 cabins, including 22 suites, conference, and ball room facilities for up to 400 delegates, two restaurants, three bars, casino and lounges inside the yacht hotel. Sunborn Gibraltar’s sole operation consists of acting as a lessor of the yacht hotel.

**Issuer Sunborn Gibraltar Ltd Financial summary 1 October – 31 December**

The Issuer Sunborn Gibraltar Ltd receives lease income from the Operator. Lease income in Q4 2021 was £795 K (£795K in Q4 2020). Costs were in line with previous year.

The fair value of the Yacht hotel is at €107.6 Million based on the latest valuation report dated June 2021.

### **Operator Financial summary 1 October – 31 December**

Operations performance in Q4 was on solid ground with peak performance in two out of the three months. Total Revenue for the Quarter ended with £M 2,132 (+85 % YoY 2020) and EBITDA at £M 0,363 (+12 % YoY 2020). October and November were successful months with excellent levels of occupancy, restaurants and meetings and banquets. December however significantly impacted the remainder of the quarter with unexpected cancellations due to Omicron related restrictions of travel in the UK and further local event cancellations with government guidelines on large group gatherings which influenced companies to cancel or postpone group events. Cancellation in December for the month were > 1,500 room nights, equalling ~£250k in room revenue and ~150k in Food & Beverage. Despite this setback, the Q4 result exceeded 2020. Comparing 2021 Q4 results to pre-covid 2019, performance is excellent with an increase of ADR and RevPar +18 % and +3 % respectively compared to 2019. Payroll, expense controls and management adaptations over the past year combined with an outstanding level of business contributed to the Operator's overall financial success during the period.

### **Business environment**

Leisure travel from UK rebounded since H1 and Gibraltar hotel sector experienced record levels of occupancy in Q3 and Q4 with overall improved business environment. The Omicron variant related UK travel restrictions announced end of November continued until February 11th, 2022 impacting end of year and expected Q1 revenue. However, monthly pick up compared to 2019 and 2020 levels shows good levels in bookings going forward. Management is confident in performance expectations for Q2 and forecasted overall year revenue and performance.

Corporate business travel looks to returning to "normal" levels from Q3 with additional pickup from Gibraltar gaming sector due to World Cup taking place November 2022. Small to midsize wedding bookings are also a market to contributing to this year as many postponed weddings are eventually taking place. Overall, advance bookings for 2022, each month from April onward exceeds those of 2019 with the exception of July due to the Island Games in 2019.

The weekly flights into Gibraltar remains at approximately 18 per week through the winter months as scheduled. The summer schedule for 2022 has already been released and the airlines have indicated they will resume the same level as 2021.

During the period, the hotel continued to maintain high levels of Guest satisfaction ratings reflected by Trip Advisor rating of #4, Booking.com rating of 8.6/10, Hotels.com rating of 9.0/10, Expedia.com 4.6/5 during the period and maintains the AA rating of Five Star for the hotel and 2 Rosettes for the main restaurant.

### **Notable events during and after the end of the reporting period and estimate future development**

Sunborn Gibraltar won the prestigious title of Gibraltar's Leading Hotel at the 2021 World Travel Awards in the beginning of November.

Omicron variant caused travel restrictions and impacted business levels in December 2021 and Q1 2022. Management is confident the business is well placed to continue operations normally upon the lifting of restrictions. The Gibraltar Health Authority has successfully vaccinated nearly 100% of its citizens and cross border workers or has allotments for inoculations.

New EU-UK-Gibraltar treaty deadline has been set for April 1, 2022.

On November 1, 2021, Ms. Karen Thomson and Mr. Xavier Valero were appointed as Board Member alongside Mr. Hans Niemi of the companies: Sunborn (Gibraltar) Limited and Sunborn (Gibraltar) Resort Ltd.

### **Short-term risks and uncertainties**

Sunborn Gibraltar's financial risks related to business are market risk (including interest rate risk), credit risk, liquidity risk, refinancing risk and business interruption due to incidents relating to environmental and or public health risks. Floating interest rate risk has not been hedged.

Covid restrictions have affected the tourism market globally. New or prolonged Covid -19 restrictions can further impact the Company's business through continued negative impact on the operator. Prolonged crisis could also in the long-term impact the fair value of the yacht hotel the Company holds as investment property.

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 unfavourable developments at the group level.

High volatility in pound sterling versus euro is expected to continue with a risk of a further depreciation of the pound that could in the short to intermediate term impact negatively on operational costs and profitability.

Financial risk management carried out by the management of the Company aims to protect the Company against unfavourable developments in the financial markets and ensure the performance. The management review financial risks on regular basis to manage financial risk position and decide on necessary actions.

The Company's bond is maturing for repayment on 5th September 2022. Management views the current high yield market conditions to be less favourable due to the higher industry risk and ongoing pandemic risk but financing to be available subject to terms and conditions.

Risks related to the border and land access to Gibraltar from Spain if the EU-UK-Gibraltar treaty is not ratified. A border disruption or temporary closure could impact pricing and availability of goods and services from Spain and ease of accessing Gibraltar for our clients and staff.

STATEMENT OF COMPREHENSIVE INCOME

GBP thousand	Note	1 Oct- 31	1 Oct- 31	Unaudited	Audited
		1 Oct- 31 Dec 2021	Dec 2020	1 Jan- 31 Dec 2021	1 Jan- 31 Dec 2020
Rental income from group companies		795	795	3,180	2,404
Depreciation		(623)	(631)	(2,490)	(2,522)
Other operating expenses		(74)	(52)	(251)	(224)
<b>Operating profit/(loss)</b>		<b>97</b>	112	<b>439</b>	(342)
Conversion to Capital reserve of intercompany loan		-	5,000	-	5,000
Foreign exchange gain / (loss)		1,208	652	3,400	(2,847)
Finance cost - amortisation of borrowing cost		(153)	(99)	(436)	(654)
Finance cost - group borrowings		(97)	(116)	(390)	(465)
Finance costs - other borrowings		(628)	(593)	(2,539)	(2,633)
Finance costs, net		330	4,844	35	(6,599)
<b>Profit/(loss) before taxes</b>		<b>427</b>	4,957	<b>474</b>	(1,941)
Income tax expense		-	-	-	-
<b>Profit/(loss) for the period</b>		<b>427</b>	4,957	<b>474</b>	(1,941)
<b>Total comprehensive income/(loss) for the period</b>		<b>427</b>	4,957	<b>474</b>	(1,941)

**STATEMENT OF FINANCIAL POSITION**

GBP thousand	Note	Unaudited 31 December 2021	Audited 31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	4	<b>80,142</b>	82,623
Total non-current assets		<b>80,142</b>	82,623
<b>Current assets</b>			
Receivables from group companies	7	<b>1,797</b>	2,148
Other receivables		<b>274</b>	322
Cash and cash equivalents		<b>1,098</b>	292
Total current assets		<b>3,168</b>	2,762
Total assets		<b>83,310</b>	85,385
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	5	<b>3</b>	3
Share premium	5	<b>15,604</b>	15,604
Capital reserves		<b>15,000</b>	15,000
Retained result		<b>(24,352)</b>	(24,826)
Total equity		<b>6,255</b>	5,781
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Payables to group companies	7	<b>26,014</b>	25,997
Borrowings	6	<b>48,694</b>	51,727
Total non-current liabilities		<b>74,708</b>	77,724
<b>Current liabilities</b>			
Payables to group companies	7	<b>1,949</b>	1,470
Other payables		<b>398</b>	410
Total current liabilities		<b>2,347</b>	1,880
Total liabilities		<b>77,055</b>	79,604
Total equity and liabilities		<b>83,310</b>	85,385

**STATEMENT OF CHANGES IN EQUITY**

GBP thousand	Share capital	Share premium	Capital reserve	Retained earnings	Total equity
<b>Equity at 1 Jan 2020</b>	<b>3</b>	<b>15,604</b>	<b>10,000</b>	<b>(17,885)</b>	<b>7,722</b>
Result for the period	-	-	-	(6,904)	(6,904)
<b>Equity at 30 Sep 2020</b>	<b>3</b>	<b>15,604</b>	<b>10,000</b>	<b>(24,789)</b>	<b>818</b>
<b>Equity at 1 Oct 2020</b>	3	15,604	10,000	24,789	818
Conversion to Capital reserve of intercompany loan			5,000	(5,000)	
Result for the period	-	-	-	4,963	4,963
<b>Equity at 31 Dec 2020</b>	<b>3</b>	<b>15,604</b>	<b>15,000</b>	<b>(24,826)</b>	<b>5,781</b>
<b>Equity at 1 Jan 2021</b>	3	15,604	15,000	(24,826)	5,781
Result for the period	-	-	-	47	47
<b>Equity at 30 Sep 2021</b>	<b>3</b>	<b>15,604</b>	<b>15,000</b>	<b>(24,779)</b>	<b>5,828</b>
<b>Equity 1 Oct 2021</b>	3	15,604	15,000	24,779	5,828
Result for the period	-	-	-	427	427
<b>Equity at 31 Dec 2021</b>	<b>3</b>	<b>15,604</b>	<b>15,000</b>	<b>(24,352)</b>	<b>6,255</b>



**STATEMENT OF CASH FLOWS**

GBP thousand	1 Jan - 31 Dec 2021	Audited 1 Jan - 31 Dec 2020
<b>Operating activities</b>		
Operating profit/ (loss)	439	(342)
<b>Adjustment for:</b>		
Depreciation	2,490	2,522
<b>Change in working capital:</b>		
Change in receivables from group companies	351	(276)
Change in other receivables	48	(3)
Change in payables to group companies	106	(3)
Change in other payables	(12)	41
Net cash flows from /(used in) operations before interest payments	3,422	1,939
Interest paid	(2,539)	(2,708)
Net cash flows from /(used in) operations	883	(768)
<b>Cash used in investing activities</b>		
Additions in investment property	(9)	-
<b>Net cash flows used in investing activities</b>	(9)	0
<b>Cash flows from financing activities</b>		
Repayment of borrowings from Group company	-	-
Transaction costs paid	(68)	-
Net cash flows from financing activities	(68)	-
Net increase / (decrease) in cash and cash equivalents	806	(768)
Cash and cash equivalents at 1 January	292	1060
Cash and cash equivalents at 31 December	1,098	292

**NOTES TO THE FINANCIAL STATEMENTS****1. General information**

Sunborn Gibraltar Limited (the 'Company') is a private company limited by shares incorporated and registered in Gibraltar. The registered address of Sunborn Gibraltar Limited is 57/63 Line Wall Road, Gibraltar, and its business address: 35 Ocean Village Promenade, Gibraltar, GX111AA. Sunborn Gibraltar Limited owns a luxury yacht hotel docked at Ocean Village in Gibraltar, which it has leased to its sister company Sunborn (Gibraltar) Resort Limited, who runs the operations in accordance with a lease contract. The Yacht hotel is equipped with 189 cabins, including 22 suites. There are also conference facilities for up to 400 delegates, restaurants, bars fitness centre, spa and lounges inside the Yacht hotel. The Company had no employees during the nine months to 30 September 2020 or during 2019. The Company is wholly owned by Sunborn Gibraltar Holdings Limited, and its ultimate parent is Sunborn Oy, a company registered in Finland and owned by the Niemi family who are also based in Finland. Sunborn Oy focuses on the development of luxury spa and yacht hotels, restaurants, and other high-quality property, and has more than 50 years of experience in the hospitality sector.

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

This condensed interim financial report for twelve months ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 interim Financial Reporting, as adopted by the European Union.

The condensed interim year financial report does not include all the information and notes that are presented in the annual financial statements and should be read in conjunction with the audited financial statements for year ended 31 December 2020.

The accounting policies and measurement principles remain unchanged in comparison with as has been presented in Note 2 in the Annual Report 2020.

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

**Going concern***Covid-19*

Since March 2020, the spread of the Covid-19 has led to unprecedented and gradually worsening business situation in the hospitality sector all over the world including Gibraltar. Covid-19 impacts Sunborn Gibraltar's operations through the operator's ability to business operations in a restricted and unpredictable business environment and pay the agreed lease payments. Operator Sunborn Gibraltar Resort is the sole lessee and the main source of the Company's cash inflows.

Despite of the Covid-19 situation the management is confident the property is well placed to continue operations regardless of the changes in the operating environment. During these difficult times, the Operator has succeeded

in managing variable costs and continues to meet its commitments under the Bareboat Charter agreement and Sunborn Gibraltar to pay the interest and other payments related to bond.

#### *Net losses*

The Company has incurred net losses consisting mainly of depreciation and unrealized foreign exchange rate differences arising from the borrowings. The Company's sole purpose is to own the vessel "Sunborn Gibraltar Yacht" and lease the vessel out to Sunborn Gibraltar Resort Limited through an internal bareboat agreement. The Company has primarily relied upon financing raised through the borrowings from the group companies and bonds from external parties as well as from shares issued to the parent company Sunborn (Gibraltar) Holdings Limited. In April 2016, Sunborn International Oy transferred the company's borrowing amounting to £15.6m to Sunborn (Gibraltar) Holdings Limited and thereafter was converted to company's equity to provide additional capital. The borrowings were converted to Sterling Pounds to avoid unrealised losses. Further conversions have been carried out in September 2018 (£10M) and in December 2020 (£5M) converting debt liabilities to Sunborn International Oy into company's equity.

The financial information in these financial statements has been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. Moreover, the company's ultimate parent has confirmed its willingness to provide financial support to allow the company to operate and meet its liabilities as and when required.

### **3. Rental income from related parties**

Rental income comprises income generated from lease of its vessel to its sister company Sunborn Gibraltar Resort Limited. The lease term is 10 years with fixed monthly lease from 1 June 2017 and in force until terminated by the company subject to three months' prior notice. Due to the Covid-19 crisis the issuer Sunborn Gibraltar provided a lease waiver to be applied during the financial year 2020. £ 776 K lease waiver was used in Q2 2020.

**4. Investment property**

	<u>Vessel</u> <u>incl improvements</u>	<u>Furniture</u> <u>&amp; Fittings</u>	<u>Total</u>
GBP thousand			
<b>Cost</b>			
At 01 January 2020	101,993	487	102,480
Additions	-	-	-
At 31 Dec 2020	101,993	487	102,480
Additions	-	9	9
<b>At 31 December 2021</b>	<b>101,993</b>	<b>496</b>	<b>102,489</b>
<b>Depreciation</b>			
At 01 January 2020	16,948	404	17,352
Charge for the period	2,477	28	2,505
At 31 December 2020	19,425	432	19,857
Charge for the period	2,462	28	2,490
<b>At 31 December 2021</b>	<b>21,887</b>	<b>460</b>	<b>22,347</b>
<b>Net book value</b>			
<b>At 31 December 2021</b>	<b>80,106</b>	<b>36</b>	<b>80,142</b>
<b>At 31 December 2020</b>	<b>82,568</b>	<b>55</b>	<b>82,623</b>
At 01 January 2020	85,045	83	85,128

The vessel is registered in Finland but located in Gibraltar, where it is leased under a lease agreement to Sunborn Gibraltar Resort Limited, which runs the hotel operations of the Yacht hotel. Sunborn Gibraltar is responsible for the maintenance, the mooring fee, certain insurances, marketing of the vessel and any other such operational costs for operating the Yacht hotel. The Company has thus no risk on operating the Yacht hotel, being only responsible for certain insurances and maintaining the hull.

The investment property is carried at deemed cost as at 1 January 2016, which was its fair value, less any accumulated depreciation and any accumulated impairment losses.

The fair value of the Yacht hotel is at 107.6 M€ according to the latest valuation report June 2021.

Depreciation is calculated using the straight-line method to allocate the cost to the residual value over their estimated useful lives. The estimated useful life of the vessel divided to its significant components is presented in the table below:

Vessel:	40 years
Vessel improvements:	Shorter of remaining vessel life or useful life of improvements (3 to 25 years)
Furniture and fittings:	10 years

All repairs and maintenance costs are charged to the statement of the comprehensive income during the financial year in which they are incurred.

**5. Equity & Capital Reserve**

	<b>As at 31 Dec 2021 and 31 Dec 2020</b>	
	<b>No.</b>	<b>£</b>
Share Capital		
Authorised, allotted, called up and fully paid shares of £1 each	<b>3,000</b>	3,000

The number of ordinary shares outstanding since the company’s inception was 2000 shares. In 2016, borrowings from the group company were converted into equity thereby increasing the authorized ordinary share capital by 1,000 at a premium of £15,604 per share resulting to a share premium of £15,604,000.

The Company has not distributed any dividend and the bond agreement set some restrictions for distribution of dividend.

**6. Borrowings non-current liabilities**

Borrowings are analysed as follows:

GBP thousand	<b>31 Dec 2021</b>	31 Dec 2020
Wholly repayable within five years	<b>48,694</b>	51,727
Details of loans wholly repayable within five years are as follows:		
Senior secured bond SE0010296632 due 5/9/22	<b>48,980</b>	52,381
Less: transaction costs	<b>(286)</b>	(654)
	<b>48,694</b>	51,727

**Borrowings non-current liabilities – continued**

On 31/8/2017, the company issued a Senior Secured Bonds with nominal value of EUR 58 million repayable in 2022. The contractual interest is 5 % plus Euribor and the effective interest is 5.83 %. The proceeds of the bonds were used to pay the secured loans with the financing company.

As a result of Amended and Restated Terms and Conditions, related amendment fee of 50 bp resulted in a modification loss in interest expenses for year 2020. The amount of borrowings was adjusted accordingly. The management estimated that the fair value of the borrowings approximates the carrying amounts of the bonds.

The bond terms include an asset cover ratio covenant, which requires the Company to maintain the asset cover ratio of minimum 140.0 %. The covenant is calculated based on the market value of the Yacht Hotel calculated by approved valuator appointed by the Company and approved by the bond trustee, divided by financial indebtedness of the Company.

The bond terms also include a cash requirement covenant, which requires the Company to maintain the cash minimum of upcoming 3 months interest payment. The bond terms include an interest cover ratio covenant, which requires the Company to generate EBITDA minimum of 1.1 times the interest. Covenants are tested on a quarterly basis.

**Collaterals and guarantee given**

The bonds are secured by a 1st lien mortgage in the vessel and the cash held at bank. The bonds are also secured by a floating charge agreement over the assets, rights, intellectual property, and revenues including relevant insurances. The bank accounts have been pledged to secure the bond repayment; however, they can be used by the Company in the ordinary course of business.

Moreover, Sunborn International Oy has pledged its shares in the Company and Sunborn Gibraltar Holdings Limited and Sunborn Gibraltar Resort Limited to secure the repayment of the bonds.

As a result of Covid-19 impacts on the operator's activities Sunborn Gibraltar written procedure approved 16th June 2020 to amend bond terms and conditions was voted on by bondholders and accepted. Amended and Restated Terms and Conditions secured certain waivers and amendments to the terms and conditions of the bonds to provide relief on interest coverage ratio, minimum cash covenant and lease payment covenant.

As a result of the written procedure in the new Amended and Restated Terms and Conditions Sunborn International Holding Oy has entered into an Additional Guarantee Agreement, as principal obligor, guarantee to the Agent and Bondholders the punctual performance of Sunborn Gibraltar Limited obligations under the Bond's Finance Documents.

**7. Related parties**

The Company's related parties are its 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	<b>1 Oct–31 Dec 2021</b>	1 Oct–31 Dec 2020	<b>1 Jan–31 Dec 2021</b>	1 Jan–31 Dec 2020
Sunborn (Gibraltar) Resort rent	<b>795</b>	795	<b>3180</b>	2,404
Sunborn International Oy interest	<b>( 97)</b>	( 116)	<b>( 390)</b>	( 465)
Sunborn International Oy loan capital conversion	-	5,000	-	5,000

GBP thousand	<b>31-Dec-21</b>		31-Dec-20	
	<b>Receivables</b>	<b>Liabilities</b>	Receivables	Liabilities
Sunborn (Gibraltar) Resort	<b>1794</b>	<b>86</b>	2,137	86
Sunborn (Gibraltar) Holdings	<b>3</b>	-	3	
Sunborn International Oy	-	<b>27,762</b>		27,285
Sunborn International Holding Oy	-	<b>112</b>		95
Sunborn Int. UK		<b>3</b>		
<b>Total</b>	<b>1,797</b>	<b>27,962</b>	2,140	27,466

In December 2020 £5M of the debt liabilities to Sunborn International Oy converted into company's equity.

The issuer provided the operator a lease waiver to be applied in 2020 and was permitted to use cash reserves for liabilities falling due.

#### **8. Events after the balance sheet date**

Nothing to report.

## Appendix 1

### Sunborn (Gibraltar) Resort Limited

#### Unaudited Income Statement

GBP thousand

	Unaudited 3 months ended 31 Dec 21	Unaudited 3 months ended 31 Dec 20	Unaudited 12months ended 31 Dec 21	Audited 12 months ended 31 Dec 20
<b>REVENUE</b>	2,132	1,152	8,438	3,899
<b>Cost of sales</b>				
Food	122	53	348	200
Beverage	57	30	194	81
Agent commission	66	65	309	124
Other	25	12	81	40
	270	160	932	445
<b>GROSS PROFIT</b>	1,862	993	7,506	3,453
<b>Administrative and other expenses</b>	(1,499)	(670)	(4,413)	(3,214)
<b>EBITDAR</b>	363	324	3,094	239
Rent cost due to related entity	(795)	(795)	(3,180)	(2,404)
Depreciation	(49)	(31)	(190)	(289)
Interest expense	(19)	(9)	(72)	(16)
<b>Result before tax</b>	(500)	(513)	(348)	(2,470)
Taxation	-	-	-	-
<b>Result for the year</b>	(500)	(513)	(348)	(2,470)



**Unaudited Balance Sheet**

GBP thousand

	Unaudited 31 Dec 21 £	Audited 31 Dec 20 £
Fixed assets	<u>275</u>	<u>182</u>
Tangible fixed assets		
Current Assets		
Inventories	102	100
Trade and other receivables	1,294	966
Cash at bank	<u>93</u>	<u>324</u>
	1,489	1,390
Current Liabilities		
Trade and other payables	2,600	2,028
Finance lease obligation	<u>5</u>	<u>12</u>
	2,605	2,040
Current Assets less Current Liabilities	(1,116)	(651)
Non-current liabilities		
Finance lease obligation	-	5
Other payables	1,717	2,137
Permitted loan facility	<u>1,500</u>	<u>1,100</u>
Total Assets less Liabilities	<u>(4,059)</u>	<u>(3,711)</u>
Capital and Reserves		
Called up share capital	2	2
Profit & loss account	<u>(4,061)</u>	<u>(3,713)</u>
	<u>(4,059)</u>	<u>(3,711)</u>

**Unaudited Statement of Cash Flows**

GBP thousand

	Unaudited 12 months ended 31-Dec-21 £	Audited 31 Dec 20 £
Reconciliation of operating loss to net cash flows from operating activities		
Operating profit	(349)	(2,470)
Finance lease interest	1	16
Operating profit	<u>(348)</u>	<u>(2,454)</u>
Depreciation	190	289
Movement in inventories	(2)	34
Movement in debtors	(328)	593
Movement in creditors	<u>(215)</u>	<u>961</u>
Net cash flows from operating activities	<u>(703)</u>	<u>(578)</u>
Cash flow from investing activities		
Purchase of tangible fixed assets	<u>(283)</u>	<u>(266)</u>
Cash flow from financing		
Other borrowings	400	1,100
Equity cure	367	0
Repayment of obligations under finance lease	<u>(13)</u>	<u>(13)</u>
Taxation	<u>0</u>	<u>0</u>
Increase in cash	<u>(231)</u>	<u>243</u>
Reconciliation of net cash flows to movement in net funds		
Cash at bank at 1 January	324	81
Cash at bank at 31 December	<u>93</u>	<u>324</u>
Increase in cash in year	<u>(231)</u>	<u>243</u>