

The Hoxton (Holborn) Limited

Annual Report and Financial Statements

Year Ended

31 March 2023

Company Number 08207455

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The Hoxton (Holborn) Limited

Company Information

Directors	S Pasricha L G Young D McCulloch
Registered number	08207455
Registered office	Third Floor 20 Old Bailey London EC4M 7AN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

The Hoxton (Holborn) Limited

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The Hoxton (Holborn) Limited

Strategic Report for the Year ended 31 March 2023

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company during the year was the operation of a hotel in London trading as "The Hoxton Holborn". The hotel comprised 220 bedrooms, as well as seven meeting rooms and two restaurants.

In the year ended 31 March 2023, turnover increased from £10,847,732 to £21,770,713. Operating profit increased to £3,162,997 from £1,498,736 in the previous year.

Business environment

The immediate area continues to establish itself as a defined area known as 'Mid-Town', with numerous planning applications for additional office space and other developments nearby in progress. The company is successfully taking advantage of the changes occurring in the area, with a growing base of both corporate customers and repeat leisure visitors.

Strategy

The company has benefited from the continued execution of the company strategy, offering an individual hotel, inspired by the local neighbourhood. The hotel offers unique experiences, value for money, inviting spaces beyond the guest rooms and is constantly evolving with the area in which it is based and the offerings it makes available.

Given the success, the same strategy will be followed in the coming year, with ongoing focus on developing new ideas and concepts in order to remain competitive.

Research and development

Market intelligence provides data about the local market to benchmark pricing decisions. An awareness of local hospitality and office developments, and planning applications for proposed developments, continues to be key to the directors' understanding of how trading may be affected by changes in the competitive environment.

Future outlook

Hotel has started operating positively during financial year 2023-24, with performance exceeding in comparison of prior year. This positions the company well towards achieving its financial year 2023-24 performance targets.

The Hoxton (Holborn) Limited

Strategic Report (Continued) for the Year ended 31 March 2023

Principal risks and uncertainties

The directors have assessed the main risk facing the group as the levels of inflation across the economy and the resulting cost pressures. The economic and operational impact on the hotel sector is widely reported and acknowledged by the directors. All our hotels are constantly reviewing suppliers and implementing cost-saving initiatives where possible to mitigate the impact. The largest mitigation is the high level of RevPAR that we are able to achieve and so profitability remains high.

Financial key performance indicators

The measurements used to assess progress against revenue objectives are average rate and Revenue Per Available Room (RevPAR), a function of occupancy and average rate. The directors continue to monitor this on a regular basis, however a combination of the temporary closures due to COVID-19 and the resulting impact on demand, has meant that comparisons to prior years are not meaningful.

The directors have reviewed the performance of each hotel against its competitor set and are satisfied with the results, where most of the hotels are leading in their competitor sets for the year.

Financial instruments

The company finances its operations through shareholder loans. External bank financing has been obtained by the company's parent, Newco NHL UK (17) Limited, to which the company is a guarantor and which is secured by a fixed and floating charge over the property, assets and undertakings of the company and its sister companies.

The management team's objectives are to retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due whilst minimising cost of capital and maximising returns on surplus funds.

As all the company's funds are in sterling and its borrowings are all obtained in sterling there is no currency exchange risk exposure.

This report was approved by the board and signed on its behalf.



.....
L G Young
Director

Date: 11 October 2023

The Hoxton (Holborn) Limited

Directors' Report for the Year ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Results and dividends

The statement of comprehensive income is set out on page 10 and shows the profit for the year.

The profit for the year, after taxation, amounted to £560,381 (2022: £2,075,713 loss).

No dividends were paid during the year (2022: £nil).

Directors

The directors who served during the year and up to the date of signature of the financial statements were:

S Pasricha
L G Young
E T Renaut (resigned 1 October 2022)
D McCulloch (appointed 1 October 2022)

Qualifying indemnity provision was in place for each of the directors during the year.

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 accounting estimates that are reasonable and prudent;
- 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 to 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.

The Hoxton (Holborn) Limited

Directors' Report (continued) for the Year ended 31 March 2023

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware: and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditors, BDO LLP, have indicated their willingness to continue in office. Board will consider the same and accordingly, resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Going concern

The Directors have considered the funding requirements of the business for the next twelve months, including considering the impact of current economic developments. On the basis of their assessment, the company has been prepared on a going concern basis, as explained in note 2.3.

This report was approved by the board and signed on its behalf.



.....
L G Young
Director

Date: 11 October 2023

The Hoxton (Holborn) Limited

Independent Auditor's Report to the Members of The Hoxton (Holborn) Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Hoxton (Holborn) Limited ("the company") for the year to 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 when the financial statements are authorised for issue.

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

The Hoxton (Holborn) Limited

Independent Auditor's Report to the Members of The Hoxton (Holborn) Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Director's report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

The Hoxton (Holborn) Limited

Independent Auditor's Report to the Members of The Hoxton (Holborn) Limited (continued)

Responsibilities of directors

As explained more fully in the Director's report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors 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 or error, and to issue an auditor's report that includes our opinion. 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006 and UK tax legislation

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation

The Hoxton (Holborn) Limited

Independent Auditor's Report to the Members of The Hoxton (Holborn) Limited (continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion among the engagement team as to and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be in relation to management override of controls.

Our procedures in respect of the above included:

- testing and challenging the key estimates and judgements made by management in preparing the financial statements for indications of bias or management override when presenting the results and financial position of the Company;
- testing the appropriateness of journal entries; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Hoxton (Holborn) Limited

Independent Auditor's Report to the Members of The Hoxton (Holborn) Limited (continued)

Use of our report

This 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.

DocuSigned by:

Mark RA Edwards

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Mark RA Edwards (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date: 13 October 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Hoxton (Holborn) Limited

Statement of Comprehensive Income for the Year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	4	21,770,713	10,847,732
Cost of sales		(7,938,868)	(5,223,145)
Gross profit		13,831,845	5,624,587
Administrative expenses		(10,668,848)	(4,226,262)
Other income	5	-	100,411
Operating profit	6	3,162,997	1,498,736
Foreign exchange gain		532	21,584
Interest payable and similar charges	9	(2,467,389)	(2,622,478)
Profit/(Loss) before tax		696,140	(1,102,158)
Tax on profit/loss	10	(135,759)	(973,555)
Profit/(Loss) for the financial year		560,381	(2,075,713)

All amounts relate to continuing operations.

There was no other comprehensive income for the year ended 31 March 2023 (2022: £nil).

The notes on pages 14 to 26 form part of these financial statements.

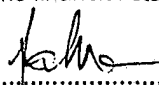
The Hoxton (Holborn) Limited

Registered number: 08207455

Statement of Financial Position As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	11	165,862	262,558
Tangible assets	12	57,704,169	58,897,307
		<u>57,870,031</u>	<u>59,159,865</u>
Current assets			
Stocks	13	86,660	102,033
Debtors	14	1,804,707	1,078,763
Cash and cash equivalents		1,473,891	1,993,482
		<u>3,365,258</u>	<u>3,174,278</u>
Creditors: amounts falling due within one year	15	(66,368,842)	(68,163,836)
		<u>(63,003,584)</u>	<u>(64,989,558)</u>
Net current liabilities			
		(63,003,584)	(64,989,558)
Total assets less current liabilities		<u>(5,133,553)</u>	<u>(5,829,693)</u>
Provisions for liabilities			
Deferred tax	16	(3,011,149)	(2,875,390)
		<u>(8,144,702)</u>	<u>(8,705,083)</u>
Net liabilities			
		(8,144,702)	(8,705,083)
Capital and reserves			
Share capital	17	1,000	1,000
Accumulated losses	18	(8,145,702)	(8,706,083)
		<u>(8,144,702)</u>	<u>(8,705,083)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



L G Young
 Director

Date: 11 October 2023

The notes on pages 14 to 26 form part of these financial statements.

The Hoxton (Holborn) Limited

Statement of Changes in Equity for the Year ended 31 March 2023

	Share capital £	Accumulated losses £	Total equity £
At 1 April 2022	1,000	(8,706,083)	(8,705,083)
Comprehensive income for the year			
Profit for the year	-	560,381	560,381
At 31 March 2023	1,000	(8,145,702)	(8,144,702)

Statement of Changes in Equity for the Year ended 31 March 2022

	Share capital £	Accumulated losses £	Total equity £
At 1 April 2021	1,000	(6,630,370)	(6,629,370)
Comprehensive loss for the year			
Loss for the year	-	(2,075,713)	(2,075,713)
At 31 March 2022	1,000	(8,706,083)	(8,705,083)

The notes on pages 14 to 26 form part of these financial statements.

The Hoxton (Holborn) Limited

Statement of Cash Flows for the Year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Profit/(loss) for the financial year		560,381	(2,075,713)
Adjustments for:			
Interest charged to income statement	9	2,467,389	2,622,478
Taxation charge	10	135,759	973,555
Amortisation of intangible assets	11	96,696	96,696
Depreciation of tangible assets	12	1,484,137	1,573,430
Decrease in stocks		15,373	25,967
(Increase)/decrease in debtors		(725,944)	99,349
Increase in creditors		4,582,741	1,783,612
Net cash generated from operating activities		8,616,532	5,099,374
Cash flows from investing activities			
Purchase of tangible fixed assets		(290,999)	(236,068)
Net cash used in investing activities		(290,999)	(236,068)
Cash flows from financing activities			
Drawdown of loans from group undertakings		-	100,000
Repayment of loans from group undertakings		(4,947,981)	(15,000)
Interest paid		(3,897,143)	(3,517,441)
Net cash used in financing activities		(8,845,124)	(3,432,441)
Net (decrease)/ increase in cash and cash equivalents		(519,591)	1,430,865
Cash and cash equivalents at beginning of year		1,993,482	562,617
Cash and cash equivalents at the end of year		1,473,891	1,993,482

The notes on pages 14 to 26 form part of these financial statements.

The Hoxton (Holborn) Limited

Notes to the Financial Statements for the Year ended 31 March 2023

1. General information

The Hoxton (Holborn) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Newco NHL UK (17) Limited as at 31 March 2023 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 Going concern

The directors have received confirmation from the parent group that support will be provided to the company to meet its obligations as and when they fall due for a period of at least twelve months from the date of approval of these financial statements. On this basis, the directors have concluded it is appropriate to prepare the financial statements on a going concern basis.

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

2. Accounting policies (continued)

2.4 Turnover

The turnover shown in the statement of comprehensive income represents amounts receivable during the year, exclusive of Value Added Tax. The company has derived its turnover from the operation of a hotel in London and government grants. Room revenue is the main source of turnover for the company which is recognised over the year the rooms are occupied. Other income is recognised when services are rendered and an invoice is raised to the customer.

2.5 Grant income

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough').

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the statement of comprehensive income over its useful economic life.

The useful economic life for the goodwill has been assessed to be the remaining term of the original lease for the Hubbard and Bell restaurant.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. The useful life for other intangibles has been assessed to be 7 years, which is the term of the original lease they relate to.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold land	- Nil
Buildings	- 50 years
Plant and machinery	- 15 years
Fixtures and fittings	- 10 years
Office equipment	- 3 years
Assets under construction	- Nil

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost represents the purchase price of goods for resale.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

2. Accounting policies (continued)

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.14 Interest payable

Interest payable is recognised in the statement of comprehensive income on an accruals basis.

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 12)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Analysis of turnover

All turnover arose within the United Kingdom.

5. Other income

Government grants relates to a government grant of £nil (2022: £100,411) that was received by the company in respect of the Coronavirus Job Retention Scheme ("CJRS").

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	1,484,137	1,573,430
Amortisation of intangible assets, including goodwill	96,696	96,696

During the year, no director received any emoluments (2022: £nil). All directors' emoluments are borne by another group company.

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

7. Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor for the audit of the company's annual accounts	28,000	44,000

Non audit fees are disclosed in the consolidated financial statements of the parent company, Norlake Hospitality Limited.

8. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	4,168,870	2,703,697
Social security costs	395,571	253,836
Cost of defined contribution scheme	73,232	45,492
	4,637,673	3,003,025

The average monthly number of employees during the year was as follows:

	2023 Number	2022 Number
Administrative staff	107	72
Management staff	11	9
	118	81

9. Interest payable and similar expenses

	2023 £	2022 £
Interest payable on loans from group undertakings	2,467,389	2,622,478

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

10. Taxation

	2023 £	2022 £
Corporation tax		
Adjustments in respect of previous periods	-	-
Group taxation relief	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of timing differences	182,241	(1,019,932)
Adjustments in respect of prior periods	(46,482)	1,058,609
Effect of tax rate change on opening balance	-	934,878
	<hr/>	<hr/>
Total deferred tax	135,759	973,555
	<hr/>	<hr/>
Taxation on profit/(loss) on ordinary activities	135,759	973,555
	<hr/>	<hr/>

The Finance Act 2021 legislated to increase the standard rate of corporation tax to 25% from 1 April 2023 for all companies/groups with taxable profits over £250k.

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%). The differences are explained below:

	2023 £	2022 £
Profit/(Loss) on ordinary activities before tax	696,140	(1,102,158)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	132,267	(209,410)
Effects of:		
Deferred tax not recognised	(237,357)	(896,495)
Fixed assets differences	183,427	173,977
Expenses not deductible for tax purposes	3,116	4,548
Income not taxable for tax purposes	-	(4,801)
Adjustments to brought forward values	-	(362)
Adjustments to tax charge in respect of prior periods	100,704	633,125
Adjustments to tax charge in respect of prior periods – deferred tax	(46,482)	1,058,609
Group relief surrendered	-	214,364
Other permanent differences	84	-
	<hr/>	<hr/>
Total tax charge for the year	135,759	973,555
	<hr/>	<hr/>

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

11. Intangible assets

	Other intangibles £	Goodwill £	Total £
Cost			
At 1 April 2022 and 31 March 2023	100,000	557,161	657,161
Amortisation			
At 1 April 2022	61,858	332,745	394,603
Charge for the year	15,253	81,443	96,696
At 31 March 2023	77,111	414,188	491,299
Net book value			
At 31 March 2023	22,889	142,973	165,862
At 31 March 2022	38,142	224,416	262,558

The Hoxton (Holborn) Limited

Notes to the financial statements (continued)
for the Year ended 31 March 2023

12. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2022	63,478,134	1,452,723	2,793,471	372,655	17,563	68,114,546
Additions	-	-	63,011	15,259	212,729	290,999
Transfers	-	-	8,854	-	(8,854)	-
At 31 March 2023	63,478,134	1,452,723	2,865,336	387,914	221,438	68,405,545
Depreciation						
At 1 April 2022	6,649,670	814,878	1,415,374	337,317	-	9,217,239
Charge for the year	1,070,050	89,834	294,157	30,096	-	1,484,137
At 31 March 2023	7,719,720	904,712	1,709,531	367,413	-	10,701,376
Net book value						
At 31 March 2023	55,758,414	548,011	1,155,805	20,501	221,438	57,704,169
At 31 March 2022	56,828,464	637,845	1,378,097	35,338	17,563	58,897,307

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

13. Stocks

	2023 £	2022 £
Consumables stores	86,660	102,033

Stock recognised in cost of sales during the year as an expense was £1,517,734 (2022: £908,058).

14. Debtors

	2023 £	2022 £
Trade debtors	84,209	163,405
Amounts owed by group undertakings	29,836	79,053
Other amounts owed by group undertakings	709,629	709,629
Other debtors	46,551	56,704
Prepayments	934,482	62,584
Amounts owed by related parties	-	7,388
	1,804,707	1,078,763

Amounts owed by group undertakings are non-interest bearing and are repayable on demand.

Other amounts owed by group undertakings relate to group relief payments. These balances are non-interest bearing and are repayable on demand.

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	877,072	103,124
Amounts owed to group undertakings	59,052,379	65,565,328
Other amounts owed to group undertakings	520,047	520,107
Other taxation and social security	69,314	89,531
VAT creditors	698,597	322,272
Other creditors	6,472	56,113
Accruals and deferred income	645,727	968,813
Amounts owed to related parties	4,499,234	538,548
	66,368,842	68,163,836

Amounts owed to group undertakings are interest bearing at a fixed interest rate of 4%, are unsecured and fall due within one year.

Other amounts owed to group undertakings relate to group relief payments. These balances are non-interest bearing and are repayable on demand.

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

16. Deferred taxation

	2023 £	2022 £
At beginning of year	(2,875,390)	(1,901,835)
Charged to statement of comprehensive income	(135,759)	(973,555)
At end of year	(3,011,149)	(2,875,390)
The provision for deferred taxation is made up as follows:	2023 £	2022 £
Fixed asset timing differences	(3,036,034)	(2,875,390)
Short term timing differences	24,327	-
Losses and other deductions	558	-
	(3,011,149)	(2,875,390)

17. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,000 A Ordinary shares of £1 each	1,000	1,000

At 31 March 2023, 100% of the A Ordinary shares are held by Newco NHL UK (17) Limited

18. Reserves

Share capital

Share capital represents the nominal value of the shares issued.

Accumulated losses

This represents cumulative profits or losses, net of dividends paid and other adjustments.

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

19. Capital commitments

At 31 March 2023 the company had capital commitments as follows:

	2023 £	2022 £
Contracted for but not provided in these financial statements	104,207	51,160

The capital commitments at both year ends are in relation to an extension and refurbishment project undertaken at the hotel.

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £73,232 (2022: £45,492). Contributions totalling £43,066 (2022: £13,451) were payable to the fund at the reporting date.

21. Contingent liabilities

The company is a guarantor to a £259.1m (2022: £299.9m) bank loan facility taken out by the immediate parent company, Newco NHL UK (17) Limited. The available loan was drawn down to the extent of £134m as at March 2023.

On 10 March 2023, the group's loan facility was refinanced at comparable market rates. The new loan facility is repayable in full in December 2023 with an extension option available for another year.

22. Related party transactions

At 31 March 2023, the company owed its parent company, Newco NHL UK (17) Limited, £58,886,134 (2022: £65,565,328). Interest of £2,467,389 was charged on this balance during the year (2022: £2,622,478).

At 31 March 2023, the company was owed £29,836 by other subsidiaries of the Norlake Hospitality group (2022: £79,053). The company also owed £166,245 to other subsidiaries of the Norlake Hospitality group (2022: £301,449).

At 31 March 2023, the company was owed £709,629 from subsidiaries of the Norlake Hospitality group in respect of group relief payments (2022: £709,629). This amount is included under other amounts owed by group undertakings.

At 31 March 2023, the company owed £520,047 to other subsidiaries of the Norlake Hospitality group in respect of group relief payments (2022: £520,107). This amount is included under other amounts owed to group undertakings.

Norlake Hospitality Limited, the parent company of Newco NHL UK (17) Limited, charged the company £28,800 during the year in respect of expense recharges (2022: £180,870). This amount is included under amounts owed to group undertakings.

The company is related to Ennismore International Management Limited (Ennismore) by virtue of the fact that Ennismore and the company have a common director. During the year, Ennismore charged the company £6,169,402 (2022: £716,768) in respect of management and other services and £430,882 (2022: £145,508) in respect of expense recharges. At 31 March 2023, the company was owed £nil from Ennismore (2022: £nil). At 31 March 2023, the company owed £4,499,234 to Ennismore (2022: £531,160).

The Hoxton (Holborn) Limited

Notes to the Financial Statements (continued) for the Year ended 31 March 2023

23. Controlling party

The company is an immediate subsidiary undertaking of Newco NHL UK (17) Limited, a company registered in England and Wales. The ultimate parent company is Bharti Overseas Private Limited. In the opinion of the directors there is no single ultimate controlling party.

The largest group in which the results the company are consolidated is that headed by Bharti Overseas Private Limited, a company incorporated in India. Copies of the Bharti Overseas Private Limited consolidated accounts are available to the public and may be obtained from the Ministry of Corporate Affairs, India. The smallest group in which the results are consolidated is that headed by Newco NHL UK (17) Limited, a company registered in England and Wales. The consolidated accounts of Newco NHL UK (17) Limited are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.