

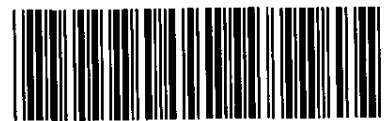
Registration number: 4429036

Elm Hotel Holdings Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 3 March 2022

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Elm Hotel Holdings Limited

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Elm Hotel Holdings Limited

Company Information

Directors	S Ewins S Jones D Levere
Company secretary	D Lowry
Registered office	Whitbread Court Houghton Hall Business Park Porz Avenue Dunstable Bedfordshire LU5 5XE United Kingdom
Registered number	4429036

Elm Hotel Holdings Limited

Directors' Report for the Year Ended 3 March 2022

The directors present their annual report and the unaudited financial statements for the year ended 3 March 2022.

Principal activity

The principal activity of the Company during the year was that of a holding company.

Directors of the Company

The directors who held office during the year and to the date of signing were as follows:

S Ewins

S Jones

H Patel (resigned 21 March 2022)

The following director was appointed after the period end:

D Levere (appointed 21 March 2022)

Dividends

The directors do not recommend the payment of a dividend for the year (2021: £nil).

Future developments

The Company will continue to act as a holding company.

Going concern

The Company has access to considerable financial resources and, as a consequence, the Directors believe that the Company is well placed to manage its business risk.

The accounts have been prepared on the going concern basis on the grounds that the parent company will provide support so the Company may continue operations for the next twelve months from the date of the approval of these accounts. Further details may be found in Note 2 of these financial statements.

Events after the balance sheet date

There were no significant events after the balance sheet date which would require disclosure in these accounts.

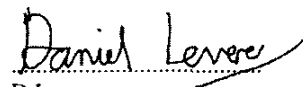
Qualifying third party indemnity provision

A qualifying indemnity provision (as defined in section 236(1) of the Companies Act 2006) is in force for the benefit of the directors for the financial year and remains in place at the date of this report.

Small companies provision statement

The Company has taken advantage of the exemption from preparing a Strategic Report, and disclosures in the Directors' Report, applying to small companies in accordance with the provisions of section 414B and 415A of the Companies Act 2006.

Approved by the Board on 21 September 2022 and signed on its behalf by:



D Levere
Director

Elm Hotel Holdings Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Elm Hotel Holdings Limited

Income Statement for the Year Ended 3 March 2022

	Note	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Operating costs		(5)	(5)
Operating loss		(5)	(5)
Finance costs	4	(227)	(228)
Loss before tax		(232)	(233)
Tax credit	6	44	44
Loss for the year attributable to the equity shareholder of the company		(188)	(189)

The above results were derived from continuing operations.

There are no items to be included in the Statement of Comprehensive Income.

The notes on pages 7 to 14 form an integral part of these financial statements.

Elm Hotel Holdings Limited
(Registration number: 4429036)
Balance Sheet as at 3 March 2022

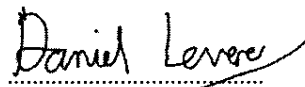
	Note	3 March 2022 £ 000	25 February 2021 £ 000
Assets			
Non-current assets			
Investments	7	0	0
Current assets			
Income tax asset	6	44	44
Total assets		<u>44</u>	<u>44</u>
Liabilities			
Current liabilities			
Trade and other payables	8	<u>(7,279)</u>	<u>(7,091)</u>
Total liabilities		<u>(7,279)</u>	<u>(7,091)</u>
Net liabilities		<u>(7,235)</u>	<u>(7,047)</u>
Equity			
Called up share capital	9	500	500
Retained Earnings		(7,735)	(7,547)
Total equity		<u>(7,235)</u>	<u>(7,047)</u>

For the financial period ending 3 March 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 21 September 2022 and signed on its behalf by:



D Levere
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Elm Hotel Holdings Limited

Statement of Changes in Equity for the Year Ended 3 March 2022

	Share capital £ 000	Retained Earnings £ 000	Total equity £ 000
At 26 February 2021	500	(7,547)	(7,047)
Loss for the year	-	(188)	(188)
Total comprehensive loss	-	(188)	(188)
At 3 March 2022	500	(7,735)	(7,235)

	Share capital £ 000	Retained Earnings £ 000	Total equity £ 000
At 28 February 2020	500	(7,358)	(6,858)
Loss for the year	-	(189)	(189)
Total comprehensive loss	-	(189)	(189)
At 25 February 2021	500	(7,547)	(7,047)

The notes on pages 7 to 14 form an integral part of these financial statements.

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022

1 General information

The Company is a private company limited by share capital incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 2.

The financial statements of Elm Hotel Holdings Limited for the year ended 3 March 2022 were authorised for issue by the Board of Directors on 21 September 2022.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Whitbread Group PLC. The group accounts of Whitbread Group PLC are available to the public and can be obtained at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand unless otherwise stated.

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council (FRC). Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets and certain related party transactions. Where required, equivalent disclosures are given in the annual report and accounts of Whitbread PLC (the ultimate parent undertaking) for the year ended 25 February 2021.

The financial year represents 53 weeks to 3 March 2022 (prior financial year: 52 weeks to 25 February 2021).

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Going concern

The Company has access to considerable financial resources and, as a consequence, the Directors believe that the Company is well placed to manage its business risk.

As at the period end, the Company's net current liabilities are £7,235,000. The accounts have been prepared on a going concern basis on the grounds that the parent company, Whitbread Group PLC, has confirmed its intentions to provide support so that the Company may continue operations for the next twelve months from the date of the approval of these accounts.

In reaching the conclusion that it is appropriate for the Company's financial statements to be prepared on a going concern basis, the Directors have specifically considered the credit risk of Whitbread Group PLC given the reliance of the Company for support in meeting its liabilities as they fall due.

As at 3 March 2022, Whitbread Group PLC had a cash balance of £1,132.4m with available borrowing facilities of £1,850.0m for use in their going concern assessment, of which £1,000.0m had been drawn down. The Group's forecasts indicated that it will continue to have sufficient financial resources, continue to settle its debts as they fall due and operate well within its covenants for at least a period of 12 months from the date of those financial statements, 27 April 2022. Various downside scenarios over and above those already included in the base case had been considered in respect of these forecasts. Under these downside scenarios, the Group can meet its liquidity requirements through available funds and is able to meet the original covenants in place on its revolving credit facility, allowing the Group to terminate the covenant test waiver period. The renewed facility has reduced the Group's available borrowing facilities to £1,775.0m, though headroom on the forecast remains in place. The Group has no further financial covenants in place. In the event that it was necessary to access additional funding, the directors had a reasonable expectation that this could be achieved.

Due to the timing between those Group accounts being authorised for issue and the date of approval of these financial statements, the Directors have performed enquiries with the Directors of Whitbread Group plc as to whether there have been any significant changes in performance or circumstances that may affect the uncertainties that are relevant to the Company's ability to continue as a going concern during the going concern assessment period.

Based on these enquiries and the above, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Other IFRS standards and interpretations

The Company has adopted the following standards which have been assessed as having no financial impact or disclosure at this time:

- COVID-19 related rent concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Interest rate benchmark reform - Phase 2

Finance costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except for gross interest costs incurred on the financing of major projects, which are capitalised until the time that the projects are available for use.

Tax

Current tax

The income tax expense represents both the income tax payable, based on profit for the year and deferred income tax.

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise, income tax is recognised in the income statement.

Deferred tax

Deferred income tax is recognised in full, using the liability method, in respect of temporary differences between the tax base of the Company's assets and liabilities and their carrying amounts that have originated but have not been reversed by the balance sheet date. No deferred tax is recognised if the temporary difference arises from goodwill, or the initial recognition of an asset or liability, in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is recognised in respect of taxable temporary differences associated with investments in associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Financial assets

Classification

The recognition of financial assets and liabilities occurs when the Company becomes party to the contractual provisions of the instrument.

Recognition and measurement

Trade receivables and contract assets are initially measured at fair value. Subsequently they are measured at amortised cost as the objective of the business model is to hold the assets to collect contractual cash flows and the contractual terms of the asset give rise to cash flows on specified dates which are solely payments of principal and interest.

In line with the IFRS 9 Financial Instruments 'simplified approach', the Company segments its trade receivables and contract assets based on shared characteristics, and recognises a loss allowance for the lifetime expected credit loss for each segment. The expected credit loss is based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of the current and forecast conditions at the reporting date.

The Company derecognises a financial asset when contract rights to the cash flows from the asset expire, or when it transfers control of the asset to another entity.

Cash and cash equivalents comprise cash at bank, cash in hand and deposits (including Money Market Funds) which are short term, highly liquid and which are not at significant risk of changes in value.

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as significant financial difficulty of the debtor or default by the debtor. The Company writes off a financial asset where there is no realistic prospect of recovery. Credit losses are recorded within operating costs in the income statement.

Financial liabilities

Classification

Debt and equity instruments are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements.

Recognition and measurement

Financial liabilities are measured at amortised cost using the effective interest rate method unless they are required to be measured at fair value through profit or loss or the Company has opted to measure them at fair value through the profit or loss. The effective interest rate method calculates the amortised cost of a financial liability and allocates interest expense to the relevant period.

Borrowings are initially recognised at the fair value of the consideration received, net of any directly associated issue costs. Borrowings are subsequently recorded at amortised cost, with any difference between the amount initially recorded and the redemption value recognised in the income statement using the effective interest method.

The derecognition of financial liabilities occurs when the obligation under the liability is discharged, cancelled or expires.

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

2 Accounting policies (continued)

Investments

Investments held as fixed assets are stated at cost less provision for any impairment. The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Cost is the fair value of the consideration given, including acquisition charges associated with the investment.

Investment income

Income from fixed asset investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Management services agreement

The Company is party to a Management Services Agreement with Whitbread Group PLC, under which some services are provided to it, the costs of which are settled via intercompany.

Financial guarantee contracts

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Key accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. In the process of applying the Company's accounting policies, the Directors have considered whether there are any such sources of key estimation or critical accounting judgements in forming the financial statements and do not consider there to be any for the purposes of disclosure.

4 Finance costs

	Year ended 3 March 2022 £ 000	Year ended 25 February 2021 £ 000
Interest paid to group undertakings	227	228

5 Staff costs

The Company has no employees other than the directors, who did not receive any remuneration (2021: £nil). All fees paid to directors as remuneration are borne by the parent company Whitbread Group PLC and it is not practical to allocate the amount for services in respect of this Company.

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

6 Taxation

Tax charged/(credited) in the income statement

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	(44)	(44)

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The current rate of corporation tax is 19%. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, effective from 1 April 2023.

The corporation tax balance is a debtor of £44,000 (2021: Debtor of £44,000).

Whitbread has a Group Payment Arrangement in place with HMRC which allows Whitbread Group PLC as nominated company to make corporation tax payments on behalf of all other UK group companies.

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

7 Investments

The Company has previously impaired its investments (cost value £13,000) to nil.

Details of the subsidiaries as at 3 March 2022 are as follows (all directly held):

Name of subsidiary	Principal activity (Class of shares held)	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2022	2021
Premier Inn Glasgow Limited	Operation of a Premier Inn (Ordinary £1.00)	England	100%	100%
Premier Inn Manchester Airport Limited	Operation of a Premier Inn (Ordinary £1.00)	England	100%	100%

The registered office of the subsidiaries listed above is Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire, LU5 5XE.

8 Trade and other payables

	3 March 2022 £ 000	25 February 2021 £ 000
Amounts due to group undertakings	<u>7,279</u>	<u>7,091</u>

Amounts due to group undertakings are repayable on demand and carry an average quarterly interest rate of 0.8% (2021: 0.8%) based upon the group funding.

9 Share capital

Allotted, called up and fully paid shares

	3 March 2022		25 February 2021	
	No. 000	£ 000	No. 000	£ 000
5,000,000 Ordinary shares of £0.10 each	<u>5,000</u>	<u>500</u>	<u>5,000</u>	<u>500</u>

The shares carry full voting, dividend and capital distribution rights.

10 Contingent liabilities

The Company has guaranteed the lease payments of some of its subsidiaries. The total outstanding commitment under these leases at the balance sheet date amounted to £19.2m (2021: £21.0m). The Company considers it unlikely that it will be called upon to make any payments under these guarantees.

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 3 March 2022 (continued)

11 Related party transactions

The Company is a wholly-owned subsidiary of Whitbread PLC, the ultimate controlling entity, and has taken advantage of the exemption given in Financial Reporting Standard 101 (8(k)) not to disclose transactions with other wholly owned group companies.

12 Parent and ultimate parent undertaking

The immediate parent undertaking is Premier Inn Hotels Limited. The ultimate parent undertaking is Whitbread PLC.

The parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread Group PLC, registered in England and Wales. Copies of their accounts can be obtained from the registered office at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Whitbread PLC, registered in England and Wales. Copies of their accounts can be obtained from the registered office at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.