

Registration number: 4429036

Elm Hotel Holdings Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 2 March 2023

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Elm Hotel Holdings Limited

Contents

| | |
|--|---------|
| <i>Company Information</i> | 1 |
| <i>Directors' Report</i> | 2 |
| <i>Statement of Directors' Responsibilities</i> | 3 |
| <i>Income Statement</i> | 4 |
| <i>Balance Sheet</i> | 5 |
| <i>Statement of Changes in Equity</i> | 6 |
| <i>Notes to the Unaudited Financial Statements</i> | 7 to 14 |

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 |

Elm Hotel Holdings Limited

Directors' Report for the Year Ended 2 March 2023

The directors present their annual report and the unaudited financial statements for the year ended 2 March 2023.

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

D Levere (appointed 21 March 2022)

H Patel (resigned 21 March 2022)

Dividends

The directors do not recommend the payment of a dividend for the year (2022: £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 4 September 2023 and signed on its behalf by:



S Jones
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' ('FRS 101'). 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
- 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 2 March 2023

| | Note | Year ended 2 March 2023 £ 000 | Year ended 3 March 2022 £ 000 |
|---|------|-------------------------------------|-------------------------------------|
| Operating costs | | (5) | (5) |
| Operating loss | | (5) | (5) |
| Dividend income | 4 | 2,000 | - |
| Finance costs | 5 | (196) | (227) |
| Profit/(loss) before tax | | 1,799 | (232) |
| Tax credit | 7 | 38 | 44 |
| Profit/(loss) for the year attributable to the equity shareholder of the company | | 1,837 | (188) |

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 2 March 2023


| | Note | 2 March 2023 £ 000 | 3 March 2022 £ 000 |
|----------------------------|------|--------------------------|--------------------------|
| Assets | | | |
| Non-current assets | | | |
| Investments | 8 | - | - |
| Current assets | | | |
| Income tax asset | 7 | <u>38</u> | <u>44</u> |
| Total assets | | <u>38</u> | <u>44</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | <u>(5,436)</u> | <u>(7,279)</u> |
| Total liabilities | | <u>(5,436)</u> | <u>(7,279)</u> |
| Net liabilities | | <u>(5,398)</u> | <u>(7,235)</u> |
| Equity | | | |
| Called up share capital | 10 | 500 | 500 |
| Retained Earnings | | <u>(5,898)</u> | <u>(7,735)</u> |
| Total equity | | <u>(5,398)</u> | <u>(7,235)</u> |

For the financial period ending 2 March 2023 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 4 September 2023 and signed on its behalf by:



S Jones
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 2 March 2023

| | 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 4 March 2022 | 500 | (7,735) | (7,235) |
| Profit for the year | - | 1,837 | 1,837 |
| Total comprehensive loss | - | 1,837 | 1,837 |
| At 2 March 2023 | 500 | (5,898) | (5,398) |

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 2 March 2023

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.

These financial statements were authorised for issue by the Board on 4 September 2023.

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 and key accounting estimates

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 relevant, equivalent disclosures are given in the annual report and accounts of Whitbread PLC (the ultimate parent undertaking) for the year ended 2 March 2023.

The financial year represents 52 weeks to 2 March 2023 (prior financial year: 53 weeks to 3 March 2022).

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 2 March 2023 (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 year end, the Company is in a net current liability position as shown on the balance sheet. 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.

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:

- Amendments to IAS 16 Property, Plant and Equipment - proceeds before intended use
- Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018-2020 Cycle

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.

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.

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 2 March 2023 (continued)

2 Accounting policies (continued)

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 2 March 2023 (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.

Impairment

A financial asset is credit impaired when one of 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 2 March 2023 (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.

Dividend 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 Interest receivable and similar income

| | Year ended 2 March 2023 £ 000 | Year ended 3 March 2022 £ 000 |
|-----------------|-------------------------------------|-------------------------------------|
| Dividend income | 2,000 | - |

5 Interest payable and similar expenses

| | Year ended 2 March 2023 £ 000 | Year ended 3 March 2022 £ 000 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Interest paid to group undertakings | 196 | 227 |

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 2 March 2023 (continued)

6 Staff costs

The Company has no employees other than the directors, who did not receive any remuneration (2022: £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.

7 Taxation

Tax charged/(credited) in the income statement

| | Year ended 2 March 2023 £ 000 | Year ended 3 March 2022 £ 000 |
|-------------------------|-------------------------------------|-------------------------------------|
| Current taxation | | |
| UK corporation tax | <u>(38)</u> | <u>(44)</u> |

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

| | Year ended 2 March 2023 £ 000 | Year ended 3 March 2022 £ 000 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Profit/(loss) before tax | <u>1,799</u> | <u>(232)</u> |
| Corporation tax at standard rate | 342 | (44) |
| Income not taxable for tax purposes | <u>(380)</u> | <u>-</u> |
| Total tax credit | <u>(38)</u> | <u>(44)</u> |

The UK Budget 2021 announcement on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, effective from 1 April 2023. This was substantively enacted in May 2021 and remains the position at the signing of these financial statements.

The corporation tax balance is a debtor of £38,000 (2022: 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 2 March 2023 (continued)

8 Investments

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

Details of the subsidiaries as at 2 March 2023 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 | |
|--|--|---|---|------|
| | | | 2023 | 2022 |
| 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.

9 Trade and other payables

| | 2 March 2023 £ 000 | 3 March 2022 £ 000 |
|-----------------------------------|--------------------------|--------------------------|
| Amounts due to group undertakings | <u>5,436</u> | <u>7,279</u> |

Amounts due to group undertakings are repayable on demand and carry an average quarterly interest rate of 0.8% (2022: 0.8%) based upon the group funding.

10 Share capital

Allotted, called up and fully paid shares

| | 2 March 2023 | | 3 March 2022 | |
|---|-----------------|------------|-----------------|------------|
| | 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.

Elm Hotel Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 2 March 2023 (continued)

11 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 £18.6m (2022: £19.2m). The Company considers it unlikely that it will be called upon to make any payments under these guarantees.

12 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.

13 Parent and ultimate parent undertaking

The company's 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.