

Oxford Hotel Ventures (Imperial Wharf) Limited

Directors' report and financial statements

Year ended 31 December 2022

Registered number: 04215209

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Oxford Hotel Ventures (Imperial Wharf) Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Independent auditor's report to the members of Oxford Hotel Ventures (Imperial Wharf) Limited	5
Profit and loss account and other comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

Oxford Hotel Ventures (Imperial Wharf) Limited

Directors and other information

Directors	Rabea Abdulaziz Nicholas David Russell
Registered office	42-44 Grosvenor Gardens London SW1W 0EB
Independent auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Registered number	04215209

Oxford Hotel Ventures (Imperial Wharf) Limited

Directors' report

The Directors submit the Directors' report together with the audited financial statements of Oxford Hotel Ventures (Imperial Wharf) Limited (the "Company") for the year ended 31 December 2022.

Principal activity

The Company's principal activity continues to be that of property investment.

Future developments

The Directors expect the activities of the Company to continue for the foreseeable future.

Risk and uncertainties

Property valuations

The value of the Company's property portfolio is affected by the conditions prevailing in the property investment market and the general economic environment. Accordingly, the Company's net asset value can rise and fall due to external factors out with the directors' control.

Going concern

The company is in a net liability position at 31 December 2022 but the immediate parent company has confirmed that it won't seek repayment of the loan amount outstanding for a period of at least 12 months from the date of approval of the accounts. Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Subsequent events

There were no events subsequent to the balance sheet date which require adjustment to or disclosure in the financial statements.

Results and dividends

The results of the Company for the year are set out in the profit and loss account and other comprehensive income on page 9 and in the related notes. There were no dividends proposed during the year (2021: £nil).

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Rabea Abdulaziz
Nicholas David Russell

The Directors who held office at 31 December 2022 had no interests in the shares, loan stock or debentures of the Company or the entity's ultimate parent undertaking.

Oxford Hotel Ventures (Imperial Wharf) Limited

Directors' report (continued)

Political contributions

The Company made no political contributions during the year (2021: £nil).

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Small companies' exemption

The Company has availed itself of the exemption under Section 414B of the Companies Act 2006 ("Strategic Report and Directors' Report") Regulations 2013 from implementing the Strategic Report requirements as the Company qualifies as a small Company for Company law purposes.

Independent auditor

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

By order of the board



Rabia Abdulaziz
Director

Date: 21/12/2023

42-44 Grosvenor Gardens
London
SW1W 0EB

Oxford Hotel Ventures (Imperial Wharf) Limited

Statement of directors' responsibilities in respect of the directors' reports and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



Rabea Abdulaziz
Director

Date: 21/12/2023



KPMG

Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent Auditor's Report to the Members of Oxford Hotel Ventures (Imperial Wharf) Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Oxford Hotel Ventures (Imperial Wharf) Limited ('the Company') for the year ended 31 December 2022 set out on pages 9 to 23, which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 Reduced Disclosure Framework.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.



Independent Auditor's Report to the Members of Oxford Hotel Ventures (Imperial Wharf) Limited (continued)

Report on the audit of the financial statements (continued)

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.



Independent Auditor's Report to the Members of Oxford Hotel Ventures (Imperial Wharf) Limited (continued)

Report on the audit of the financial statements (continued)

Detecting irregularities including fraud (continued)

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 (irregularities) 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 remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.



Independent Auditor's Report to the Members of Oxford Hotel Ventures (Imperial Wharf) Limited (continued)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our 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.

22 December 2023

Eamon Dillon (Senior Statutory Auditor)
for and on behalf of
KPMG, Statutory Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

Oxford Hotel Ventures (Imperial Wharf) Limited

Profit and loss account and other comprehensive income for the year ended 31 December 2022

		<i>Note</i>	
		2022	2021
		£'000	£'000
Turnover	3	551	1,315
		<hr/>	<hr/>
Gross profit		551	1,315
Administration expenses		(43)	(933)
Fair value gain/(loss) on investment property		6,234	(11,122)
		<hr/>	<hr/>
Operating profit/(loss)	4	6,742	(10,740)
Interest payable and other similar costs	7	(3,261)	(1,889)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		3,481	(12,629)
		<hr/>	<hr/>
Taxation	8	(1,835)	1,084
		<hr/>	<hr/>
Profit/(loss) for the year		1,646	(11,545)
		<hr/>	<hr/>
Total comprehensive income/(expense) for the year		1,646	(11,545)
		<hr/>	<hr/>

The notes on pages 12 to 23 form an integral part of these financial statements.

Oxford Hotel Ventures (Imperial Wharf) Limited

Balance Sheet

as at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Investment Property	9	43,214	34,005
Current assets			
Debtors: amounts due within one year	11	1,589	1,683
Cash in hand and at bank		-	-
		1,589	1,683
Creditors: amounts due within one year	12	(3,131)	(45)
Net current (liabilities)/assets		(1,542)	1,638
Total assets less current liabilities		41,672	35,643
Creditors: amounts falling due after more than one year	13	(49,618)	(45,235)
Net liabilities		(7,946)	(9,592)
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		(7,946)	(9,592)
Total shareholders' deficit		(7,946)	(9,592)

The notes on pages 12 to 23 form part of these financial statements.

These financial statements were approved by the board of directors on 21 December 2023 and were signed on its behalf by:


Rabee Abdulaziz
 Director

Company registration number: 04215209

Oxford Hotel Ventures (Imperial Wharf) Limited

Statement of changes in equity for the year ended 31 December 2022

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds/(deficit) £'000
At 1 January 2021	-	1,953	1,953
Comprehensive expense for the year			
Loss for the financial year	-	(11,545)	(11,545)
Total comprehensive expense for the year	-	(11,545)	(11,545)
At 31 December 2021	-	(9,592)	(9,592)
Comprehensive income for the year			
Profit for the financial year	-	1,646	1,646
Total comprehensive income for the year	-	1,646	1,646
At 31 December 2022	-	(7,946)	(7,946)

The notes on pages 12 to 23 form part of these financial statements.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes

to the financial statements

1 Reporting entity

Oxford Hotel Ventures (Imperial Wharf) Limited ("the Company") is a private Company incorporated, domiciled, and registered in the United Kingdom. The Company's registration number is 04215209 and the registered office is 42-44 Grosvenor Gardens, London, SW1W 0EB.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRSs") but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual entity and not about its group.

The Company's ultimate parent undertaking, HPREF II Conrad UK Investments Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of HPREF II Conrad UK Investments Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from UK Companies House.

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information; and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements of HPREF II Conrad UK Investments Limited include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- certain disclosures required by IFRS 13 Fair Value Measurement and disclosures required by IFRS 7 Financial Instrument Disclosures; and
- certain disclosures required by IAS 36 Impairment of Assets.

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

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

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes *(continued)*

2. Significant accounting policies *(continued)*

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis with the exception of investment property which is initially measured at cost and subsequently at fair value.

2.3 Functional currency

These financial statements are presented in Sterling, being the functional currency of the Company. All financial information presented in Sterling has been rounded to the nearest thousand, except where otherwise stated.

2.4 Use of estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

The key accounting judgement and estimate in these financial statements is:

- Carrying amount of investment property – note 9

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2.5 Going concern

The company is in a net liability position at 31 December 2022 but the immediate parent company has confirmed that it won't seek repayment of the loan amount outstanding for a period of at least 12 months from the date of approval of the accounts. Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values. When measuring fair value of an asset or liability the Company uses market observable data as far as possible.

2.7 Revenue

Turnover comprises rental income, net of value added tax. Rentals receivable under operating leases are credited to the profit and loss account on an accruals basis over the term of the lease. Any initial advance receipt in relation to these operating leases is treated as part of the rentals receivable and accordingly these receipts are credited to the profit and loss account on a straight-line basis over the period of the lease and are classified within deferred income.

2.8 Finance income and finance costs

Interest income or expenses are recognised using the effective interest method.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.9 Taxation

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

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.10 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from the disposal and the carrying amount of the item) is recognised in profit or loss.

2.11 Trade and other receivables

Trade and other receivables are measured at their nominal amount less any allowance for doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

For trade receivables, the Company applies IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected allowance. Trade receivables are considered impaired when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the agreement.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

2 Significant accounting policies (continued)

2.12 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short-term nature of the business.

2.13 Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) **Non-derivative financial assets and financial liabilities - recognition and derecognition**

The Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) **Non-derivative financial assets - measurement**

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(iii) **Non-derivative financial liabilities - measurement**

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes *(continued)*

2 Significant accounting policies *(continued)*

2.13 Financial instruments *(continued)*

(v) 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.

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

2.14 Cash and cash equivalents

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

2.15 Lease

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the identification of a lease criteria in IFRS 16.

(i) As a lessee - Subleases

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as 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.

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

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

2 Significant accounting policies (continued)

2.15 Lease (continued)

The Company determines its incremental borrowing rate with reference to its current financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company 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, if the Company 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, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Short term leases and leases of low-value assets

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

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

2. Significant accounting policies (continued)

2.15 Lease (continued)

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

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

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

3 Turnover

All turnover is derived from the Company's main activity and comprises of rental income, excluding value added tax.

4 Operating profit/(loss)

Audit remuneration was borne by another group Company in the current and preceding year.

5 Staff numbers and costs

The Company had no employees during the current and preceding year.

6 Directors' remuneration

There was no remuneration paid to the Directors by the Company during the period (2021: £nil). There were no retirement benefits accruing to the Directors (2021: £nil).

7 Interest payable and similar charges

	2022 £'000	2021 £'000
Interest Expense	3,261	1,889

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

8 Tax on Loss on ordinary activities

	2022 £'000	2021 £'000
Corporation tax		
Current tax on profit for the year	-	-
Adjustment in respect of previous periods	163	-
Total current tax charge	163	-
Deferred Tax		
Current year	1,672	(2,643)
Adjustment in respect of previous periods	-	(5)
Effect of changes in tax rates	-	1,564
Total deferred tax charge/(credit)	1,672	(1,084)
Total tax charge/(credit)	1,835	(1,084)
Reconciliation of effective tax rate		
	2022 £'000	2021 £'000
Loss on ordinary activities before taxation	(3,481)	(12,629)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (year ended 31 December 2021: 19%)	661	(2,399)
Effects of:		
Adjustments in respect of previous periods	163	(5)
Tax Rate Changes	209	757
Group relief claimed and not paid for	-	(54)
Movement in Deferred tax not recognised	802	617
Total tax charge/(credit) for the year	1,835	(1,084)

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

8 Tax on Loss on ordinary activities (continued)

Factors that may affect future tax charges

The UK corporation tax rate increases to 25% with effect from 1 April 2023.

9 Investment Property

	2022 £'000
Valuation	
Balance at 1 January 2022	34,005
Additions	2,975
Fair value gain	6,234
At 31 December 2022	<u>43,214</u>

Investment Property comprises a hotel which is leased to a fellow group company. Changes in fair value are recognised as gains or losses in profit or loss. The valuation was carried out by third-party valuers in accordance with the relevant parts of the RICS Red Book.

The historical cost of the investment property at 31 December 2022 is £22,634,000 (2021: £19,660,000).

10 Financial Assets

	2022 £'000	2021 £'000
Cost of investments in subsidiaries		
At 1 January 2022	-	-
Additions in the year	-	-
At 31 December 2022	<u>-</u>	<u>-</u>

At 31 December 2022, the carrying value of the investment in the subsidiary Companies was considered to be recoverable.

Subsidiary undertakings	Registered office	Principal activities
DT Chelsea Opco Limited	42-44 Grosvenor Gardens, London, SW1W 0EB	Hotels and similar accommodation

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

11 Debtors: amounts falling due within more than one year

	2022 £'000	2021 £'000
Trade debtors	-	90
VAT debtor	555	488
Corporation Tax Debtor	356	1,105
Amounts owed by group company	678	-
Other debtors	-	-
	<u>1,589</u>	<u>1,683</u>

12 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Bank overdraft	204	-
Trade payables	2	-
Amounts owed to group company	2,880	-
Other creditors	45	45
	<u>3,131</u>	<u>45</u>

13 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Loans owed to group Company	44,072	41,361
Deferred Tax	5,546	3,874
	<u>49,618</u>	<u>45,235</u>

Loans owed to group Company represent loans due to the parent, K2 Hospitality (UK) Limited. The loan with K2 Hospitality (UK) Limited accrued interest at a rate of 8% per annum and the parties agreed it would not be repaid until at least twelve months from the balance sheet date.

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

14 Financial Instruments

	2022 £'000	2021 £'000
The Company had the following financial instruments:		
Financial assets		
Financial assets measures at amortised cost	92	1,683
Financial liabilities		
Financial liabilities measured at amortised cost	(46,854)	(41,361)

15 Deferred Tax

	2022 £'000
Provision at 1 January 2022	3,874
Adjustments in respect of prior periods	-
Deferred tax charge for the period	1,672
Provision at 31 December 2022	5,546

The deferred tax provision is made up as follows:

	2022 £'000	2021 £'000
Fixed Assets	5,546	3,874
	5,546	3,874

Oxford Hotel Ventures (Imperial Wharf) Limited

Notes (continued)

16 Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

The share has attached to it full voting, dividend and capital distribution rights. It does not confer any rights of redemption.

17 Operating leases

Leases as a lessor

The investment properties are let under operating leases. The future minimum lease payments under leases are as follows:

	2022 £'000	2021 £'000
Not later than 1 year	900	900
Later than one year but not later than 5 years	4,500	5,400
Total	5,400	6,300

During the year, £551,000 (2021 - £1,315,000) was recognised as rental income by the Company.

18 Group relationships and ultimate controlling parties

The Company is a subsidiary undertaking of Henderson Park Real Estate Fund II UK Hotel Master S.a.r.l., which is the ultimate parent company. The ultimate controlling party is Henderson Park Real Estate Fund II SCSp.

The largest and smallest group in which the results of the Company are consolidated is that headed by HPREF II Conrad UK Investments Limited, which has a registered office at Forum 4 Parkway, Whiteley, Fareham, PO15 7AD. The consolidated financial statements of that Group are available to the public and may be obtained from Forum 4 Parkway, Whiteley, Fareham, PO15 7AD.

19 Related party transactions

The Company has availed itself of the exemptions available in FRS 101 from disclosing transactions with wholly-owned group companies and also key management personnel compensation disclosures.

There were no other related party transactions.

20 Subsequent events

There were no events subsequent to the balance sheet date which require adjustments to or disclosure in the financial statements.